



City of Loveland Incentive Policy 2023-2027





Introduction

Vision

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

Mission

To strategically invest in private business enterprises that provide extraordinary value to the City of Loveland's economy, workforce, and residents.

Process

The City utilizes a multifaceted approach to encourage a growing workforce, retain existing businesses, and attract new companies to Loveland. 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 programs for small business development, creative entrepreneurship, 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 at or below \$30,000). All incentives and other commitments under this policy must serve a public purpose, including but not limited to, providing a significant cultural, social, and/or economic benefit to the citizens of Loveland. Furthermore, incentives will be considered only if the business has a proven gap in project financing to achieve a defined goal, or in order to move or start their business in the City of Loveland from outside the region. The City abides by a Regional Ethics Agreement so as not to incent businesses who are moving from one neighboring community to another unless there are extenuating circumstances. The City Council has the authority to amend these incentive program guidelines as needed.

Economic Incentive Fund and Philosophy

The Loveland City Council created an Economic Incentives Fund that is funded annually. The Council considers requests on a case-by-case basis in accordance with the guidelines and process below. Business assistance/incentives agreements are given to aid in location decisions or expansions of human and physical capital. Incentives should be used by exception, when a firm can prove there is a gap in their financing and/or a public purpose. 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. Furthermore, businesses who were granted business assistance/incentive agreements in the past may have additional requirements to be considered. Following the guidelines and processes herein does not guarantee an incentive or assistance award. They are for general consideration only.

Companies interested in applying for possible incentives should contact:

Employers outside of Loveland

Allison Bohling

Allison.Bohling@cityofloveland.org

Existing employers in Loveland

Lindsey Servin

Lindsey.Servin@cityofloveland.org

Retail and redevelopment

Scott Schorling

Scott.Schorling@cityofloveland.org



Business Assistance/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 for consideration on a case-by-case basis:

Eligibility Requirements

Primary Employment Incentive Request

The City, as part of its approved Strategic Plan, seeks to assist Loveland businesses with expansion and retention of employment and seeks 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 generally export more than 50% of their goods/services outside of Larimer County, otherwise known as “Primary Employers.”

Business Expansion Incentive Request

Existing businesses looking to expand workforce, and or production in the City and/or making considerable additions to capital or their physical location.

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) removes blight and/or (3) is a redevelopment/infill project or previously developed site.

Process

1. Applicant meets with City of Loveland Economic Development staff to discuss the project and incentive request.
2. Applicant meets the majority of the following requirements:
 - Generally, company must be adding new jobs that pay above the county average wage. (\$54,000 in 2022) per year. Commensurate benefit package (health coverage, childcare, job training and advancement) may also be considered.
 - Generally, company must be adding considerable physical space to existing footprint.
 - For retail development, the project must fill an identified retail gap, remove blight, and/or create a redevelopment or infill opportunity in an identified priority area (i.e. 287 Corridor Strategic Plan, 402 Corridor, or Airport Strategic Plan).
 - For Downtown projects, see Downtown Loveland section below.



Process Continued...

3. Applicant provides information for the economic impact model. This model estimates the potential economic benefits, including direct revenues, costs, 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 justifying the incentive from the City of Loveland.
5. For incentives greater than \$30,000, the formal staff recommendation goes to the City Council and may require multiple meetings for approval/denial. Staff encourages the Applicant to attend City Council meetings and participate in the discussion.
6. For incentives less than \$30,000, Economic Development staff submit a formal recommendation to the City Manager for consideration. The City Manager has the discretionary authority to approve incentive agreements valued at or below \$30,000 so long as funds are available and appropriated within the Economic Development Incentives Fund. There is a \$150,000 annual cap on City Manager approved incentives.
7. 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.

Additional Terms

- For primary employment and/or expansion incentives, the applicant is required to enter into an agreement with the City that guarantees, subject to verification, that the capital investment/ jobs created have occurred within the defined time period.
- If the Applicant is unable to achieve or verify these performance measures, the City reserves the right to recover incentive payments on either a full or a prorated basis as established in the performance agreement. Personal guarantee of the repayment obligations may be required.
- The City may also require disclosure of all other public incentives granted or under consideration by Applicant.



Description of Business Assistance/ Incentive Types

Companies interested in incentives from the City may consider the following opportunities. Economic Development staff may consider other incentives not listed here, but only in extraordinary circumstances. Any incentive is subject to Council or City Manager approval and appropriation.

Sales Tax Rebate

The City may consider a rebate of a portion of the City sales tax collected by a retailer. Additional consideration will be given to retailers that are located at sites identified in an approved strategic plan (i.e. 287/402).

Development Fees and Use Taxes

The City may waive, defer or reimburse (in full or in part), the following fees and/or taxes:

- City Construction Materials Use Taxes
- Building Permit and Inspection Fees
- Manufacturing Equipment Sales Tax
- 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. The City does not have the ability to waive, or reimburse for outside jurisdiction fees or taxes.

Cash Incentives

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 influence location decisions that retain or create new jobs in the City of Loveland.

A “Net New job” is a full-time position that 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 following any award.

Public Infrastructure Reimbursements

The City may reimburse the costs of public infrastructure improvements as defined through the development review process. Priority consideration will go to sites identified in an approved strategic plan (i.e. 287/402) and those sites that could significantly improve investment in an underserved area.

Business Personal Property Tax Rebate

Available to new or existing companies investing a minimum of \$1,000,000 to bring employees, products and services into the community. A personal property tax rebate may not exceed 50% of the amount of taxes levied by the City for a term not to exceed 10 years.

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 Colorado Office of Economic Development and International Trade webpage at <https://oedit.colorado.gov/enterprise-zone-program> Interactive Map: <https://arcg.is/1iuC5O>

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 Colorado Department of Revenue website at: www.choosecolorado.com.

City of Loveland Job Training Dollars

The City of Loveland may consider up to a dollar-for-dollar match to the State of Colorado Skill Advance Job Training Grant <https://oedit.colorado.gov/skill-advance-colorado-job-training-grant> 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 may 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 and retailers looking to locate in downtown Loveland may qualify for specific assistance as authorized under

the Downtown Development Authority plan of development, or other downtown district plans and boundaries. For those incentives, applicants are encouraged to contact the Downtown Development Authority, which manages the City’s ongoing revitalization effort. <https://downtownloveland.org/>

These approved district-authorized incentives may include:

- Tax increment financing
- Facade improvement grants
- Fire line extension 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

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, or other resources as necessary.

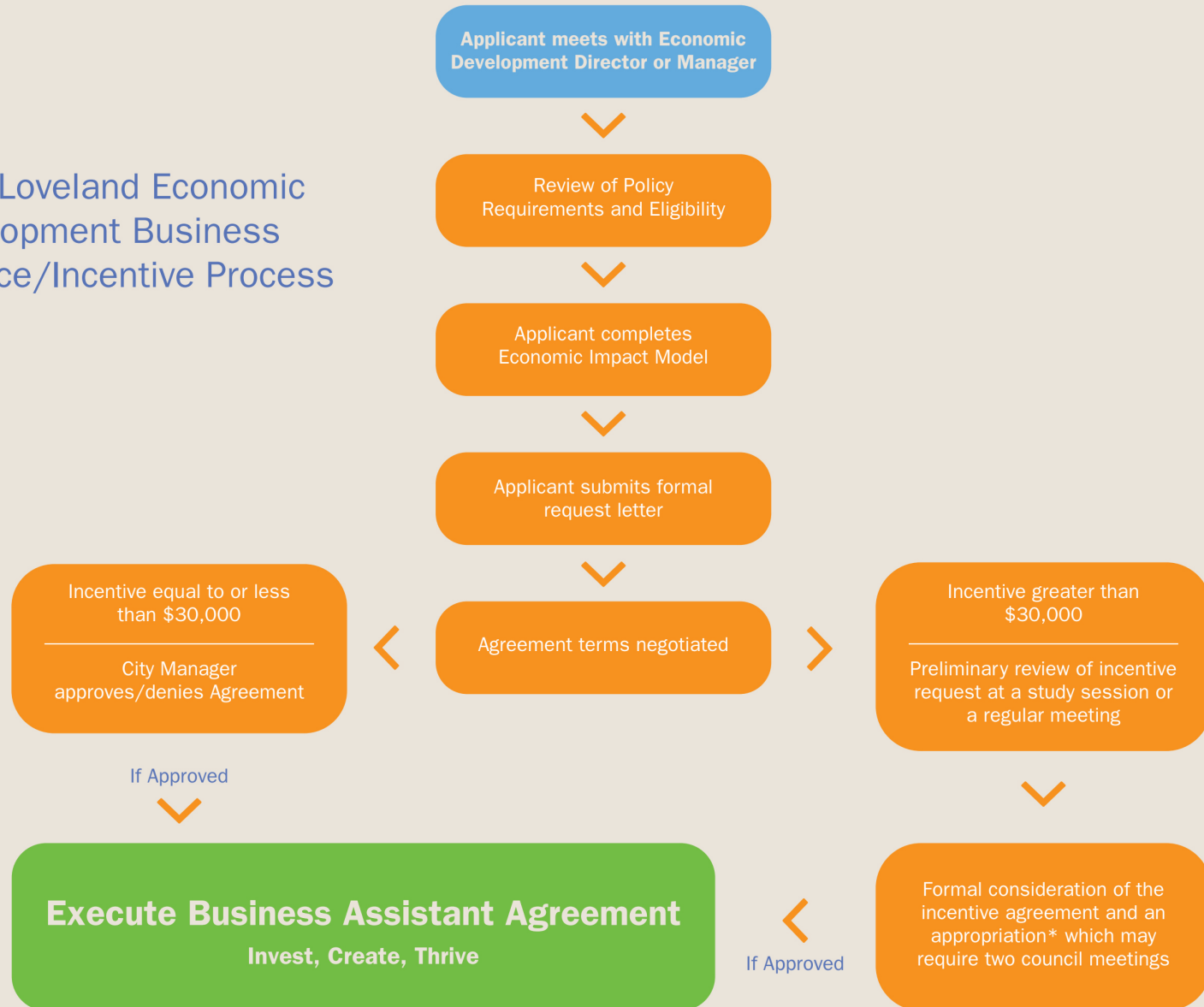
Sales Tax Verification

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.

Regional Ethics Agreement Restrictions

The City of Loveland is a party to an ethics agreement with other local communities in Larimer and Weld counties. As such, we will not provide incentives to companies for relocation of existing employment from within Larimer or Weld Counties.

City of Loveland Economic Development Business Assistance/Incentive Process





lovelandeconomicdevelopment.org