2012 Commerce City Business and Development Incentive Program

Applications accepted November 15, 2011 through December 31, 2012!

Following is an overview of the incentive program. Additional information for each program category is provided on the relevant application.

Goal is to create an incentive package that:

- Positively impacts all facets of the Commerce City economy
- Creates jobs
- Encourages existing businesses to make capital investments
- Spurs new office, industrial, and residential development and growth
- Creates new retail opportunities that causes the reduction in retail leakage
- Encourages people to work, live, and play in Commerce City

Program specifics:

- Applications for incentives will be accepted November 15, 2011 through December 31, 2012.
- Sales and/or use tax, job creation and fee rebates exceeding $50,000 in total to any one company are approved by City Council. All other incentives are approved administratively.
- New capital investments must be started within 18 months of notification of approval of the incentive, unless otherwise approved.
- New construction must begin within 18 months of notification of approval of the incentive, unless otherwise approved.
- New retail operations that are leasing existing space must be open within 18 months of notification of approval of the incentive, unless otherwise approved.
- New jobs must be filled within 12 months from notification of approval of the incentive.
- New jobs must be maintained for at least 24 months from position start date.
- If you are a prospective business, you must have a signed letter of intent with a landlord or a property owner to be eligible to apply/receive the incentive.
- Prospective businesses that have signed a lease or have closed on a property are considered an Existing Commerce City Business and are not eligible for incentives under the Prospective Business or New Retail categories.
- Only businesses in one of Commerce City's Targeted Industries are eligible to apply for Existing or Prospective Business incentives. Applications from existing businesses that are not classified as a target industry will be considered on a case-by-case basis. Commerce City's Targeted Industries are: DIA Technology, Retail/Hospitality/Leisure, Business and Professional Services, Logistics and Distribution, and Advanced Manufacturing.
- Commerce City's top retail need is Sit-Down Eating Places. Sit-Down Eating Places include: fine dining, casual/family dining and quick service restaurants (QSR).

- Adams County Average Wage is $42,173.

The 2012 Commerce City Economic Development Incentive Package is broken down into the following incentive groups/categories:

1. Existing businesses within the five targeted industries
2. Prospective businesses within the five targeted industries
3. New Sit-Down Eating Places
4. Homeowners
5. "Green" businesses and "Green" building practices
6. Projects having significant economic development impact on the community (This part of the program to be renamed at a later date)

Existing Business

If you are an existing Commerce City business in one of the City's five targeted industries and plan to invest in any new or replacement capital improvement (i.e. expansion, equipment purchase, etc.), you are eligible to apply for the following:

- A 10% rebate of the sales and use tax remitted to Commerce City for the specific capital improvement
- A 50% rebate of City fees associated with the specific capital improvement. City fees include building and plan check fees or other as determined. Impact fees are excluded from this waiver.
- An additional 10% rebate of Commerce City sales and use tax and City fees associated with the specific capital improvement may be approved if Commerce City vendors/contractors are used.
- Application must be submitted by December 31, 2012 and capital improvements, including construction, must be started within 18 months of notification of approval of the incentive, unless otherwise approved.
- Rebate of sales and use tax and fees will take place after an audit has been completed confirming the value of the capital investment. Extent and timing of audit is determined by the Commerce City Finance Department.

If you are an existing Commerce City business in one of the City's five targeted industries and you plan to hire more employees in conjunction with the capital improvement, you are eligible to apply for the following:

- A $500 tax rebate per new job created above the Adams County average wage, and/or
- A $1,000 tax rebate per new job created above the Adams County average wage that is filled by a Commerce City resident.
- New jobs must be filled within 12 months from notification of approval of the incentive. The new position must be maintained for at least 24 months from position start date.

- The job creation incentive will be paid once an employment audit is completed. Audit will start approximately 12 months after notification of approval of the incentive.
- New jobs must be maintained for at least 24 months from position start date and an audit will be performed to ensure continuation of the job created.
- The company will be required to return to the City monies received as job creation incentives if the job is not maintained for the required 24 month period.

Prospective Business

If you are a business in one of our five targeted industries considering investing in Commerce City, you are eligible to apply for the following:

- A 10% rebate of the sales and use tax remitted to Commerce City for the specific capital improvement
- A 50% rebate of City fees associated with the specific capital improvement. City fees include building and plan check fees or other as determined. Impact fees are excluded from this waiver.
- An additional 10% rebate of Commerce City sales and use tax and City fees associated with the specific capital improvement may be approved if Commerce City vendors/contractors are used.
- Application must be submitted by December 31, 2012 and capital improvements, including construction, must be started within 18 months of notification of approval of the incentive, unless otherwise approved.
- Rebate of sales and use tax and fees will take place after an audit has been completed confirming the value of the capital investment. Extent and timing of audit is determined by the Commerce City Finance Department.

If you are a new business in one of our five targeted industries looking at bringing new jobs into Commerce City in conjunction with capital improvements, you are eligible to apply for the following:

- A $500 tax rebate per new job created above the Adams County average wage, and/or
- A $1,000 tax rebate per new job created above the Adams County average wage that is filled by a Commerce City resident.
- New jobs must be filled within 12 months from notification of approval of the incentive. The new position must be maintained for at least 24 months from position start date.
- The job creation incentive will be paid once an employment audit is completed. Audit will start approximately 12 months after notification of approval of the incentive.
- New jobs must be maintained for at least 24 months from position start date and an audit will be performed to ensure continuation of the job created.
- The company will be required to return to the City monies received as job creation incentives if the job is not maintained for the required 24 month period.

New Sit-Down Restaurant

If you are a prospective retailer that is classified as a Sit-Down Restaurant, in addition to being eligible to apply for the incentives identified above for a Prospective Business, you are also eligible to apply for the following:

- A 50% rebate of the City sales tax received from the business for the first and second years that the business is in operation.
- Rebates will take place on an annual basis.
- Rebated funds may be used only for one or more of the following options:
    - Marketing of the business
    - Capital improvement (i.e. equipment purchase, etc.)
    - Operational enhancement (i.e. new products, etc.)
    - Lease or mortgage offsets
- Businesses may be subject to an audit confirming what the public funds were spent on.

Homeowner

If you are a Commerce City homeowner and you plan on making a home improvement that requires a building permit, you are eligible for the following:

- A 50% rebate of City fees associated with the home improvement. City fees include building and plan check fees or other as determined. Impact fees are excluded from this rebate.
- An additional 10% rebate of City fees associated with the home improvement may be approved if Commerce City vendors/contractors are used. Supporting documentation will be required.
- Rebate of City fees will take place after final building inspection or issuance of certificate of occupancy, as appropriate.
- Home repairs resulting from acts of God and other natural causes are not eligible for this program.
- Application must be submitted and building permit issued by December 31, 2011. Home Improvements must be completed within 12 months of application, unless otherwise approved.

Green Businesses and Green Building Practices

If the exiting or prospective business is considered part of the Renewable Energy industry, they are eligible to apply for the following:

- An additional $100 tax rebate per job created above the Adams County average wage
- All other provisions of the job creation incentive, identified above under Existing Business or Prospective Business, apply.
- Commerce City reserves the right to determine what is considered a business in the Renewable Energy industry.

If the existing or prospective business in one of the City's five targeted industries is building "Green" or making a significant capital investment in energy efficient equipment, they are eligible to apply for the following:

- An additional 15% rebate of the sales and use tax remitted to the City for the specific capital improvement
- An additional 10% rebate of City fees associated with the specific capital improvement. City fees include building permit and plan check fees or other as determined.
- All other provisions for capital investment incentives, identified above under Existing Business or Prospective Business, apply.
- Commerce City reserves the right to determine what is considered "Green."

Projects having significant economic development impact on the community (This part of the program to be renamed at a later date)

If you are a new or existing business in one of the City's five targeted industries that plans on creating more than 50 jobs OR plans to invest more than $5,000,000 in capital improvements, your project will likely have significant economic development impact on the community and be considered for incentives above and beyond what is offered in this package, including speedier development review timeframes and/or 50% or more in sales/use tax rebates. These incentives are negotiated on a case-by-case basis.

Please contact the Commerce City Economic Development Division for more information about this program at 303-289-3620 or visit www.c3ed.com between November 15, 2011 and December 31, 2012.