



LARIMER COUNTY POLICIES

BOARD OF COUNTY COMMISSIONERS

SUBJECT: BCC Policy #09032013P001

ECONOMIC DEVELOPMENT INCENTIVE POLICY FOR LARIMER COUNTY

REVISION DATE: August 15, 2013

REVIEW: Annually - August

CANCELLATION: Economic Development Policy, dated January 21, 2003, BCC
P#01212003P001

CONTACT: Economic Development Manager/Enterprise Zone Administrator/Workforce
Investment Board Liaison

ATTACHMENTS: None

REFERENCE:

- A. Governing Policies Manual; [4.3 – Jobs and Economic Vitality](#)
- B. Board of Commissioners Policy [BCC P#18 – A Right to Farm and Ranch Policy](#)

REVISION LOCATOR:

- 1. All Sections

PURPOSE: To articulate the Policy of the Board of County Commissioners regarding response to economic development issues and incentives.

POLICY:

I. ECONOMIC DEVELOPMENT INCENTIVE POLICY

- A. Larimer County supports the development of a sustainable, self-reliant local economy that meets present needs while addressing possible needs of future generations (reference A). Achieving this goal will deliver the following benefits:
 - 1. Availability of productive, rewarding job opportunities for residents of Larimer County.

2. Preservation and enhancement of a diversified, vital local economy.
 3. Stabilization of economic cycles.
 4. Generation of adequate public and private resources to support essential services and infrastructure for County residents.
- B. Such economic development would support existing businesses and retain existing employment, as well as foster new employment opportunities for Larimer County.
- C. The role of County government is to support and facilitate other public and private economic development efforts when appropriate and requested. Potential tools include:
1. Tax Incentives
 2. Right to Farm Policy (reference B)
 3. Workforce Development
 4. Demographic, Economic, and Labor Market Information
 5. Larimer / Weld Business Loan Fund
 6. Larimer County Enterprise Zone Program
- D. The Larimer County Board of Commissioners has the ability to offer business incentives that help to achieve its economic development goals (reference A). According to Colorado State Statute, the Larimer County Board of Commissioners may negotiate corporate property tax rebates. Larimer County’s policy for qualifying companies is to rebate up to 50% of personal property taxes for up to five years. Business Incentive proposals are evaluated on the overall economic impact to Larimer County-including the amount of capital investment, employment growth, and wage levels for jobs being created.

Factors that influence a company’s consideration for business personal property tax rebates include:

1. The company’s average wage at a level above the Larimer County average annual wage as reported by Colorado LMI Gateway¹.
2. Capital investment of at least \$1 million.
3. The creation of at least 10 new jobs, or the addition of 10% of the current workforce at the company, or the retention of the company in Larimer County.
4. The company falls into one of the State of Colorado’s 14 Key Industries.

Advanced Manufacturing	Financial Services
Aerospace	Food & Agriculture
Bioscience	Health & Wellness
Creative Industries	Infrastructure Engineering
Defense & Homeland Security	Technology & Information
Electronics	Tourism & Outdoor Recreation
Energy and Natural Resources	Transportation & Logistics

¹ www.colmigateway.com

5. The company is in active negotiation stages of a relocation or expansion process.
6. The company agrees to work with the Workforce Center and/or other Larimer County organizations.
7. The company is aligned with the environmental values of the Larimer County Board of Commissioners.
8. If the proposed site for the business is located within a municipality that has established significant property tax increment financing districts, significant revenue share-back agreements are in place consistent with the County's philosophy regarding Tax Increment Financing as enumerated on page 4 of this Policy.

All incentives are considered on a case by case basis; however, the aforementioned factors will play a critical role in the Larimer County Board of Commissioners' decision. Incentives will only be considered prior to a company making a final site location decision.

- E. Larimer County will work with regional economic development organizations and municipal partners to bring any other relevant economic development assistance to the company's attention. Larimer County is committed to partnerships that meet the needs of the current and future Larimer County citizens.

II. ABOUT THE LARIMER / WELD BUSINESS LOAN FUND

The Larimer/Weld Business Loan Fund (BLF) was established to assist with the financial needs of companies expanding or locating in Larimer or Weld County.

The BLF can provide short-term financing for up to 45% of project costs, and may assume a second or third collateral position in order to leverage other lender involvement. The minimum loan amount is \$25,000. Based on the financial needs of the applicant, the use of the borrowed funds and the borrower's credit history, typical terms will be for a term of 5-7 years and interest rates are based on the prime rate.

Find more information at the link below:

<http://www.upstatecolorado.org/business/weld-larimer-fund-page.php>

III. ABOUT THE LARIMER COUNTY ENTERPRISE ZONE PROGRAM

- A. Colorado's Enterprise Zone (EZ) program provides tax incentives to encourage businesses to locate and expand in designated economically distressed areas of the state. The program encourages job creation and capital investment by providing tax credits to businesses and projects which promote and encourage economic development activities within the Enterprise Zone. Larimer County actively encourages businesses to use the EZ program to facilitate economic development and business growth, and job creation (reference A).

- B. Below is a link to the Colorado Enterprise Zone website, which includes a description of each tax credit and a link to the statute, the regulation, the FYI publication, and the paper tax credit form for each tax credit. Please visit the Enterprise Zone Tax Credits home page for updates on new Enterprise Zone (EZ) program changes or announcements, or to request certification of an EZ business tax credit online.

Find more information at the link below:

<http://www.advancecolorado.com/funding-incentives/incentives/enterprise-zone-tax-credits/tax-credits>

IV. LARIMER COUNTY PHILOSOPHY REGARDING TAX INCREMENT FINANCING (TIF)

- A. In the spirit of partnership, the County desires to establish a clear understanding between Larimer County and the municipalities therein in regards to the use of Tax Increment Financing (TIF) for economic development. The County supports the selective use of TIF for urban renewal. However, cumulative, incremental TIF decisions can have severe financial ramifications for the County. Understanding the potential negative and positive impacts TIF may have, Larimer County supports a balanced approach to the use of this powerful tool. That balance must recognize the potential for detriment to the County itself and to the services provided to residents.
- B. As such, Larimer County has three tenets that constitute an operating philosophy for the use of TIF:
1. Given that the County is asked to forgo the incremental increase in property tax, the municipality with which we partner should forgo a portion of sales tax generated from the project. In other words, the County should not be the only entity redirecting a primary revenue source over the long-term to support redevelopment.
 2. The economic model used to estimate the financial impact to the County should take into account all of the additional services that the County must provide as a result of the project. It is important that our partners understand that the County cannot absorb additional costs without added revenue. Should the County be saddled with additional costs, there must be a revenue component that “makes the County whole” on the project, i.e. is revenue neutral.
 3. The County targets a cap of 50% of the incremental property tax generated as a maximum level of the County’s contribution. This will help to offset the cost to the County for the additional services it is required to provide as a result of the project.
- C. Larimer County government is committed to smart economic and community development based on regional cooperation and partnerships. The County understands that proper economic development supports job creation and wealth generation, grows the tax base, and increases the quality of life for Larimer County residents. Larimer County is committed to doing its part to contribute to the greater good of Northern Colorado, and recognizes the importance of being a regional partner on economic and community development initiatives.

Adopted this 3rd day of September, 2013

Steve Johnson, Chair
Larimer County Board of County Commissioners
(BOCC approval and signature – Consent Agenda – 09/03/2013)

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