



---

**CITY COUNCIL AGENDA ITEM**

---

**TO:** Mayor & City Council

**DATE:** July 25, 2013

**FROM:** John McDonough, City Manager

**AGENDA ITEM:** CH2MHill Incentive Application

**MEETING DATE:** For Submission onto the August 6, 2013, City Council Regular Meeting Agenda

---

*BACKGROUND INFORMATION: (Attach additional pages if necessary)*

See attached:

Memorandum  
Application

---

APPROVAL BY CITY MANAGER:   JMN   APPROVED

PLACED ON AGENDA FOR:   8/6/2013  

CITY ATTORNEY APPROVAL REQUIRED: (  ) YES (  ) NO

CITY ATTORNEY APPROVAL:   LMY  

REMARKS:



To: John McDonough, City Manager

From: Andrea Hall, Economic Development Director

Date: July 24, 2013 for Submission onto the August 6, 2013 City Council Meeting  
Agenda

Subject: CH2M HILL Inc. Incentive Request

---

***Background:***

On October 4, 2011, the City Council adopted the Economic Development Incentive Policy. Pursuant to the policy, CH2M HILL Inc. submitted an application to receive a waiver of building and impact permit fees and a two year waiver of business occupational taxes for a potential relocation and consolidation at 6600 Peachtree Dunwoody Road.

***Discussion:***

The capital investment being made by CH2M HILL Inc. in tenant improvements for the build out of 85,000 square feet is estimated at approximately \$2.0 million, not including furniture, fixtures and equipment. If this location is chosen, CH2M HILL Inc. will be required to submit the contractor estimate of build out prior to the City Manager executing an incentive agreement. The project is expected to be complete April 2014.

The company is considering consolidating its Atlanta area office space into a single location. One of the locations under consideration is in Sandy Springs (6600 Peachtree Dunwoody Road). Should the company choose the Sandy Springs location, they will commit to a minimum of a seven year lease, retaining 381 employees in Sandy Springs, relocating 85 to the City from elsewhere in the metro area, and adding more than 15 new employees, for a total of 445 employees in the City. These employees would have an average salary above the \$66,092 the average wage level for Sandy Springs.

The CH2M HILL Inc. \$2 million capital investment and number of jobs meets the qualifications for Tier II incentives, which call for a capital investment between \$1 million - \$5 million and between 26 - 99 jobs at or above the average wage level. Tier II incentives provide for a waiver of permit and impact fees and a two year waiver of business occupational taxes as noted below:

Building permit fee waiver:	\$10,042.00
Projected business occupational tax waiver 2014:	<u>\$55,000.00</u>
Value of 2014 incentives:	\$65,042.00
Projected business occupational tax waiver 2015:	<u>\$55,000.00</u>
Total projected value of all incentives:	\$120,042.00

Pursuant to the Incentives Policy, a public hearing is required prior to action by the City Council on the CH2M HILL Inc. application.

***Recommendation:***

Staff recommends approval of the CH2M HILL Inc. incentives application and authorization for the City Manager to execute an agreement with CH2M HILL Inc.

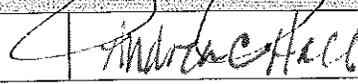
***Attachments:***

Application for Incentives



**CITY OF SANDY SPRINGS, GEORGIA  
ECONOMIC DEVELOPMENT INCENTIVE POLICY**

**APPLICATION COVER**

<b>Firm Name:</b>	CH2M HILL, Inc.	<b>Date of Submission:</b>	July 8, 2013
<b>Number of Jobs:</b>	100		
<b>Amount of Capital Investment:</b>	\$5,000,000		
<b>Level of Incentive Requested:</b>	Tier III		
<b>Description of Project:</b> <i>(Attach additional pages as needed to fully explain your request.)</i>	<p>CH2M HILL, Inc. (CH2M) is contemplating consolidating its office space in the Atlanta metropolitan area to a single location. CH2M currently leases office space in Sandy Springs employing approximately 345. One option is to relocate within Sandy Springs and lease additional space to house an additional 100 people (for a total of 445). The average wage of the additional employees is at least \$66,000.</p> <p>CH2M estimates that their construction costs for the new space will be \$2,000,000 plus an additional \$885,000 in soft costs. In addition, CH2M estimates their fixed asset expenditures will be \$3,000,000 over the next three years.</p> <p>As such, CH2M would like to request a 100% waiver of their business occupation taxes for three years. In addition, CH2M would like assistance from the City in expediting the permitting process and waiver of permit/impact fees.</p>		
<b>Submitted by:</b>		<b>Title:</b>	VP/Director - Tax
<i>For internal use only</i>			
<b>Reviewed by:</b>		7/24/2013	

## Hall, Andrea

---

**From:** O'Toole, Jim <Jim.O'Toole@mcgladrey.com>  
**Sent:** Tuesday, July 09, 2013 4:06 PM  
**To:** Hall, Andrea  
**Subject:** RE: Incentives Application

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Andrea,

Please see my comments in red below.

Thanks

**Jim O'Toole**  
Director – State and Local Tax Services  
McGladrey LLP

555 17<sup>th</sup> Street, Suite 1000, Denver, CO 80202  
P: 303-298-6458 F: 303-298-6401 VOIP: 256458



Experience the Power of Being Understood.™

---

**From:** Hall, Andrea [<mailto:AHall@SandySpringsga.gov>]  
**Sent:** Tuesday, July 09, 2013 8:09 AM  
**To:** O'Toole, Jim  
**Subject:** RE: Incentives Application

Good morning Jim. I received the application. I will need some additional items before I can process:

What is the estimated square footage to occupy and build out? 85,000 to 90,000 square feet  
What is the location to move to? What is estimated time of move-in? 6600 Peachtree Dunwoody Road. April 2014  
I need a copy of the contractor estimate of build out, showing tenant improvement costs and break out for FF&E. Too early in the process at this point. The application has their estimate of these costs. We can provide once available. Amounts shouldn't vary significantly from their estimates.

I will also need to schedule a meeting with you and or company representatives to review average salary information. Please do not send confidential salary information – a meeting for me to review in person will be sufficient. Once I have reviewed, I will note it for the City's records. Lets discuss this step further.

Thank you.

**Andrea Hall**  
Economic Development Director  
City of Sandy Springs  
7840 Roswell Road, Building 500  
Sandy Springs, GA 30350  
P) 770-206-1570  
[www.sandyspringsga.gov](http://www.sandyspringsga.gov)