



Business Assistance Policy

The City of Dacono is dedicated to achieving the highest quality of development, infrastructure, and quality of life for its citizens. These goals are met, in part, through the enhancement and expansion of the local economy. Because of the inherent competition between localities for new businesses and jobs, the City recognizes that incentives are sometimes necessary to allow a community to reach its full economic potential.

The purpose of this policy is to establish standards and guidelines that will govern the granting of financial incentives to facilitate economic growth. These guidelines are predicated on the belief that the City has an interest in taking positive action to maximize its long-term financial capacity while responding to the service demands of both new and existing development without placing a disproportionate tax burden on residents.

Eligibility Requirements

The City Council, at its sole discretion, may provide certain economic development assistance or incentives for existing businesses and new businesses located within the corporate limits. A petition for voluntary annexation must accompany any business assistance requests where the improvements are currently outside the City limits. Requests must be consistent with the following requirements and criteria:

1. Achieve community and economic development goals, as may be established and revised by the City of Dacono from time to time.
2. Demonstrate the financial and management capability to implement and sustain the business.
3. Meet the established evaluation criteria of the City Council.

Community Economic Development Goals

The City of Dacono is committed to targeting new opportunities that diversify the economic base and continue to provide for the fiscal health of the community while respecting the local environment and unique small city feel. The following Economic Development Goals are part of this policy:

1. Attract and retain a variety of employment opportunities for Dacono residents
2. Encourage and support a high level of diverse, quality retail and services, with an emphasis on local businesses that contribute to Dacono's sales and property tax base so that needed infrastructure, physical amenities, services and expansion of such services are provided
3. Attract manufacturing and light industry companies that will provide long-term direct and indirect economic benefits to the community
4. Create a vibrant City Center and improve the overall attractiveness of the community
5. Sustain the long-term economic well-being of the City and its citizens through redevelopment and revitalization efforts

Incentives and Business Assistance Overview

The decision to grant incentives and/or business assistance will be based on a "case by case" review of each application and offered only upon a clear demonstration of substantial and significant public benefit. Accordingly, the City Council is under

no obligation to approve any requested incentive and reserves the right to deviate from the policies and criteria contained herein under its sole discretion when deemed to be in the best interest of the City.

Types of Assistance. The City offers a variety of incentives and assistance options for business. The specific type of incentive or assistance will depend upon the needs of the business as well as the benefits created by the proposed business. Examples of the type of incentives and assistance available for a specific project are as follows:

- Waiver or reduction of city land development application fees
- Rebate of City sales tax for a defined period
- Waiver or reduction in water tap fees
- Waiver or reduction in raw water dedication
- Rebate of the monthly City water rate for a defined period
- Tax Increment Financing
- Public Improvement Fees
- Business Improvement District
- Infrastructure assistance
- Special Districts as authorized by C.R.S. Title 32, Article 1
- Other

Evaluation Criteria. The City of Dacono will consider granting incentives or other available assistance only upon a clear and factual showing of positive economic benefit to the City through advancement of its economic development goals. The City Council, in determining the viability, amount and terms of an incentive, will consider various factors including, but not limited to the following:

1. Fiscal Impact
 - Increase in the appraised value of the property/land in relation to the economic benefit to the City of Dacono
 - The gain in real and personal property tax revenues that may result from the new or expanded business
 - The increase in the property tax base, upon the expiration of the development incentive
 - The gain in sales tax revenues that may result from the new or expanded business
 - The types and costs of public improvements and services (water/sewer main extensions, streets, alleys, etc.) required of the City
 - The potential permit, utility and/or other fees will be paid to the City
2. Degree of Business Participation/ Business Solvency
 - There must be proof of equity participation by the business
 - The minimum equity amount shall be equal to ten (10) percent of the total project cost for projects including expansion of an existing business
 - The contribution that the new or expanded business will make towards increased employment and earnings within the community
 - Evidence of at least three (3) years of operations prior to the request for the business assistance
 - Economic development initiatives from other governments entities and/or the State
3. Local Employment Impact
 - Annual payroll
 - The number and quality of new jobs created directly by the business in relation to the amount of incentive granted
 - The kind of jobs created in relation to the type of skills available from the local labor market
 - Must not have a primary affect of transferring jobs within the City
4. Community Impact

- Amount of overall project visibility, image impact, or the project is of a significantly higher level of development
 - Project can serve as a prototype and catalyst for other development of higher standard
 - The improvement to the quality of life for the citizens of Dacono
 - The extent to which the economic and employment benefits of the incentive accrue to the residents and taxpayers of those taxing subdivisions which indirectly “subsidize” the business as a result of the forgone tax revenue
5. Business Development Impact
- The degree to which the business improves the diversification of the economy of the City of Dacono and its environs
 - The beneficial impacts the business may have by creating other new jobs and businesses, including the use of local products or other materials and substances in manufacturing
 - Level of increase in the amount of business opportunities of existing local suppliers and contractors
 - Overall project benefit within an area of the City targeted for revitalization, including designated enterprise zones and areas needing revitalization or redevelopment
 - “But For” analysis
 - Analysis of the project’s competitiveness with similar existing businesses
 - Impact on other existing businesses/industries
6. Land Use and Development
- The extent to which the location and type of business is consistent with the City’s long-range plans and development policies
 - The availability of existing infrastructure facilities and essential public services
 - The project’s ability to meet all relevant zoning, subdivision and other legal requirements
 - Analysis of any environmental, operational, visual or other impacts (i.e., pollution, noise, traffic congestion, etc.) on the community and surrounding land use
7. Impact on other Taxing Entities
- The impact the project will have on other taxing entities
8. Other Considerations
- Incentives/assistance will not be awarded to any new or expanding industry which lowers the net tax payments paid to the City to a level less than paid in the prior year
 - Incentives will not be made unless the applicable industry is current in all required payments to the City, including property taxes

Application Required

The City will require formal submission of an application for any business assistance. The applicable application fee and cost agreements are required at the time of application. These funds will be applied toward the City's legal and any consulting costs associated with review and analysis of the business assistance application. Submission of an application for business assistance that complies with the spirit and intent of these policies does not commit the City to approve the project associated with said application or issue a refund if denied.

Application Process. To be considered for business assistance interested parties need to submit both a preliminary and final application.

(1) Preliminary Application. A preliminary application shall be submitted to the City Manager. The purpose of the preliminary application process will determine whether the applicant is in conformance with the eligibility, goals, and evaluation criteria as described in this policy. Applications that are determined to meet generally the City’s

requirements shall be invited to submit a final application. The following information shall be provided as part of a preliminary application:

- Description of the proposed project including the type of assistance being requested, location of the project, general description of the project and the project timeline
- Description of the applicant, including ownership information
- Description of the Economic Development Goals that would be met by the project
- Description of the applicant's financial and business capability to accomplish and sustain the proposed project
- Any other information that may be required by the City Manager to evaluate or describe the project

(2) Final Application. Upon approval of the preliminary application, a final application shall be submitted to the City Manager for consideration. The City Manager reserves the right to request additional information if it is determined necessary to fully evaluate the final application. All final applications shall include the following information:

- Detailed description and documentation of project ownership and management, including ownership, management, principals and experience in the business activity for which assistance is requested
- Detailed description of the proposed project, including property location, annexation status, current zoning and development entitlements, and description of the proposed project
- Detailed description of how the proposed project meets the economic development goals including achievement of eligibility guidelines and criteria
- Description of the types of economic development assistance requested, how the assistance will be applied to enhance the project or achieve a greater community benefit than would occur absent any assistance
- Proposed project timeline through projected business opening date
- Demonstration of project financial viability, including (a) financial capability of applicant and/or applicant company, (b) market analysis or other information demonstrating project viability, and (c) a business plan for the project
- Signed affidavit certifying whether (a) any ownership partner or shareholder has declared bankruptcy, (b) any ownership partner or shareholder has defaulted on a debt, and (c) any ownership partner or shareholder is a party to any pending litigation
- Projected project costs, including taxable construction, furnishings and equipment
- Projected annual sales, separated by taxable and non-taxable sales, for five years from business opening date
- Number of jobs being created and/or retained
- Other information in support of the application

(3) City Council Approval. The approval of any request for assistance is at the sole and absolute discretion of the City Council and subject further to sufficient funds being budgeted and appropriated by the City Council.

Recapture. The City of Dacono will have very specific performance and design standards that will be measured to ensure that the qualified applicant is adhering to the guidelines, as set forth, and the Economic Development and Business Assistance Policy. In the event that the company or individual fails to keep current on ad-valorem or other taxes, or violate the terms and conditions of the abatement agreement in any fashion, the City of Dacono will have the option along with the other taxing entities, to recoup any tax monies that were abated.