

AGENDA ITEM SUMMARY

April 18, 2017

City Council

STAFF

Josh Birks, Economic Health Director

SUBJECT

Second Reading of Ordinance No. 051, 2017, Appropriating Prior Year Reserves in the General Fund to Support the Idea 2 Product 3D Printing Community Center.

EXECUTIVE SUMMARY

This Ordinance, adopted on First Reading on March 21, 2017 by a vote of 6-0 (Troxell recused), appropriates General Fund Reserves to support the relocation of the Idea 2 Product (I2P) laboratory and develop a 3D Printing Community Center. The City through the proposed appropriation will pledge \$150,000 to support the relocation and construction of the 3D Printing Community Center within the Fort Collins community. The funds will be pledged contingent upon the ability of I2P, the operator of the 3D Printing Community Center, to raise a total (including the City's pledge) of \$3.0 million from private sources, other communities, and grants. The pledge will terminate at the end of 2017 unless I2P has successfully raised funds and may be renewed at City Council's option in future years.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. First Reading Agenda Item Summary, March 21, 2017 (w/o attachments) (PDF)
2. Ordinance No. 051, 2017 (PDF)

AGENDA ITEM SUMMARY

City Council

March 21, 2017

STAFF

Josh Birks, Economic Health Director

SUBJECT

First Reading of Ordinance No. 051, 2017, Appropriating Prior Year Reserves in the General Fund to Support the Idea 2 Product 3D Printing Community Center.

EXECUTIVE SUMMARY

The purpose of this item is to present City Council with an Ordinance appropriating General Fund Reserves to support the relocation of the Idea 2 Product ("I2P") laboratory and develop a 3D Printing Community Center. The City through the proposed appropriation will pledge \$150,000 to support the relocation and construction of the 3D Printing Community Center within the Fort Collins community. The funds will be pledged contingent upon the ability of I2P, the operator of the 3D Printing Community Center, to raise a total (including the City's pledge) of \$3.0 million from private sources, other communities, and grants. The pledge will terminate at the end of 2017 unless I2P has successfully raised funds and may be renewed at City Council's option in future years.

STAFF RECOMMENDATION

Staff recommends adoption of this Ordinance on First Reading.

BACKGROUND / DISCUSSION

This funding will accelerate innovation, commercialization and entrepreneurship in Fort Collins by expanding City support of the I2P Lab currently housed on the Colorado State University (CSU) campus.

History of Idea 2 Product

Three years ago Colorado State University (CSU) created the I2P lab with the intention of providing support for innovators in the community. Since opening, I2P has leveraged City cluster funding to enable nearly 2,000 user sessions and trained nearly 500 new users in 3D printing and scanning. Established companies and individual entrepreneurs alike have developed products and prototypes accelerating their innovation and commercialization capability. There are numerous stories about the success of the current I2P lab.

The I2P Lab has received assistance through the Economic Health Office (EHO) industry cluster grant program in both of the last two years totally \$34,000. I2P has been tentatively awarded \$20,000.

Future Plans

I2P has been a huge success on the CSU campus; however, it has not had the community reach stated in its goals. In order to connect better with the entrepreneurial community and private businesses, I2P would like to develop an off-campus 3D Printing Community Center. This center would provide a wide range of 3D printing solutions. The facility will:

- Move off CSU campus in downtown (location TBD), close to public transportation, while maintaining a strong CSU connection and remaining a CSU entity. The current I2P Lab would move.

- Expand I2P's community, directly enabling the "grow your own" theme adopted by the City of the 2015 Economic Health Strategic Plan - expanding workforce development, business incubation and enhancing downtown economic viability. Fort Collins maker group is eager to use I2P II. I2P II would host STEM groups, artist guilds, and any other groups. Funds from this offer would enable marketing.
- Add new fabrication capabilities for corporate and entrepreneurial users through donations and acquisition, i.e., more advanced 3D printing and mold-making.
- Provide small office/conference spaces available to frequent users (rented monthly).
- Expand training programs offered by I2P for the community.

Proposed Funding

This Ordinance will provide City support of the construction of a 3D Printing Community Center off the CSU campus. This expansion has the intent of broadening the lab's reach to more local and regional companies and entrepreneurs. This will enable the lab to enhance its educational and workforce training programs and provide advanced fabrication capabilities.

The Ordinance will match funds raised from private sources, other communities, and an anticipated grant from the Office of Economic Development and International Trade (OEDIT) to be submitted in the second quarter of 2017. The grant application will request \$1.5 million in Advance Industry Infrastructure funds to support the construction of the new lab. The OEDIT grant has a matching requirement of 1 to 1. Therefore, I2P plans to raise the remaining funds from two sources -fundraising (private sources and other communities) and this City commitment.

Currently, I2P has projected fundraising of \$850,000 from a number of sources. The City's funds will be pledged and contingent upon I2P raising the remaining funds and/or receiving the OEDIT grant. If unsuccessful, the City's funds can be released and used for another purpose. I2P anticipates having word on the remaining funds and grant by June 31, 2017.

Financial Commitment: Terms & Conditions

This Ordinance appropriates \$150,000 to support the proposed 3D Printing Community Center. The commitment will be codified with a Grant Agreement (similar to those provided to Industry Cluster Grant recipients) and include the following terms and conditions:

- The funds will be pledged with the intent to support the 3D Printing Community Center and not any other activities of I2P (the current activities of I2P may be supported through the Industry Cluster Grant process, which will be kept separate from this pledge);
- The funds will only be made available to I2P upon successfully raising \$3.0 million (including the City's pledge);
- The pledge will terminate at the end of 2017 unless I2P has successfully raised the necessary funds
- The City Council may elect to renew the pledge by re-appropriating the funds in 2018, through the 2018 appropriation process, or by considering another appropriation ordinance in 2018.

Current Funding Status

I2P is currently fully engaged in a process to raise funds that will allow the lab to move off CSU's campus and increase its visibility and access to private companies and entrepreneurs. The goal is to raise \$3.0 million, which will provide both the capital and operating funds to move the lab and begin operating in a new environment.

Currently, I2P is confident of \$850k in matching funds for a \$1.5 million Office of Economic Development and International Trade (OEDIT) grant proposal that will be submitted later this year. This leaves a gap of approximately \$650,000 to reach the stated \$3.0 million goal. The City's funds would help close the gap significantly. The City's funds would be contingent upon receiving the grant and raising the remaining matching funds.

CITY FINANCIAL IMPACTS

This Ordinance will appropriate \$150,000 of General Fund Reserves to be pledged to the support of a 3D Printing Community Center. The funds will only be expended if I2P is successful at raising the balance of \$3.0 million from private sources, other communities, and grants. If at the end of 2017, the funds have not been expended they will revert back to the General Fund balance. City Council may elect to re-appropriate the funds in 2018.

BOARD / COMMISSION RECOMMENDATION

No board or commission recommendations.

PUBLIC OUTREACH

Public outreach was completed as part of the 2017/2018 Budgeting for Outcomes process. No additional public outreach was done on this stand-alone appropriation request.

ATTACHMENTS

1. Power Point Presentation (PDF)

COPY

ORDINANCE NO. 051, 2017
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES
IN THE GENERAL FUND TO SUPPORT THE IDEA 2 PRODUCT 3D PRINTING
COMMUNITY CENTER

WHEREAS, the purpose of this item is to appropriate \$150,000 from the General Fund Reserves to support the relocation of the Idea 2 Product (“I2P”) laboratory and the construction of a 3D Printing Community Center within the Fort Collins community; and

WHEREAS, this funding will be used to accelerate innovation, commercialization and entrepreneurship in Fort Collins by expanding City support of the I2P Lab currently housed on the Colorado State University campus; and

WHEREAS, the provision of these funds is contingent upon the ability of I2P, the operator of the 3D Printing Community Center, to raise a total (including the City's pledge) of \$3.0 million from private sources, other communities, and grants, including an anticipated grant of \$1.5 million from the Office of Economic Development and International Trade to be submitted in the second quarter of 2017; and

WHEREAS, the funds will only be made available to I2P upon successfully raising \$3.0 million and are pledged with the intent to support the 3D Printing Community Center and not any other activities of I2P; and

WHEREAS, the pledge will terminate at the end of 2017 unless I2P has successfully raised funds, however, this funding may be reappropriated at City Council's discretion in future years; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, City staff have determined that the appropriations as described herein are available and previously unappropriated in the General Fund; and

WHEREAS, the City Council hereby finds that providing these funds to I2P will serve the public purposes of expanding workforce development in the community, assisting in business incubation within the City, and enhancing the Downtown’s economic viability by helping to make this advanced technology more readily and easily available to local and regional companies and entrepreneurs.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) for the I2P laboratory and 3D Printing Community Center.

Introduced, considered favorably on first reading, and ordered published this 21st day of March, A.D. 2017, and to be presented for final passage on the 18th day of April, A.D. 2017.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 18th day of April, A.D. 2017.

Mayor

ATTEST:

City Clerk