

# **Town of Haxtun**

## **Economic Development Incentive Policy**

### **Purpose:**

This Economic Development Incentive Policy is adopted to provide incentives for the expansion of existing businesses within the Town of Haxtun and to encourage the location of new businesses within the Town, as well as support real estate development and rehabilitation, thereby stimulating the local economy by providing housing, additional employment opportunities and expanding the tax base required to provide Town services. This Policy does not commit the Town to 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 Categories:**

Economic Development Incentives shall be available in the following categories:

- New business
- Existing business expansion or renovation (including exterior)
- Commercial property owner incentive (i.e. rent property to new or expanding business, commercial development and/or renovation)
- Real estate development/new construction (non personal residence)
- Real estate renovation or property improvement (non personal residence, vacant lot improvements)

### **Possible Incentives:**

- Waiver of Town Property Tax Fees;
- Waiver of Tap Fees for Town Utilities;
- Waiver of Building Permit Fee and Use Tax Fees;
- Infrastructure improvements (i.e. reads, relocation of utilities, capacity expansion of existing Utilities);
- Industrial Revenue Bonds – The Town may issue IRB's for a business to finance land acquisition, the construction of building and the purchase of equipment. The Town reserves the right to asses IRBs inquiries/requests on a case by case bases and shall assume no financial obligation for IRB application process fees or repayment of associated fees. The Applicant shall 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.
- Consideration of a special incentive agreement for a business that proposes improved environmental practices.

**General basis and conditions:**

- The business must provide on-going information upon request of the Town of Haxtun for monitoring purposes. (All company information will be held in strict confidence.) Upon incentive approval by the Haxtun Town Council, the company will be required to enter into an agreement with the Town of Haxtun guaranteeing that mutually agreed to investment/jobs will be created within a specific period of time. If the company is unable to reach guaranteed levels, the Town of Haxtun will have the ability to recover payments and/or incentives on either a full or pro-rated basis.
- The Town may negotiate additional incentives. Job Creation of Two (2) or more new FTEs (Full Time Equivalent) jobs may receive additional incentive.
- Town has the option to resend incentives and collect back fees if objectives are not met.
- All applications will meet prior review of the Haxtun Chamber of Commerce Director and Board of Directors before being presented to the Haxtun Town Council.
- Any taxes waived will be on a year to year bases and limited to FIVE (5) years in business. Companies that continue to expand may re-apply for new incentive agreements.
- Applicant will commit to using the Town owned and provided utilities for the full term of the incentive agreement. Ie. Electric, Water, Sewer and Sanitation.
- This policy is retroactive from January 1, 2012. Applicants applying or re-applying for the period from January 1, 2012 to the date the policy was put in effect will have 60 days to submit an application.

**New Business:**

*Tax Criteria*

Tax Refunds Based on Capital Investment  
Incentive Structure\*\*\*

<u>Investment</u>	<u>Ranking Index</u>	<u>Real Property</u>
\$1 Million or more	1	100
\$250,000 to \$1 Million	2	80
\$100,000 to \$250,000	3	60
Equal to Assessed Value Of existing facility	4	40

Conditions:

- Changes in Colorado tax structure could void the incentive agreement
- Use Tax will be a one-time construction only option
- Ranking Index 1 & 2 will be on a graduated scale. Real Property incentives will be reduced by 20% each year
- No corporate reorganization or sale of business will qualify unless the business has been closed for the previous 24 months.
- Business and commercial incentives based on square foot usage
- All work must meet state, county and town requirements as applicable

**Existing business expansion or renovation:**

*Tax Criteria*

Tax Refunds Based on Capital Investment  
Incentive Structure

<u>Investment</u>	<u>Ranking Index</u>	<u>Real Property</u>
\$1 Million or more	1	100
\$250,000 to \$1 Million	2	80
\$100,000 to \$250,000	3	60
Equal to Assessed Value Of existing facility	4	40

Conditions:

- Changes in Colorado tax structure could void the incentive agreement
- Use Tax will be a one-time construction only option
- Ranking Index 1 & 2 will be on a graduated scale. Real Property incentives will be reduced by 20% each year
- No corporate reorganization or sale of business will qualify unless the business has been closed for the previous 24 months.
- Business and commercial incentives based on square foot usage
- All work must meet state, county and town requirements as applicable

**Commercial property owner incentive:**

*Tax Criteria*

Tax Refunds Based on Capital Investment  
Incentive Structure\*\*\*

<u>Investment</u>	<u>Ranking Index</u>	<u>Real Property</u>
Main Street rental (for new business)	1	100
Main Street revitalization	2	80
Commercial property rental (new/expanding business)	3	60
Commercial property revitalization	4	40

Conditions:

- Changes in Colorado tax structure could void the incentive agreement
- Use Tax will be a one-time construction only option
- Ranking Index 1 & 2 will be on a graduated scale. Real Property incentives will be reduced by 20% each year
- No corporate reorganization or sale of business will qualify unless the business has been closed for the previous 24 months.
- Business and commercial incentives based on square foot usage
- All work must meet state, county and town requirements as applicable

**Real estate new construction:**

- Criteria – None personal residence planned for resale or rent
  - Rented or available for rent for a 12 month period after improvements are completed
  - Sold or For Sale for a 12 month period after improvements completed
- Possible subsidies:
  - 100% Town tap fees waved (including labor and materials), 50% of the fees waived at the start of the project, owner responsible to pay the remaining 50% upfront that is reimbursable at the completion of the construction/project (i.e. livable ready - upon sale or rent condition).  
Construction must be completed within 18 months.
  - Upon sale or rented property Town taxes will be reimbursed for the construction period.
  - Waiver of dumpster fees for duration of project (subject to one dumpster with one pickup once a week) upon availability and subject to Sanitation Policies
  - All work must meet state, county and town requirements as applicable

**Real estate renovation or property improvement:**

- Criteria – None personal residence planned for sale or rent.
  - Rented or available for rent for a 12 month period after improvements are completed
  - Sold or For Sale for a 12 month period after improvements completed
- Possible subsidies:
  - Up to 100% Town tap fees waved (including labor and materials), 50% of the tap fees waived at the start of the project, owner responsible to pay the remaining 50% upfront that is reimbursable at the completion of the construction/project (i.e. livable ready for sale or rent condition).  
Construction must be completed within 18 months.
  - Up to 100% of Town tax fees, reimbursable at the completion of the construction/project (i.e. livable ready – upon sale or rent condition).
  - Waiver of dumpster fees for duration of project (subject to one dumpster with one pickup once a week) upon availability and subject to Sanitation Policies
  - All work must meet state, county and town requirements as applicable

**TOWN OF HAXTUN  
ECONOMIC DEVELOPMENT INCENTIVE APPLICATION**

**If an existing business:**

**Employees:** Average total monthly employment figures for the past 12 months:

# of FTE's \_\_\_\_\_ Current Wages \_\_\_\_\_

Number of new jobs (FTE) to be created by type or position and an estimate of wages/earnings of these jobs:

# Of FTE'S \_\_\_\_\_ Proposed Wages: \_\_\_\_\_

If tax refunds are requested: Certification from Zone Administrator of the Northeast Colorado Enterprise Zone for new businesses or expansion of an existing business would constitute a “new business facility” in an enterprise zone. For certification or pre-certification, apply online at [www.advancecolorado.com](http://www.advancecolorado.com) or call your accountant.

Zone Certification Attached \_\_\_\_\_ Date \_\_\_\_\_

**Capital Investment:** What is the amount of capital Investment in the facility? \_\_\_\_\_

**Community Impact:**

How will the proposed business maintain or enhance the quality of life and provide social, economic, or cultural benefits to the community: \_\_\_\_\_

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Address how the business operation may detract from the City or the County's aesthetic environment (addresses odor, noise, water quality, smoke, hear, glare vibration, lighting, etc.) \_\_\_\_\_

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**TOWN OF HAXTUN  
ECONOMIC DEVELOPMENT INCENTIVE APPLICATION**

What incentives are you requesting from the Town of Haxtun?

<u>ITEM</u>	<u>COST/VALUE</u>
___ Real Property Tax Refund	_____
___ Use Tax Waiver or Refund	_____
___ Building Permit Fee Waiver	_____
___ Discounted Land Purchase	_____
___ Special Improvement District	_____
___ Infrastructure Improvements	_____
___ Waiver of Tap Fees	_____
___ Other Incentive (Describe)	_____

Name of Business (Proposed or Existing) \_\_\_\_\_

Nature of the Business: \_\_\_\_\_

Signature by: \_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_

**FOR TOWN of HAXTUN USE**

**REVIEWED BY** \_\_\_\_\_  
Name Title Date

**SCHEDULED FOR COUNCIL REVIEW:** \_\_\_\_\_

**NOTES:** \_\_\_\_\_

**TOWN OF HAXTUN**  
\_\_\_\_\_