



Primary Employer and Commercial and Retail Development Incentive Policy 2020

PRIMARY EMPLOYER INCENTIVE POLICY

In an effort to encourage high quality, **primary job creation** and private sector investment, the Town of Berthoud has established the following incentive policy. The incentives described will be available on a case-by-case basis to new or existing “primary” employers, as defined as companies engaged in manufacturing, distribution, research, and development or other business activity which export more than 50% of their goods/services outside of Larimer County.

Eligibility Requirements

The applicant must be a **primary employer** able to do business in the State of Colorado. Any request by a qualified company must be consistent with the Town of Berthoud comprehensive plan as adopted and in effect at the time of application. All incentivized projects must meet the requirements set out by the Town, including, but not limited to:

1. The project must be located within the Berthoud Town limits
2. Creation of primary jobs with a facility-wide aggregate payroll equal to at least 100% of County average for all new hires
3. Minimum capital investment of \$500,000
4. Pay 80% facility-wide aggregate of health insurance premiums
5. Provide company information for an Economic Impact Analysis, to be conducted by the town. The results of the Economic Impact Analysis must show a positive net new revenue impact to the Town of Berthoud.
6. The company must provide the Town a copy of the project budget for relocation and/or expansion.
7. The company must provide ongoing company information for monitoring purposes at least twice a year for the duration of the incentive. Upon incentive approval by the Berthoud Town Board, the company will be required to enter into an agreement with the Town, guaranteeing that mutually agreed upon investment/jobs will be created within a minimum of three (3)

years and a maximum of ten (10) years. If the company is unable to achieve guaranteed results as outlined by the performance agreement, the Town of Berthoud reserves the right to restrict incentive payments on either a full or prorated basis as established in a performance agreement. Personal Guarantee of repayment obligations may be required.

Application Procedures

The Business Development Manager shall provide potential applicants with pre-application and Economic Impact Analysis forms. Initial contact for application may also be done by phone or in person with the Business Development Manager. Company information provided for the Economic Impact Analysis must be current and will not be valid if the information is more than 120 days old from the date on the application.

Pre-applications will be reviewed by Town staff. If the project appears to meet the eligibility requirements of the Town's Incentive Policy, the applicant will receive written notice and a request to submit a final application including a written request to the Town Manager.

Final applications approved by the Town staff shall be presented to the Town Board as scheduled by the Town Administrator.

Possible Incentives

Development Fees, Sales & Use Taxes: The following fees and/or taxes may be waived, deferred or reimbursed in full or in part upon approval of the Town Board. These Include:

- Town construction materials use tax, one (1) month after completion of construction
- Town Sales taxes paid on fixed asset purchases, one (1) month after purchase of the assets
- Town administrative portion of the building permit fee, one (1) month after completion of the construction

Personal Property Tax Rebate - Pursuant to Section 31-15-903, C.R.S., the Town may rebate up to fifty percent (50%) of property tax revenue received by the Town for up to ten (10) years, attributable to personal property placed into service during the first year of operations.

These incentives will not exceed the fees or taxes due with respect to a particular project. System Impact Fees and Fees related to the City's Utility Enterprises are not eligible.

Public Infrastructure Reimbursements: The Town of Berthoud will review on a case-by-case basis the possible reimbursement of a portion of the costs of public infrastructure requirements as required by the site. The Town, at its discretion, may also consider sites where significant infrastructure improvements exist that act as a burden for reinvestment.

The Town may also apply for Federal and State Grant funds which may be available if deemed appropriate.

Enterprise Zone Tax Benefits: This program is intended to assist with the revitalization of economically distressed areas in Colorado. Companies located in the Town of Berthoud Enterprise Zone are eligible for various state income tax credits. These incentives are dependent on the approval of the local enterprise zone administrator and the State of Colorado Department of Revenue. For a complete list of State of Colorado Enterprise Zone Benefits and the Berthoud Zone Map see the Berthoud Business Development webpage at www.berthoud.org.

Expedited Review: The Town of Berthoud will offer an expedited review process to facilitate the efficient review of the proposed project for qualified businesses.

Regional Relocation: The Town of Berthoud will not generally provide incentives for existing jobs which are relocated from communities within the North Front Range Metropolitan Planning Organization (NFRMPO) area. The Town will consider the provision of incentives to companies located in the NFRMPO area if a minimum of twenty (20) net new jobs will be created as a result of relocation or expansion into Berthoud.

Job Verification: Recipients of an Economic Incentive from the Town of Berthoud will be asked to submit employment verification information twice a year (on or before July 15 and January 15) using the Quarterly Combined Wage and Premium Statement submitted to the Colorado Department of Labor, unless otherwise agreed to in the Performance Agreement. The Berthoud Town Administrator or his designee reserves the right to verify employment levels with the Colorado Department of Labor.

Amendment to This Policy

The Berthoud Town Board has the authority to amend these Primary Employer Incentive Program Policy. The Berthoud Town Board may also consider, upon staff recommendation, additional types of requests on a case-by-case basis. Applicants are encouraged to contact the Business Development Manager for more information and a copy of the current policy at the time of application.

Colorado Open Records Law

Colorado Open Records Act applies to all documents, including electronic version of documents submitted to the Town.

Commercial and Retail Development Incentive Policy

To encourage high quality, development and redevelopment of retail and commercial properties within the Town's central business area, particularly along Mountain Avenue (SH 56), the Town of Berthoud has established the following incentive policy.

Eligibility Requirements

The incentives described will be available on a case-by-case basis to new or existing retailers and redevelopers which seek to build new buildings or reuse vacant buildings which were at one time occupied for retail or office purposes

Priority will be given to those retail projects that either (1) fill an identified retail gap, as indicated in the retail leakage analysis, with business sectors as: foodservice and beverage, clothing stores, sporting goods, miscellaneous store retailers, and/or (2) create a redevelopment or infill opportunity along the designated Mountain Avenue Corridor as officially adopted on January 28, 2020 or (3) create a live-work mix use development.

To be eligible for an incentive the project must meet the following criterion.

1. The company must meet with the Business Development Manager or their designee.
2. The company or its representatives must provide company information to the Town of Berthoud, for staff review and analysis in an economic impact model. This model estimates the economic benefits including direct revenues, costs and induced/indirect impact to the community over the proposed incentive performance period or payback period. To be eligible for incentives, a payback period will be no longer than 5 years unless otherwise agreed upon.
3. The results of the Economic Impact Analysis must show a positive net new revenue impact to the Town of Berthoud.
4. The Applicant must submit a letter of Intent to request economic assistance from the Town of Berthoud.
5. There must be a minimum investment of \$100,000 in building and/or equipment during the first year after which application is made for incentives and awarded. This requirement may be waived at the Town's discretion for projects that include redevelopment of an existing property.
6. Upon incentive approval by the Berthoud Town Board, the company will be required to enter into an agreement with the Town guaranteeing that mutually agreed upon investment/sales tax or other outcomes will be created within a specific period. The company will provide information requested by the Town for monitoring of the performance agreement twice a year during the term of the agreement. If the company is unable to achieve guaranteed results, the Town of Berthoud reserves the right to restrict incentive payments on either a full or prorated basis as outlined in a performance agreement. A personal guarantee maybe required for repayment of incentives

Application Procedures

The Business Development Manager shall provide potential applicants with pre-application and Economic Impact Analysis forms. Initial contact for application may also be done by phone or in person with the Business Development Manager. Company information provided for the Economic Impact Analysis must be current and will not be valid if the information is more than 120 days old from the date on the application.

Pre-applications will be reviewed by Town staff. If the project appears to meet the eligibility requirements of the Town's Incentive Policy, the applicant will receive written notice and a request to submit a final application including a written request to the Town Manager.

Final applications approved by the Town staff shall be presented to the Town Board as scheduled by the Town Administrator.

Possible Incentives

Grants, Development Fees, Sales and Use taxes on construction materials: The following fees and/or taxes may be waived, deferred or reimbursed upon approval of the Berthoud Town Board. These include:

1. Construction materials Sales and use taxes, reimbursed within one (1) month of construction completion
2. Building Permit and Inspection Fees, reimbursed within one (1) month of issued of permit

This incentive will not exceed the fees or taxes due with respect to a project. System Impact Fees and Fees related to the Town's Utility Enterprises are not eligible.

Sales Tax Rebate: The Town Board will consider on a case by case basis a rebate of a portion of sales tax collected by the retailer over a specific period of time not to exceed 5 years or 5% of the overall development project budget.

Façade Improvements: Façade improvements are designed to assist property and business owners along Mountain Avenue in the renovation of building facades in an effort to increase visitor counts, increase sales tax revenues, increase property values, and improve the aesthetics of individual storefronts and the downtown area. Façade reimbursable grants of up to 25% of the total cost of the approved improvement up to a maximum of \$10,000 per façade in accordance with the Project Funding Policy.

Sign Improvements: The Sign Improvement Program is intended to improve the quality and appearance of signage along the Mountain Avenue Corridor and other areas of Town by providing financial assistance to business owners for improvements made to new and existing commercial signage. The intent of this program is for owners to utilize attractive and approved signage for their business and existing business owners to upgrade outdated and legal non-confirming signage by improving the appearance and functionality of signage on commercial buildings. Priority will be given to those businesses located within the Mountain Avenue Corridor Overlay District. Applicants are eligible to receive financial reimbursements of up to 100% of verified, qualified expenditures, not to exceed

\$2,000, towards Town approved, permitted exterior signage, new signage or upgrading existing sign(s), subject to annual appropriations.

Public Infrastructure Reimbursements: The Town of Berthoud will review on a case-by-case basis the possible reimbursement of a portion of the costs of public infrastructure requirements as required by the site. The Town, at its discretion, may also consider sites where significant infrastructure improvements exist that act as a burden for reinvestment.

The Town may also apply for Federal and State Grant funds which may be available if deemed appropriate.

Amendment to This Policy

The Berthoud Town Board has the authority to amend this Commercial and Retail Incentive Policy. The Berthoud Town Board may consider, upon staff recommendation, additional types of requests on a case-by-case basis. Applicants are encouraged to contact the Business Development Manager for more information and a copy of the current policy at the time of application.

Conflict of Interest

Elected and appointed officials and any Town employees, or agents shall not directly or indirectly be eligible for incentives or inducements offered under this program. This prohibition shall continue for twenty-four (24) months after an individual's elected, appointed or employment relationship with the Town concludes.

Colorado Open Records Law

Colorado Open Records Act applies to all documents, including electronic version of documents submitted to the Town.

Approved: January 12, 2021