

Board of Douglas County Commissioners
July 25th, 2024

Dear Douglas County Commissioners,
Subject: Incentive Package Presentation for Economic Development
Dear Commissioners,

The Douglas County Economic Development Corporation (DCEDC) respectfully requests a time on the Board's agenda to present our newly developed incentive package. The attached incentive package outlines a comprehensive set of incentives designed to stimulate economic growth, attract new businesses, and retain existing enterprises within Douglas County.

This package is designed to not only attract new businesses but also to support the expansion and retention of existing businesses, thereby creating a robust and sustainable economic environment. By implementing these incentives, we aim to enhance Douglas County's competitive edge, increase job opportunities, and boost overall economic development.

Thank you for considering our request. We look forward to the opportunity to present this package and discuss how it can benefit Douglas County.

Sincerely,

A handwritten signature in black ink, consisting of a stylized, cursive 'S' followed by a large, sweeping loop that ends in a small flourish.



Douglas County
ECONOMIC DEVELOPMENT
CORPORATION

DOUGLAS COUNTY

Business & Development Incentive Program

JUNE 2024

The Douglas County Board of County Commissioners strongly supports Douglas County's primary employers and encourages companies receiving incentives to demonstrate involvement in the community and investment in Douglas County's economic future. For that reason, the Douglas County Board of County Commissioners requests that each recipient investigate membership and sponsorship opportunities in the member organizations of Douglas County Economic Development Corporation.



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Incentive Program Overview

The Incentive Program provides incentives to support core economic development priorities in unincorporated Douglas County, including attraction and expansion of primary employers; investments in economically significant projects; or serving as economic catalysts. The Incentive Program is designed to create jobs, expand the property tax base for Douglas County, encourage existing businesses to invest in new capital projects and new employees, and spur the construction and expansion of office, industrial, and retail development.

FUNDS

Funds available for the Incentive Program are finite — with approval — incentives are granted on a first-come, first-served basis. Funding for this program is allocated annually.

- Project incentives of \$100,000 or less may be administrated by BOCC.
- Project incentives totaling more than \$100,000 require approval of the Douglas County BOCC.

APPLICATIONS

Applications for incentives shall include a formal application and submission of information and supporting documentation and required by BOCC and DCEDC based on criteria established below. Submissions based on insufficient information may be a basis for rejecting an application. Because Douglas County is subject to the Colorado Open Records Act, (CORA), C.R.S. 24-72-201 et al, applicants are encouraged to identify any proprietary business information in their application as confidential or a trade secret.

Incentives may only be awarded under the incentive program for valid public purposes under Colorado law. Incentives cannot take the form of a donation to a company, nor can any incentive cause the BOCC any liability. This incentive program remains subject to repeal or modification at any time at the discretion of the BOCC. Approval of a given incentive does not create a precedent for consideration or approval of another application, nor does it create any rights or benefits upon any prospective applicant or business. Decisions are final and not subject to appeal. Unsuccessful applicants may submit a new application the following calendar year.

Job Creation & Retention

INCENTIVES

\$5,000

per job created (>\$60,000)

\$1,000

Additional \$1,000 per job if it
meets target industry criteria

CRITERIA

- 1. Create Jobs:** Minimum number based on company size:
 - a. Small (20 or fewer employees)
 - b. Medium (21-49 employees)
 - a. Large (50+ employees)
 - 2. Retain Jobs:** Commit to retaining created jobs for a minimum of 24 months.
 - 3. Location:** Own or lease commercial or industrial property within Douglas County.
 - 4. Business Activity:** Align with Douglas County's goals and vision.
 - 5. Approval:** Be approved by the Douglas County Board of County Commissioners (BOCC).
 - 6. Reporting:** Document employment details (dates, part-time, full-time, salary, residency) for all employees during the incentive agreement.
- 1. Targeted Industry:** Aerospace, Healthcare, Finance and Clean Energy

Capital Infrastructure Improvements

INCENTIVES

- Public funding provided for public infrastructure to support corporate growth and development.
- Funding of major arterial road extensions or expansions to serve commercial, multifamily, or retail development.

CRITERIA

The Board of County Commissioners may increase the infrastructure investment amount for projects demonstrating a significant public benefit.

- Construction of a new building;
- Seek tenant improvement permits; or structured parking; or major arterial extensions*; or intersection improvements*; or traffic control devices; or roundabouts; or pedestrian crosswalks; or improved traffic flow (acceleration/deceleration lanes)
- The metro district approves of the proposed arterial extension*
- Applicant has demonstrated the proposed project would significantly expand employment, sales tax, property taxes, or provide affordable or attainable housing opportunities*

Targeted Industries

Aerospace, Healthcare, Finance,
& Clean Energy

INCENTIVES

- Up to a 50% rebate (up to 100%) for development and permit fees and taxes in addition to the other job creation and capital improvement incentives.
- Primary employers that qualify

CRITERIA

1. Commercial enterprise (not a nonprofit)
2. Applicants requesting a Target Industry Incentive must meet or exceed the definition of a 2nd State Company as defined below:
 - a. Demonstrated operational history past the “startup” stage
 - b. Employ 6 or more full-time equivalent W-2 employees for at least six months
 - c. Have minimum annual revenue of \$750,000
 - d. Demonstrate the intent and capacity to grow
 - e. Would significantly expand employment, sales tax, property taxes, or provide affordable or attainable housing opportunities*

Rapid Response

INCENTIVE

With Douglas County Development Corporation (DCEDC), Douglas County's Rapid Response Team (RRT) provides qualifying primary employers with expedited review and approval of land use applications and building permits. The RRT service is valuable in that it reduces the time it generally takes for plans to move through the approval process.

1. Predictable Permitting Process:

- a. Guarantees that plans go to the top of the review stack for each reviewing agency (South Metro Fire, Metro Districts, Town & Local Economic Development Divisions, Douglas County Health Department, Engineering Development Review Division, Land Use Review (Planning & Development) Department, etc.

2. One-Round Reviews

- a. Typically starts with a company filling out the pre-rapid response form, then meeting with RRT (1 representative from each entity).

Meeting includes:

- i. Company provides a project overview (including preliminary drawings).
- ii. Entities give feedback.
- iii. After the initial meeting, DCEDC is the mediator if the companies can't work things out on their own with the agencies.

3. Expedited Entitlements

- i. Businesses that participate in the program get through the permit process twice as fast.

CRITERIA

1. **Create Jobs:** Based on same criteria for the Job Creation & Retention Incentive.
2. **Retain Jobs:** Commit to retaining created jobs for 24 months.
3. **Location:** Own or lease a commercial or industrial property within Douglas County.
4. **Business Activity:** Align with Douglas County's goals and vision.
5. **Approval:** Be approved by the Douglas County Board of County Commissioners.
6. **Reporting:** Document employment details (dates, part-time, full-time, salary, residency) for all employees during the incentive agreement.

Business Personal Property Tax Rebate

Over an 8-year period, last recorded in 2023, Douglas County properties have received this tax credit totaling more than \$8.7 million countywide.

INCENTIVE

- Douglas County business property owners receive exemptions of \$100,000 for property taxes as of 2015.
- The State of Colorado exempts the first \$52,000 from the actual value of business personal property per business.

The Douglas County exemption only applies to the Douglas County Government's General Tax, while all other tax authorities remain at the state exemption level.

CRITERIA

1. Apply with BOCC

Office Loan & Lease Programs

The Board of County Commissioners may increase the infrastructure investment amount for projects demonstrating a significant public benefit.

Additional Incentives

In addition to the Unincorporated Douglas County Business and Development Incentive Program, the **State of Colorado's Office of Economic Development and International Trade** offers several targeted incentive programs for businesses looking to start or expand operations in the state (over 100 different opportunities) – [Visit OEDIT Programs and Funding.](#)

The *Business Funding and Incentives Division* works closely with the *Global Business Development Division* and the *Colorado Economic Development Commission* to provide the funding and performance-based incentives needed to create and retain jobs in Colorado.

The **Douglas County Economic Development Corporation** can help you and your business navigate state and county incentives.

Building the future *together.*

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COUNTY
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Objective:

Estimate ROI for a \$1M investment in business incentives over 3, 5, and 10 years to promote economic growth.

Incentive Breakdown and ROI Estimates:

- 1. Job Creation:**
Budget: \$330,000
 - **Aerospace ROI:** 35.7% (3 yrs), 126.1% (5 yrs), 352.3% (10 yrs)
 - **Finance ROI:** -3.2% (3 yrs), 61.4% (5 yrs), 222.8% (10 yrs)
 - **Healthcare ROI:** -85.4% (3 yrs), -75.7% (5 yrs), -51.5% (10 yrs)
 - **Overall ROI:** -31.0% (3 yrs), 14.9% (5 yrs), 129.9% (10 yrs)

- 2. Office Lease:**
 - **Budget:** \$330,000
 - **ROI:** 8.5% (3 yrs), 80.8% (5 yrs), 261.7% (10 yrs)

- 3. Retail Lease:**
 - **Budget:** \$330,000
 - **ROI:** 59.1% (3 yrs), 165.2% (5 yrs), 430.5% (10 yrs)

- 4. Rapid Response:**
 - **Property Estimate:** \$2,200,000
 - **ROI:** \$102,200
 - **Timeline:** 6 months (down from 12)

- 5. Comparative Insights:**
 - **Centennial:** Offers various planning, tax, and fee incentives.
 - **Arapahoe County:** No current incentives.
 - **Jefferson County:** No business personal property tax, income tax credits in Enterprise Zones, and federal tax benefits.

Key Takeaways:

- **Long-Term Growth:** Significant returns in aerospace, finance, and retail over ten years.
- **Short-Term Challenges:** Negative initial returns in healthcare and non-target industries.
- **High Lease Returns:** Office and retail leases show strong long-term ROI.