



The following are hypothetical examples for purposes of illustration of potential incentive agreements developed pursuant to the proposed Business Assistance Package Incentive Policy (the “Policy”).

Example #1: New Primary Employer Business Assistance Package

At a future date after Council’s adoption of the Policy, the City’s Economic Health Office receives a confidential inquiry from an advanced technology manufacturing company engaged in semiconductor manufacturing to establish a flagship U.S. manufacturing, research and development (R&D), assembly, and business operations designated as Project XYZ. Project XYZ’s planned operations will include a 50,000 sq. ft. facility, an estimated 150 jobs with average annual wage of \$95,000, and a \$50 million(M) capital expenditure over 10 years. It is estimated the \$50M capital expenditure is split as follows: 50% of the total estimated amount to be spent on facility construction (and construction labor) and 50% to be invested in the acquisition of machinery, and research and development equipment. The company making the inquiry plans to site Project XYZ within the Fort Collins CHIPS Zone. The company estimates that Project XYZ will spend \$500,000 on job training for new employees and that its total annual wages for the site will be approximately \$14M.

Project XYZ			
Upfront Investments			Total
State: Strategic Fund	\$6,500 / Job	150 Jobs	\$975,000
State: CHIPS Refundable Tax Credits			\$892,500
City: Construction Use/Sales Tax Rebates			\$225,000
City: Manufacturing or Research & Dev Eqpt Use/Sales Tax Rebates			\$375,000
Total One Time			\$2,467,500
Grand Total All Investments			\$2,467,500

Source: City of Fort Collins - Economic Health
 /Users/econrhn/Desktop/Project_Sample.xls/Summary

The Fort Collins CHIPS Zone allows semiconductor and advanced technology companies engaged in semiconductor manufacturing to access the following state

income tax credits (with the approval of the Colorado Economic Development Commission):

- Qualified Investment Tax Credit
 - Job Training Tax Credit
 - Commercial Vehicle Investment Tax Credit
- Business Facility New Employee Tax Credit
- Research and Development Tax Credit

Example #2: Retail Business Incentive Potentials

These scenarios are intended to demonstrate the scale of potential public investment, anticipated fiscal return, and the role incentives can play in supporting both new development and reinvestment in existing commercial areas.

All examples assume a performance-based rebate structure tied to actual net-new sales tax generation and are designed to maintain a positive long-term fiscal return to the City.

Summary of Example Scenarios

Scenario	Greenfield Development	Redevelopment (Medium Space)	Redevelopment (Small Space)
Use Type	Entertainment Retail	Sporting Goods / Outdoor	Specialty Women's Fashion
Square Footage	100,000 SF	15,000 SF	4,000 SF
Estimated Project Cost	\$30,000,000	\$2,625,000	\$700,000
Revenue per SF (Annual)	\$500	\$500	\$500

Scenario	Greenfield Development	Redevelopment (Medium Space)	Redevelopment (Small Space)
Estimated Annual Revenue	\$50,000,000	\$7,500,000	\$2,000,000
Annual General Fund Sales Tax	\$1,425,000	\$213,750	\$57,000
Incentive Structure	50% Rebate	50% Rebate	50% Rebate
Annual Rebate Value*	\$712,500	\$106,875	\$28,500
Total 5-Year Incentive*	\$3,532,500	\$534,375	\$142,500

**Illustrative only; actual programs would include defined caps.*

Key Takeaways

These examples demonstrate that performance-based incentives can be calibrated to support a range of retail outcomes:

- Large-scale attraction projects can generate substantial new revenue and regional draw, with incentives structured to remain a share of new tax generation.
- Mid-size redevelopment projects help absorb vacancy, strengthen existing centers, and deliver strong fiscal returns with relatively modest public investment.
- Small-scale infill and local retail can be supported through smaller incentives that help stabilize corridors and diversify the retail base.

Across all scenarios, the City retains at least 50% of new General Fund Sales Tax revenue during the incentive period, with full revenue realized after the agreement term.

Assumptions

- Construction costs based on mid-point of national benchmarks
 - Greenfield development: \$300 per square foot
 - Redevelopment (second-generation space): \$175 per square foot
- Retail performance at mid-level performing retail based on comparable Front Range market conditions
 - Estimated at \$500 per square foot annually
- Incentive Structure
 - 50% rebate of new General Fund portion of Sales Tax (2.85%), paid only on actual performance
- Financial Timing
 - Revenue estimates assume stabilized operations