

DRAFT: Town of Johnstown Incentive Policy

Goal Statement

The Town of Johnstown (Town) aims to attract new businesses, retain and expand its existing businesses, diversify the local economy, and enhance the quality of life for its residents.

Purpose

The purpose of the incentive policy is to establish general procedures and requirements to govern the fair, judicious, and strategic use of incentives by the Town in order to meet its economic development goals.

Objectives

In evaluating any economic development project and the use of incentives, the Town will apply the following objectives:

- Incentives will be based on a “case by case” review of each economic development project and incentive request and must clearly demonstrate substantial
 - Fiscal Impact
 - How much direct sales tax will be generated
 - How much real and personal property value will be added to the local economy
 - What is the capital investment of the project
 - What infrastructure will be required to sustain the development
 - Community Impact
 - Is the project compatible with the Town’s Comprehensive Plan
 - Does the project compliment the existing local business community
 - Does the project enhance the quality of life for residents
 - Does the project create any environmental impact
 - Employment Impact
 - How many local jobs will be created both directly and indirectly
 - What type of jobs will be created
 - What will be the average salary per employee
 - What will be the total annual payroll
- To be most effective, the Town will creatively and effectively combine or package resources and/or incentives from public and private sources
- The Town retains the right to deny an incentive request and/or modify the incentive policy

Targeted Industries

The Town recognizes the need for diversification and will focus on four distinct but complementary categories of development; commercial, destination, industry, and housing.

- Commercial: to increase the Town’s tax base, and to diversify, expand, and increase the market presence of services and products in the community
- Destination: to increase the Town’s tax base, and to attract customers from outside the Town, and provide new and different shopping, dining, and/or entertainment experiences.
- Industry: to increase the Town’s tax base, diversify, expand, and increase the presence of private-sector companies, and create high-paying quality jobs in the community

- Housing: to increase the City's tax base, and to provide a diverse range of housing types, with an emphasis on affordable/attainable housing for current and future residents.

Available Incentives

The Town offers several types of incentives either individually or in various combinations in order to meet its economic development goals.

Incentives include but are not limited to:

Expediated Review Process

The Town may consider expediting the development review process should the project meet one of the targeted industries within one of the targeted corridors. The expediated review process guarantees an applicant's project will receive priority review and approval of land use applications and building permits.

Provision of Land and Property

The Town may consider the provision of land and/or property to a developer and/or business for a project that meets one of the targeted industries within one of the targeted corridors.

Site Preparation Including Infrastructure Improvements

The Town may consider to work in conjunction with a developer to create reasonable, cost-effective infrastructure options. Provision of materials and expert resources may be negotiated, including fill material, environmental investigations, wetland investigations, permitting processes, etc.

Land Development Fees

The Town may consider reducing or waiving development fees such as those for:

- Plan Review
- Building Permit
- Use Tax

Creation of Special Financing Districts

The Town may consider a variety of special financing districts which would allow the district to finance, design, plan, construct, install and/or complete public improvements related to a development project. Special financing districts can include but are not limited to:

- Public Improvement Fees
- Tax Increment Financing
- Metropolitan District
- Urban Renewal Authority

Grants, Loans, and/or Forgivable Debt

The Town may consider grant, loan, and/or forgivable debt programs to a developer and/or business in order to assist with the development costs of a project. Available funds are at the discretionary authority of the Town. Grant programs can include but are not limited to:

- Johnstown Façade Grant

Sales Tax Rebate

The Town may consider a rebate or share-back, of a portion of the sales tax generated specific to the project as a payment to the business and/or developer.

Job Creation

For every net new job created from a primary employer and maintained for at least one (1) year, and where the employee resides in Johnstown, Colorado, and is paid at least 150% of the average annual wage in the county (Weld or Larimer County) where the project will be located, the business is eligible to receive a one-time maximum payment of up to \$1,000 per net new employee. The average annual wage for Weld or Larimer County will be determined by the United States Department of Labor, Bureau of Labor Statistics.

Priority Annexation

Applicants seeking a project within an unincorporated area (Weld or Larimer County) can annex into the Town limits through an expediated process and where associated voluntary annexation application fees can be waived or reduced.

Liaison between Economic Development Agencies and External Parties

The Town's Economic Development Department can serve as a liaison between developers, private owners, local lending institutions, and State and federal agencies, if requested. Agencies can include but are not limited to:

- Office of Economic Development and International Trade (OEDIT)
- Weld County
- Larimer County Economic & Workforce Development
- Up State Colorado
- Small Business Administration (SBA)

Incentive Request

Any person, organization or corporation requesting incentives from the Town of Johnstown will comply with the following procedural guidelines. An Applicants submission of an incentive request and/or documentation does not constitute an approval from the Town to provide incentives.

Incentive Request Process

All incentive requests will be initiated through the Town's Economic Development Department. An applicant must contact the Economic Development Manager to schedule a preliminary meeting to discuss project concept and incentive request. Applicant should be prepared to provide during the preliminary meeting:

- General site plan
- Capital investment projection
- Timeline/phase of the project
- Overall fiscal, community, and employment impact to the Town and region

Additional information may be requested as needed.

Following the preliminary meeting, Town staff will review the project and incentive request internally. Subsequent meetings may be held with the applicant before bringing to the Town Council for consideration.

The Economic Development Manager will work with the Applicant to finalize the incentive request and be the point of contact throughout the process.

The final decision for any incentive request will be the sole discretion of the Town Council.

Incentive Agreement

If approved by the Town Council, all incentive packages will require a fully executed incentive agreement. The development agreement will include at minimum the responsibilities of each party, the expectations of the development, and claw backs, if applicable. Negotiated reporting requirements will be the responsibility of the business to provide to the Town. Failure to provide the required information in a format acceptable to the Town may constitute a breach of the incentive agreement.