

# **Lincoln County, Colorado**

## **Economic Development Incentive Policy**

### **Purpose**

This Economic Development Incentive Policy is adopted to provide incentives for the expansion of existing businesses within Lincoln County Colorado and to encourage the location of new businesses within the County, thereby stimulating the local economy by providing additional employment opportunities and expanding the tax base required to provide County services. This Policy does not commit the County to providing economic incentives in every instance, nor does it restrict the County from providing additional incentives in a specific instance. The Policy contains specific criteria, guidelines and procedures necessary to effectively and fairly administer economic development incentives.

### **Eligibility Criteria**

Economic Development Incentives shall be available to any new or expanding business that meets the following criteria:

#### **Job Creation**

- Business must create a minimum of 5 new full time jobs or have an increase of 10% (but not less than 1 new full-time employee) over the base number of persons employed at the facility; and
- Average annual wages paid to full-time employees shall be equal to or greater than county average individual wage by industry (as documented by Colorado Department of Labor and Employment).

#### **Capital Investment**

- Business must invest at least \$250,000 in the facility, or an investment of an amount less than \$250,000 will qualify if such investment is at least equal to one-third of the market value of the existing facility located within the County limits.

#### **Incentives**

Incentive Agreements are limited to four (4) consecutive years. Lincoln County may include in Incentive Agreements the requirement that a business remain in Lincoln County for a specific period beyond the incentive period or repayment of incentives will be required. Companies that continue to expand may re-apply for new Incentive Agreements. For expansions, incentives are calculated based on the amount of each new investment. New or expanding businesses that meet the Eligibility Criteria may apply for the following incentives.

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Tax Refunds Based on Capital Investment:

Investment	Ranking Index	Sales Tax	Percentage of Real Property	Refund of Taxes Paid Personal Property
\$5 million or more	1	80	80	50
\$2.5 million to \$5 million	2	70	70	40
\$250 thousand to \$2.5 million	3	60	60	30
Equal to one third of the market value	4	50	50	30

The County may negotiate additional incentives, including:

- Discounted Purchase Price for Land owned by the County;
- Application for Grants for Infrastructure Improvements (i.e. roads, relocation of utilities, capacity expansion of existing utilities);
- Industrial Revenue Bonds - the County may issue IRBs for a business to finance land acquisition, the construction of buildings and the purchase of equipment. Lincoln County shall assume no financial obligation for repayment; the Applicant must establish that it has the financial resources to repay the principal and interest over the life of the bonds.
- Tax Increment Financing - helps finance the front-end costs of development by allowing the incremental increase in tax revenues from new development to pay for the public investments needed to realize the development.
- Special Improvement District - to finance and build infrastructure improvements with provision for repayment with future property taxes.

**Procedural Guidelines**

Preliminary Review

Prior to submittal of a formal Application, a business may inquire as to its eligibility for economic development incentives based on preliminary employment and capital investment figures. The business shall complete a pre-application form and submit the information to the County Administrator. Staff will review the information submitted and respond to the business regarding apparent eligibility and the potential for incentives under this Policy, if approved by the Board of County Commissioners. The response from Staff shall in no way represent definitive findings or be seen as an expression of intent or obligation of the Board of County Commissioners to favorably consider or approve a formal request for incentives. The pre-application form and Staff response shall be deemed to be proprietary business information and shall be kept confidential.

Formal Application

The County will consider economic development incentives for businesses that submit a complete Application and provide such additional information as may be reasonably requested. The Application shall include the following information:

- Name and address of business, principal owners and officers, contact person, telephone and fax numbers.
- A general description of the nature of the business, business history and experience.
- Name and address of the owner of the land and building occupied or to be occupied by the business.
- A general description of the proposed building project or improvements, including estimated capital costs.
- A site plan of the proposed building project or improvements.
- If the Applicant is an existing business, average total monthly employment figures for the past 12 months.
- Number of new jobs (FTE) to be created by type or position and an estimate of wages/earnings of these jobs.
- If tax refunds are being requested, certification from the Zone Administrator of the East Central Colorado Enterprise Zone that the new business or the expansion of an existing business would constitute a "new business facility" in an enterprise zone as defined by C.R.S. 39-22-508.2(3), excluding subparagraph (b).
- If tax refunds are being requested, a written representation by the Applicant that it will qualify for an income tax credit pursuant to C.R.S. 39-30-105.
- Statement of how the proposed business will maintain or enhance the quality of life and provide social, economic, or cultural benefits to the community.
- Statement that the business operation will not detract from the Town's or the County's aesthetic environment (addresses odor, noise, water quality, smoke, heat, glare vibration, lighting, etc.).
- Economic impact analysis conducted by independent party (i.e. Lincoln County Economic Development Corp.).

#### Application Review Procedures

- Staff reviews Application for completeness and places the application on the Board of County Commissioners Agenda.
- The Board of County Commissioners reviews the analysis of the costs and benefits and receives comments from the Applicant and the general public at a public meeting. The Board of County Commissioners will take formal action on the Application and, if approved, will direct the preparation of a resolution setting forth the terms of the economic incentive agreement. Final approval shall be in the form of a resolution.

#### Monitoring Review

Each incentive agreement shall be subject to an annual review by Staff to determine if the business continues to meet all eligibility criteria and remains in compliance with the terms and conditions of the resolution. The Economic Incentive Agreement may be terminated by the Board of County Commissioners if the business fails to continue to meet the Eligibility Criteria.