



ECONOMIC INCENTIVE POLICY

ADOPTED: JULY 5, 2016

CITY OF DELTA
360 Main Street
Delta, Colorado 81416

www.cityofdelta.net

CITY OF DELTA, COLORADO

ECONOMIC DEVELOPMENT INCENTIVE POLICY for RECRUITMENT, EXPANSION AND RETENTION OF DELTA COUNTY BUSINESSES

POLICY

The City of Delta, Colorado, is committed to encouraging new or existing business expansion in the areas of retail, commercial, agricultural and light industrial/manufacturing that will bring quality economic growth to our community. The City also supports pursuing commercial/industrial growth that compliments existing businesses. The City desires to improve its tax base, improve property values, provide new item and service availability for its citizens and expand job growth that will sustain long-term economic success and provide beneficial returns to Delta and its citizens.

In an effort to encourage new or expanding business development, the City of Delta may offer incentives, on a case-by-case basis, to qualifying businesses that are interested in locating in Delta. Existing business retention is extremely important to the City of Delta and thus the City is committed to supporting current businesses. The City will work with business owners who are considering expanding facilities and/or workforce and intend to remain or build in the City of Delta.

To achieve the above stated economic growth and work with private business owners the City of Delta has established the following policy guidelines.

ELIGIBILITY REQUIREMENTS (Meet any or all the following)

1. The business must make a considerable investment in plant, equipment, building, operational, and/or employees during the calendar year in which a proposal is made for incentives.
2. The business must create/retain qualifying jobs with an overall annual wage that is at or above eighty percent (80%) of the overall Delta County average annual wage rate of all commercial/industries.
3. The business must be willing to provide an economic impact analysis that estimates the total economic benefits to Delta and the incentive payback period. To be eligible for incentives, the payback period must be within a defined period of time not to exceed five years.
4. The business must provide on-going company information for monitoring purposes. (All company information will be held in strict confidence.) Upon incentive approval by the Delta City Council, the company will be required to enter into an agreement with the City of Delta 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 City of Delta will have the ability to recover payments on either a full or pro-rated basis or not provide refunds where applicable.

5. The City Council reserves the right to consider additional eligibility requirements not listed herein. A business/company that does not otherwise meet eligibility requirements may request to be considered eligible for consideration for incentives through a formal request to the City Council prior to a potential proposal being processed. The City Council reserves the right to refuse such request.

INCENTIVES

If the proposal is determined to be eligible the following incentives shall be available, on a case-by-case basis and no previous approval of an incentive is the basis for any future approval. The City Council reserves all rights to approve or disapprove any proposal for any reason deemed necessary by the Council.

Development/Building Permit Fees

The following fees may be refunded back to the business through a donation from the City Council: building permit fees, development fees, impact fees.

- a. Building fees that do not exceed fees required.
- b. Development Fees including but not limited to any off-site improvement requirements, park, school, etc. fees that are established at the time by the City of Delta.
- c. The City of Delta reserves the right to provide relief on infrastructure requirements on a case-by-case basis, and will actively apply for federal and state grant dollars to encourage high quality investment and job creation as appropriate. A reimbursement agreement may also be entered into at the discretion of the City per negotiated terms.

Taxes

Use Tax:

Up to fifty percent (50%) of use tax due to the City of Delta may be donated to the owner(s).

Sales Tax:

Up to fifty percent (50%) of sales tax collected for the City of Delta from "new revenues" generated by the qualifying new/expanded business may be donated back to a qualifying company for up to four (4) years.

Tax District Creation:

The City is willing to consider creation of special taxing district(s) within the City to assist primarily in the bonding for public improvements.

Utility fees

The City is a provider of electric, water and sanitary sewer utilities. When a business is connected to a City owned utility the business may be eligible for a donation from the City up to fifty percent (50%) of the profit generated through that businesses utility use.

PROCESS

First, it is recommended that the business/company work with Delta County Economic Development (DCED) throughout this proposal process (visit [DCED's](#) website for more information). DCED will assist in coordinating meetings and proposal(s). Second, a meeting with the City Manager, or their designee, is required to determine initial eligibility and feasibility. If it is determined that this incentive policy may apply the City Manager, or their designee, shall direct the business/company to prepare a proposal to include at a minimum:

- Eligibility Status/Requirements met
- Incentive(s) requested
- Economic Impact Analysis
- Monitoring Process

Third, the proposal, with recommendations from the City Manager are forwarded to the City Council for consideration with direction to prepare (or not) a formal agreement.

Following direction by the City Council, the City Manager shall inform the proposer of the decision, and if any incentive(s) are acceptable to the City Council a formal agreement shall be drafted by the City Attorney for formal approval by the City Council.

CONTACT

For more information, contact:

- Delta County Economic Development at 970-874-4992 or
- City Manager, City of Delta, at 970-874-7566.