



# City of Loveland Incentive Policy

Adopted October 2017





# Introduction

**Vision**

Loveland is a community with a growing and diverse economic base that offers ample employment and business opportunities to all.

**Mission Statement**

Grow employment and business opportunities to sustain the economic health of Loveland and the Northern Colorado region.

**Process**

The City utilizes a multifaceted approach to job creation, business retention, and attraction. This effort leverages the City’s financial resources with those of our economic development partners in Loveland, Larimer County and the State of Colorado. The City supports assistance programs for small business development, creative entrepreneurship and technology incubation and acceleration.

**Conditions**

Any economic incentive or other commitment of City funds must be set forth in a written agreement approved by City Council (or by the City Manager if the incentive is valued under \$30,000). Funding must be budgeted, appropriated and otherwise made available, and must not constitute a multi-year fiscal obligation. Further, any economic incentive or other commitment under this Policy must serve a public purpose, as determined by City Council in its discretion, including but not limited to providing significant cultural, social, and/or economic benefits to the citizens of Loveland. Incentives are generally considered when the business has a proven gap in the project being able to move forward or can provide a justification for needing an incentive in order to make a location decision within the City of Loveland.

**Economic Incentive Fund and Philosophy**

The Loveland City Council has created an Economic Incentive Fund which is budgeted annually at \$450,000. The Council considers requests on a case-by-case basis in accordance with the guidelines which follow. The policy below contains the process a firm must follow to be considered for an incentive. Incentives/Business Assistance Agreements are given to aid in location decisions or expansions of human and physical capital. Incentives should be used by exception, when an extraordinary circumstance warrants and/or when a public purpose has been identified. They are only considered when a firm can provide proof that they have a financial gap or strong case for an incentive prior to making their location decision and that they are making an economic contribution to the community. The following list of incentives are considered examples and should not be taken as an entitlement because it is written in this policy. Companies interested in applying for possible incentives should contact:

**For Primary Employment/Jobs**

Kelly Jones  
Economic Development Director  
Kelly.Jones@cityofloveland.org  
970-962-2345

**For Retail Development**

Scott Schorling  
Economic Development Manager  
Scott.Schorling@cityofloveland.org  
970-962-2607



Primary Employment/Jobs and Retail Development  
Incentive Guidelines

In an effort to encourage high quality, primary job creation and private sector investment, the City of Loveland has established the following incentive guidelines.

**Eligibility Requirements:**

**For a Primary Employment/Jobs Incentive Request:**

The City, as part of its approved Strategic Plan, seeks to assist Loveland businesses with expansion and retention of employment and to seek opportunities to attract businesses from outside the region to locate to Loveland. The incentives described below are available on a case-by-case basis to employers that are primary in nature. Primary employers are those that export more than 50% of their goods/services outside of Larimer County.

**For Retail Development Incentive Request:**

The City, to remain competitive regionally and to maintain a healthy municipal budget, seeks to promote retail development opportunities in the City. The City will consider requests for incentives where the project either; (1) fills or expands an identified retail need not being met in the City; and/or (2) is a redevelopment/infill project or previously developed site.

**Process for both Primary and Retail incentives:**

1. Meet with the City of Loveland Economic Development Director or Manager to discuss the project.
2. Meet the following requirements:
  - Generally, company must be adding new jobs that pay above the annual average wage determined by the County (\$45K in 2017).

- For retail development, project must fill an identified retail gap and/or create a redevelopment or infill opportunity in an identified priority area (i.e. 287 Corridor Strategic Plan).

3. Provide information for the City's economic impact model. This model estimates the potential economic benefits, including direct revenues, costs and induced/indirect impact to the community over the proposed incentive performance period or payback period.
4. Applicant submits a formal letter (or email) to the Economic Development staff requesting an incentive from the City of Loveland.
5. Economic Development submits a formal recommendation to the City Manager for consideration. The City Manager has the discretionary authority to approve incentive agreements and fee waivers valued below \$30,000 so long as funds are available and appropriated within the Economic Development incentive fund. There is a \$150,000 annual cap on City Manager approved incentives.
6. For incentives greater than \$30,000, the formal staff recommendation goes to a city council information-only study session followed by 1-2 regular city council sessions for approval/denial.
7. A business assistance agreement is signed and executed by the City Manager.

A large concrete pipe is being lifted by a crane at a construction site. The pipe is suspended by a chain and is being lowered into a trench. A worker in an orange safety vest and white hard hat is standing next to the pipe, pointing upwards. The background shows a clear blue sky, power lines, and a building with a decorative facade.

## Primary Employment/Jobs and Retail Development Incentive Guidelines

**Additional Terms:**

- For primary employment incentives, the applicant is required to enter into an agreement with the City that guarantees the investment/jobs creation will occur within a specific period. If the applicant is unable to achieve guaranteed results as outlined by the performance agreement, the City of Loveland reserves the right to recover incentive payments on either a full or a prorated basis as established in a performance agreement. Personal Guarantee of repayment obligations may be required. The City will not unduly enforce this requirement and will work with the applicant if conditions change.
- Presentation of an incentive agreement to a City Council does not guarantee award of an economic incentive and all agreements are subject to Council appropriation of funds. Staff will not schedule formal consideration of an agreement by City Council until the applicant has signed the agreement, the City will countersign the agreement following approval by City Council.
- Incentives must serve a public purpose, as determined by City Council in its discretion including by not limited to providing significant cultural, social, and/or economic benefits to the citizens of Loveland in the form of jobs, significant new economic activity, increased tax revenues and/or cultural or social opportunities.
- If the City Council approves the agreement and the recipient firm does not meet the agreed upon minimum projections, the firm may be required to pay back all or a portion of the incentive.



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Description of Incentive Types

Companies interested in incentives from the City may consider the following opportunities. The list is not all inclusive. Economic Development staff may consider other incentives not otherwise noted but only in extraordinary circumstances where the opportunity warrants additional consideration. Any incentive is subject to City Council or City Manager approval and appropriation.

**Development Fees and Use Taxes:**

The City may waive the following fees and/or taxes:

- City Construction Materials Use Taxes
- Building Permit and Inspection Fees

The City may also waive or defer Capital Expansion Fees (CEF) or System Impact Fees (SIF). Please note, City code requires the City to backfill any CEF or SIF waiver and will require an appropriation by City Council.

Fee waivers will not exceed the fees or taxes due with respect to a particular project and any savings will not be monetized.

**Cash Incentives for New Primary Jobs:**

The City of Loveland will consider cash incentives on a case-by case basis. As a performance based incentive, qualifying companies will have to demonstrate the creation of new full-time permanent positions paying above average wages determined by the County.

Incentives are designed to support and encourage new business development, business expansions and impact location decisions that retain or create new jobs in the City of Loveland.

A “net new job” is a full time position which did not exist at a Loveland location in the 12 months prior to application for assistance. The position must exist for a minimum period of 12 months.

**Public Infrastructure Reimbursements:**

On a case-by-case basis, the City may reimburse the costs of public infrastructure improvements as required by the site. For infrastructure reimbursement, priority will be given to sites identified in an approved redevelopment/infill plan (i.e. 287 Corridor Strategic Plan). The City, at its discretion may also consider sites where significant infrastructure improvements exist that act as a burden to reinvestment. For new or greenfield development projects, reimbursements for infrastructure will not be considered unless in extraordinary circumstances where the direct benefit to the City is apparent.

**Enterprise Zone Tax Benefits:**

This program is intended to assist with the revitalization of economically distressed areas in Colorado. Companies located in the City of Loveland 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 Loveland Enterprise Zone Map see the Larimer County Workforce webpage at [www.larimerworkforce.org/business/enterprise-zone/](http://www.larimerworkforce.org/business/enterprise-zone/).

**Aviation Development Zone Benefits:**

The Northern Colorado Regional Airport received Aviation Development Zone designation in 2007. This designation provides a State of Colorado income tax credit of \$1,200 per aircraft manufacturing job created within the zone. For more information see the State of Colorado website at [www.choosecolorado.com](http://www.choosecolorado.com).

**City of Loveland Job Training Dollars:**

On a case by case basis the City of Loveland may consider up to a dollar for dollar match to the State of Colorado Job Training Fund if the Colorado Economic Development Commission approves such incentive for a new or expanding employer in Loveland. This request should come from the employer with a copy of the approved incentive from the State of Colorado.

**Expedited Review Permit Review:**

The City of Loveland will offer a “Rapid Response Team” and an expedited review process to facilitate the efficient review of the proposed project for qualified businesses.

**Downtown Loveland:**

Primary employers considering locating in Downtown Loveland may benefit from assistance in addition to the incentives listed above. For those incentives, applicants are encouraged to contact the Loveland Downtown Partnership, which manages the City’s ongoing

revitalization effort. Those additional incentives may include:

- Façade improvement grants
- Urban renewal area programs
- Historic preservation tax credit programs
- Historic downtown fee exemption area (does not require City Council approval or backfill)
- Others as approved by Loveland City Council

**Sales Tax Rebate:**

The City will consider on a case-by-case basis a rebate of a portion of the City sales tax collected by the retailer. Redevelopment sites and/or sites identified in an approved plan (i.e. 287 Corridor Strategic Plan) may receive additional consideration.

**Additional Incentives:**

The Loveland City Council will consider additional types of requests from primary employers or retail operations on a case- by-case basis. The City Council may alter this policy at any time. Applicants are encouraged to contact the Economic Development Director for more information and a copy of the current policy at the time of application.

**Issues for Consideration:****Job Verification:**

Recipients of an Economic Incentive from the City may be subject to ongoing verification and a performance agreement. The Loveland City Manager or his designee reserves the right to verify employment levels with the Colorado Department of Labor.

**Sales Tax Verification:**

For sales tax rebates and/or sales tax related incentives, the City will be required to share with City Council possible sales data. The City will work with the applicant to ensure non-disclosure to the greatest extent possible.

# City of Loveland Economic Development Business Assistance/Incentive Process



\*Funding subject to appropriation by City Council



[cityofloveland.org](http://cityofloveland.org)