

ECONOMIC DEVELOPMENT INCENTIVE POLICY

GOAL STATEMENT

The Town of Johnstown (“Town”) supports economic development to sustain the fiscal health of the community, promote employment opportunities and enhance the quality of life in the Town. To further those goals, the Town desires to create tools to assist economic development in order to attract new businesses to the community, retain and promote the expansion of existing businesses in the community and diversify the local economy.

ELIGIBLE PROJECTS

The Town may consider providing economic incentives to businesses that offer extraordinary long-term benefits to the Town. In determining whether to grant an economic incentive, the Town is guided by whether an economic incentive is likely to attract new, sustainable and desirable development to the community, whether a proposed development that is attractive to the community would locate in the Town without an economic incentive, whether an existing business desires to expand in a manner that would be beneficial to the Town or whether an existing business is actively seeking to relocate outside the Town. The Town shall be particularly inclined to grant economic incentives to businesses with a strong sales tax base or to businesses within the historic downtown area.

Based on those broad principles, the Town considers the following criteria in determining whether to grant an incentive:

- Potential to generate sales tax revenue
- Substantial capital investment in the Town
- Creation of new employment
- Above-average wages
- Diversification of businesses that enhance quality of life
- Desirable retail establishments
- Vital industry with a long term commitment to the Town
- Uniqueness of a project deemed advantageous and beneficial to the Town
- Location of new sales tax generating business
- Potential to induce other desirable businesses to locate in the Town
- Quality of the proposed improvements and use

POTENTIAL INCENTIVES

For eligible development projects, the Town may consider the following potential economic incentives based upon the magnitude and attractiveness of the project:

Use Tax. The Town may waive, reimburse or defer payment of a portion of the use tax generated by a development if the funds are otherwise used to assist in the payment of the cost of the public improvements associated with the development project.

Development Fees. The Town may waive, reimburse or defer payment of building permit and inspection fees if the funds are otherwise used to assist in the payment of the cost of the public improvements associated with the development project.

Sales Tax. The Town may consider a rebate, or share-back, of a portion of the sales tax generated to reimburse a developer for the cost of public improvements associated with the development project.

Impact Fees. The Town may consider deferral of all or a portion of the transportation facilities development fees, the public facilities development fees or the police facilities development fees from the application for a building permit to the issuance of a certificate of occupancy.

Metropolitan Districts. The Town may consider a service plan for the formation of a metropolitan district under the Special District Act, Title 32, Article 1, C.R.S., allowing the metropolitan district to finance, design, plan, construct, install and/or complete public improvements. When appropriate, the Town may authorize the metropolitan district to collect public improvement fees on sales transactions to pay for debt associated with public improvements.

Personal Business Property Tax. The Town does not impose a personal business property tax.

Downtown Façade Grant Program. The Town may provide financial assistance for improvement projects to building façades in the downtown area to encourage revitalization of private and commercial properties. See www.townofjohnstown.com/309/historic-downtown.

Coordination with Economic Development Agencies. The Town may actively assist and help coordinate efforts to obtain grants and financial assistance from other economic development agencies, such as Upstate Colorado Economic Development and the Colorado Office of Economic Development and International Trade.

Weld County Enterprise Zone. Pre-certified companies that locate or expand within the Town's portion of the Weld County Enterprise Zone may be eligible to earn a variety of state income tax credits.

For purposes of this economic development incentive policy, public improvements include public infrastructure improvements, such as street improvements, traffic signalization, sidewalks or trails, water and sanitary sewer lines, storm sewer lines, drainage improvements, parking facilities or water quality improvements, and also include improvements to public spaces, public art, landscaping and the construction of unique or enhanced elements of streetscape and the built-environment.

COORDINATED AND EXPEDITED REVIEW

A request for an economic incentive shall be evaluated on a case-by-case basis to determine the overall benefit and impact to the community. In reviewing a request, the Town commits to expedited review, superior customer service and a quality development review process.

A developer or business (“applicant”) seeking an economic incentive shall submit a written request to the Town. Upon receipt of the written request, Town staff shall review the request and schedule an in-person review meeting with the applicant. As a part of the review process, Town staff shall perform a cost-benefit analysis of the requested economic incentive, identifying and calculating the benefits to the community compared with the costs and impacts. When appropriate, Town staff may require that the applicant obtain a cost-benefit analysis from an independent outside consultant to determine the viability of the requested economic incentive.

Once Town staff and the applicant have finalized discussions and negotiations, regardless of whether Town staff and the applicant have reached agreement on the economic incentive request, the applicant shall have an opportunity to appear before Town Council to request the economic incentive. At that time, Town staff shall present its findings and also make a recommendation to Town Council. Town Council retains full discretion and final authority to approve or deny an economic incentive, and may do so on any basis that it deems to be proper and appropriate and in the best interests of the Town.