

## **Business Assistance Package Incentive Policy**

City of Fort Collins

Effective June 2, 2026

### **I. Introduction**

In the City of Fort Collins, the community deliberately refers to “economic health” rather than the more common term of “economic development.” The community makes this purposeful distinction because it implies that the goal of City involvement is to ensure a balanced, sustainable, and resilient economy. City Plan, the community’s comprehensive land use plan, supports this approach by emphasizing the role of sustainable practices in community development.

The Economic Health Strategic Plan (“EHS Plan”), approved by City Council by adoption of Resolution 2023-111, reinforces this community approach. Furthermore, the EHS Plan emphasized the importance making the economic health of the City able to be resilient, sustainable, and adaptable by broadening the scope of the plan to support large and small businesses and to foster innovation.

The City of Fort Collins uses a variety of local assistance tools to encourage the economic health of the City and its residents. Historically, the City has not used a one-size-fit all approach to developing business assistance packages. Instead, the City has chosen to work collaboratively with each business to build a package specific to their particular needs, which also match the City’s strategies.

### **II. Purpose**

The City of Fort Collins establishes this Business Assistance Package Incentive Policy (the “Policy”) to support strategic investment, strengthen regional competitiveness, promote economic vitality, and advance community goals through targeted, performance-based incentives.

The Policy is intended to establish a framework to:

- Provide predictable, transparent, and performance-driven incentives;
- Support durable economic growth and investment;
- Encourage reinvestment in priority areas;
- Support high quality job creation and wage growth;
- Maintain fiscal responsibility and accountability of public resources.

This Policy updates the “Policy for Developing Primary Employer Business Assistance Packages,” (the “2013 Policy”) approved by Council by adoption of Resolution 2013-025. The 2013 Policy is repealed and replaced by this Policy.

### **III. Core Operating Principles**

All incentives administered under the Policy shall adhere to the following principles:

- Projects must demonstrate clear public benefit aligned with adopted City Council Priorities and the Economic Health Strategic Plan.
- Incentives will generally be structured as earned, performance-based tax rebates rather than as upfront payments.
- Eligible benefits will only be realized after agreed-upon milestones, such as tax generation, job creation, wage thresholds, capital investment, or other verified outcomes have been achieved.
- Independent economic impact and cannibalization analyses will be required for tax-based incentives unless waived by the City based on project scale.
- All incentives shall be individually negotiated as capped, time-limited, and aligned with documented economic impact.
- All sales tax incentives shall be calculated based on the unencumbered General Fund portion (2.85%) of the total City sales tax collection.
- The City complies with the Northern Colorado Regional Economic Development Initiative’s (REDI) code of ethics agreement and shall not provide incentives to encourage relocation of existing businesses from neighboring jurisdictions unless explicitly permitted under the agreement’s provisions.
- All applicants must comply with applicable City codes, standards, licensing requirements, and regulatory obligations.

### **IV. Governance**

All incentive agreements administered under the Policy shall adhere to the following legal and governance frameworks:

- All financial incentive agreements under the Policy shall require approval by City Council. The approval of an incentive agreement is at the sole discretion of City

Council, which may reject, approve, or conditionally approve an incentive agreement on case-by-case basis. Nothing in the Policy is intended, nor shall it be construed, to limit this discretion of City Council, which retains full authority regarding the approval, terms, conditions and limitations of all incentive agreements.

- Meeting eligibility thresholds does not guarantee approval. The City of Fort Collins retains full discretion to approve, modify, or deny proposed agreements based on fiscal impact, public benefit, competitive context, and alignment with adopted priorities.
- All incentive payment obligations shall be subject to annual appropriation by City Council and shall not constitute a multi-year fiscal obligation or debt of the City.
- Incentive agreements shall include performance metrics, reporting requirements, audit provisions, and adjustment mechanisms, including inflationary changes, where applicable. See Sections V. (Administration) and VI. (Business Incentive Applications, Evaluations, Inputs, and Analyses) below.

## **V. Administration**

All incentive agreements administered under the Policy shall adhere to the following administration framework:

- The City's Economic Health Office (EHO) will have the responsibility of managing and developing all business assistance packages subject to this Policy. EHO staff will work collaboratively with other City departments throughout the development process. In addition, EHO staff will work with the applicable City departments to ensure compliance with all terms and conditions of the final business assistance package(s) as approved by City Council.
- Compliance Monitoring. The EHO will monitor each project and business assistance package annually for compliance to the terms of the final agreement approved by City Council. In addition, the EHO will develop a template checklist, to be customized to each project, to ensure compliance with initial aspects of the agreement, such as submission of use tax on a separate schedule, construction of facilities on the proposed timeline, and purchase of equipment on the proposed timeline. Each agreement will stipulate the terms of compliance that the EHO will monitor.

- Annual Reporting. The EHO will provide City Council a written annual report outlining the compliance of each approved applicant with the terms of their business assistance package. In addition, this annual report will include an assessment of the economic impact of the active projects.

## **VI. Business Incentive Applications, Evaluations, Inputs, and Analyses**

### **A. Applications**

A request for business assistance from the City for the incentives set forth in Section VII below must include a complete application. At a minimum the application will address the following: Company Information, Project Information, Capital Investment, Jobs Categories and Wage Distribution, Public Benefit, Natural Resource Stewardship, and Community Well-Being. The intent of the application is to collect the necessary data to perform a holistic evaluation of the project and assistance request.

Any applicant will commit to the following:

- Pledge to Annual Reporting – All recipients of direct assistance through a business assistance package will pledge to provide annually all information stipulated in the final agreement to comply with the performance requirements of that agreement. At a minimum, this reporting requirement will include: the number of jobs created or retained, the wage distribution for those jobs, and the capital investment and timing of investment.
- Separate Use Tax Schedule – This requirement applies only to recipients of a Manufacturing Use Tax Rebate (“MUTR”). The applicant must submit a separate schedule at the time the use tax submission for eligible equipment that accurately designates and identifies the eligible equipment for which a rebate will be requested by the company.
- Timeline for Confidentiality – The applicant will commit to a timeline for releasing claims of confidentiality regarding the proposed project. At the latest, confidentiality will be maintained up to a term of 30 days prior to consideration of a business assistance package by City Council. These 30 days will provide an opportunity for the Economic Advisory Commission and the general public to comment on the package ahead of City Council action.

- Assurance of Existing Workforce Retention – This requirement applies only to New and Current Primary Employers. The applicant will commit to all reasonable efforts to maintain their existing workforce in the City for the duration of the business assistance package. Individual agreements will specify the amount of existing employment and the exact duration.

## **B. Evaluation Criteria**

After receipt of a complete application, the EHO office will screen all request using a set of evaluation criteria designed to provide a holistic evaluation of the proposed financial incentives. The evaluation criteria will address the following key areas with example criteria:

- Economic Impact – Overall impact (e.g., Gross Revenues, percent of City employment), employment impact (e.g., number of jobs, wages, benefits), and capital investment (e.g., equipment purchases, facility investment, infrastructure impact).
- Contribution to Quality of Place – Added community value through their product/service, has a positive history and/or longevity in the community, and/or meets a community need.
- Alignment with City Objectives – The project aligns with clearly stated City objectives from the EHSP, City Plan, or other relevant strategy (such as a target industry cluster) or planning document.
- Natural Resource Stewardship – Impact of electricity and water consumption, hazardous waste management, participation in Utility's Integrated Design Assistance Program (IDAP) or similar conservation program.
- Community Well-Being – Contribution to a diverse job base, corporate outreach/volunteerism, impact to community infrastructure, proximity to public transportation, provision of other benefits (e.g., childcare).

## **C. Business Assistance Inputs**

All financial incentive agreements will be performance-based. The EHO will use a list of scalable inputs to determine the amount and type of assistance to include in each agreement for incentive programs in Section VII (below):

- Annual average wages – It is the intent of this policy to encourage a diverse base of jobs. Therefore annual average wage will be one of several inputs in determining the amount and type of direct assistance for an eligible project. The computed annual average wage of all jobs included in a project will be considered against the Larimer County annual average wage. Projects that achieve an annual average wage higher than the Larimer County annual average will qualify for additional assistance.
- Number of retained or net new jobs – The total number of jobs retained or created by a project will figure into the ultimate level of assistance received by a project from the City. Projects with larger number of retained or created jobs with a significant economic impact will receive additional assistance.

#### **D. Economic and Other Analyses**

The EHO will use an approach to evaluating all applications for business assistance pursuant to this Policy that applies a holistic set of analyses that address the economic, environmental, and human aspects of a project. This systematic approach will avoid evaluating a project in isolation. The following analyses will be included for every application:

- Economic Impact Analysis – The EHO will use an outside consultant with expertise in economic impact analysis for this aspect of the evaluation. The analysis will include both costs and revenues to the community allowing for a true fiscal impact analysis of the project. All economic impact analyses will evaluate a minimum of a 10-year period.
- Sales Tax Cannibalization Analysis - An independent economic impact and cannibalization analysis to demonstrate measurable net-new sales tax generation attributable to the project. The cannibalization analysis will be paid by the applicant.

The results of these analyses will be summarized and presented to City Council when being presented with a financial incentive agreement for Councilmembers' consideration.

## **VII. Incentives**

This Policy sets forth three (3) types of incentive programs or types: New Primary Employer Incentives (Attraction); Current Primary Employer Incentives (Business Retention and Expansion); and Retail Business Incentives. Further, this Policy establishes incentives which may be available for types.

### **A. Incentives for New Primary Employers (Attraction)**

A "New Primary Employer" generally derives fifty percent (50%) or more of its revenue from customers located outside the Fort Collins region, although flexibility may be exercised when a project demonstrates substantial economic base impact. New Primary employers come in all sizes from small (less than 50 employees) to large (over 50 employees). Incentives for a New Primary Employer are structured as performance-based agreements tied to verified job creation, wage thresholds, capital investment, and long-term economic impact.

Business Attraction Incentives of this type support recruitment of New Primary Employers to establish operations in Fort Collins which will significantly expand the City's economic base.

#### **Eligibility**

New Primary Employer Incentive Projects shall generally:

- Represent a capital investment in Fort Collins of approximately \$50,000,000 or greater;
- Create at least 20 net-new full-time equivalent positions in Fort Collins that provide wages at or above 110% percent of the Larimer County average wage; and
- Represent export-based or economic base activity.

#### **Potential Incentive Tools**

Staff will bring forward for the consideration of Council, proposals that authorize potential incentive tools for New Primary Employers, including:

- Sales and use tax rebates up to 50% of the total remitted on construction, manufacturing and/or research and development equipment;
- Expedited development review (see Paragraph D.1. below);
- Fee waivers and/or reimbursement (not to include impact fees);
- Workforce skills advancement grants; and
- Utility development fee amortization (see Paragraph D.2. below).

**B. Incentives Current Primary Employer (Retention and Expansion)**

This incentive type is intended to support existing Current Primary Employers which seek to undertake meaningful expansion that strengthens long-term economic stability and job growth.

**Eligibility**

Current Primary Employer Incentive Projects shall generally:

- Include capital investment in Fort Collins of approximately \$35,000,000 or greater;
- Create at least 10 net-new full-time equivalent positions in Fort Collins that provide wages at or above 100% percent of the Larimer County average wage; and
- Demonstrate continued export-based or traded-sector activity.

**Potential Incentive Tools**

Staff will bring forward for the consideration of Council, proposals that authorize potential incentive tools for Current Primary Employers, including:

- Sales and use tax rebates up to 50% of the total remitted on construction, manufacturing and/or research and development equipment;
- Fee waivers and/or reimbursement (not to include impact fees);
- Workforce skills advancement grants;
- Expedited development review (see Paragraph D.1. below); and
- Utility development fee amortization (see Paragraph D.2. below).

### **C. Retail Business Incentives**

Incentives for retail businesses (“Retail Business Incentives”) should support reinvestment, strengthen regional competitiveness, revitalize neighborhood-serving retail, and generate durable, net-new sales tax growth in alignment with community plans and priorities.

#### **Eligibility**

Retail Business Incentive Projects shall generally:

- Align with identified retail categories, trade area strategies, or neighborhood-serving objectives;
- Greenfield development projects must include capital investment of approximately \$25,000,000 or greater, or \$350,000 in anticipated annual net-new sales tax generated;
- Redevelopment projects must include capital investment of \$500,000; and
- Complete an independent economic impact and cannibalization analysis to demonstrate measurable net-new sales tax generation attributable to the project.

#### **Potential Incentive Tools**

Staff will bring forward for the consideration of Council, proposals that authorize potential incentive tools for Retail Businesses, including:

- Net-new Sales Tax rebates up to 50% of the total remitted;
- Fee waivers and/or reimbursement (not to include impact fees);
- Workforce skills advancement grants; and
- Expedited development review (see Paragraph D.1. below).

### **D. Potential Project Facilitation and Cost Management Tools for Incentive Eligible Projects**

Non-revenue incentives intended to improve project feasibility, timing, or coordination, including:

- Coordinated or expedited development review (see subparagraph 1. below); and
- Utility development fee amortization (see subparagraph 2. below).

### **1. Expedited Development Review**

Projects meeting eligibility requirements under both Primary Employer types or Retail Businesses may be considered for Expedited Development Review as a project delivery tool intended to improve coordination, clarity, and timeline predictability. Participation in expedited review is not automatic and shall be determined based on project scale, complexity, economic impact, and available staff capacity.

#### **Program Framework**

Projects approved for expedited review may receive the following:

- Pre-application coordination, including facilitated charette-style meetings to identify major issues, required submittals, and review expectations prior to formal application.
- Structured review timelines with a goal of completing each formal review round within twenty-one (21) calendar days, **subject to application completeness and departmental capacity.**
- A maximum of three formal review rounds, with an expectation that initial submittals demonstrate substantial completeness. The City's goal is to receive applications that are at least sixty percent (60%) complete at first submission to support efficient review.
- Assignment of a coordinated review team, which may include senior-level planners or staff with subject-matter expertise appropriate to the project scale and complexity.
- Post-review coordination meetings following each review cycle to clarify comments, confirm outstanding issues, and reduce unnecessary resubmittals.
- Deployment of a Rapid Response Team for complex or strategic projects requiring cross-departmental coordination.

**Please note:** participation in expedited review does not waive regulatory requirements, alter adopted standards, or guarantee approval outcomes. The City retains discretion to prioritize projects based on available staff capacity and overall community benefit.

## **2. Utility Development Fee Amortization**

Projects meeting eligibility requirements under the both types of Primary Employer Incentives may be considered for utility development fee amortization as a project delivery and cost management tool.

Amortization is intended to address project feasibility, cash flow timing, or infrastructure coordination needs for qualifying projects that demonstrate significant economic impact.

Participation is not automatic and shall be determined based on project scale, infrastructure demands, fiscal impact, and alignment with adopted utility policies. Note that the Fort Collins Utility Charter requires that any incentive benefit the Utility and/or ratepayer.

### **Program Framework**

Approved projects may be considered for:

- Structured payment schedules for eligible utility development fees; and/or
- Phased payment arrangements aligned with project milestones or occupancy timelines.

Amortization or structured payment arrangements do not constitute a waiver of required fees. All arrangements shall be developed on a case-by-case basis, documented through written agreement, made in compliance with City Charter requirements, and structured to protect the fiscal integrity of the City and its Utilities.