

**CITY OF LONGMONT  
ECONOMIC DEVELOPMENT BUSINESS PERSONAL PROPERTY TAX INCENTIVE  
PAYMENT AND BUILDING PERMIT FEE REBATE PROGRAM**

**ADMINISTRATIVE PROCEDURES**

**A. Preface**

In 1986, the Longmont City Council, Chamber of Commerce, and Longmont Area Economic Council (LAEC) discussed methods of stimulating additional commercial/industrial growth and development as well as how to encourage expansion of existing commerce and industry within the Longmont community. As a result, the Council implemented a program to provide relief from certain City building permit fees when new development or redevelopment occurred, believing that the new jobs would provide a greater long term community benefit beyond the short term collection of building-related fees. This program has evolved over time, and has recently changed after receiving information from the LAEC regarding the desirability of offering Business Personal Property Tax Incentive Payments, for four consecutive years, to eligible applicants as another option for new and expanding industry. The following information and criteria would then be used when evaluating an applicant's merits and eligibility for the City of Longmont's Economic Development Business Personal Property Tax Incentive Payments or the Building Permit Fee Rebate program.

**B. Criteria for Consideration in City Business Personal Property Tax Incentive Payment or Building Permit Fee Rebate Program**

The following criteria, if achieved with new or expanding development, will have the greatest impact on the economic health of the community.

**Job Creation:** The creation of primary jobs will have a spin-off effect of greater employment and more dollars available to be spent in the community for goods and services. This results in a healthier marketplace and business climate which should also stimulate greater sales tax collection for the City. In order to be eligible for the program an applicant must agree to increase its number of primary jobs by at least 10%, with a minimum of 10 new jobs, during the initial year after receiving a certificate of occupancy. That same number of jobs must also be maintained for the full four years resulting in a net increase of overall jobs as initially represented in order to receive the Personal Property Tax Incentive Payment for those four years.

**Increased Property Valuation:** The City's General Fund is aided further when the community's tax base is strengthened. A new development of substantial size will provide the City with increased property taxes collected, although this revenue will not be realized until the year following completion of construction.

**Company's Ability To Meet Economic Development Goals Within A Given Time Frame:** The need for economic stimulation is immediate and little is gained if only speculative development is proposed. The ability to commence a project in the short term (e.g., one year after applying for the economic incentive) stimulates further development, places the project on the tax rolls, and generates income to the community in a reasonable period of time.

**Consistent With Established Economic Development Priorities And/OR Longmont Area Comprehensive Plan Goals:** New and expanding industries are desirable provided they show this consistency. The economic development program formulated by the City of Longmont and the Longmont Area Economic Council (LAEC) gives preference to businesses and firms which:

- Show growth potential and diversify the economy
- Benefit other industries in the local economy and generate high multiplier effects
- Meet employment needs of local residents
- Generate new tax revenues
- Meet environmental and aesthetic standards of the community.
- Make relatively efficient use of valuable land resources

Goals that relate specifically to the Longmont Area Comprehensive Plan include:

- Encourage orderly growth of industrial development, leaning more toward high value, clean industries
- Coordinate development of industrial areas consistent with area-wide and redevelopment goals
- Strive for a well-balanced, diversified and stable economic base in order to provide job opportunities for Longmont residents and a dependable tax base for the City
- Create and maintain a business environment that encourages the retention, growth, and continued profitability of existing businesses which benefit the city, its tax base and its residents

**Higher Wages** – consideration should be given to those employers willing to pay wages at least 5% above the Boulder County average which amounts to \$25.65/hour. This average is based on 2010 information and would be annually

updated based on information from the Colorado Department of Labor. The employer would need to indicate how the average of all new employees would meet this criterion. Hopefully, having a higher wage will better enable Longmont residents to live and work within the City.

**C. Process for Consideration of City Economic Development Business Personal Property Tax Incentive Payment or Building Permit Fee Rebate Program.**

A company wanting to be considered for Economic Development Business Personal Property Tax Incentive Payment or Building Permit Fee rebate should complete the application forms in the appendix of this report and submit them to the City Economic Development Department Director who will then review the project against the applicable criteria and, if criteria are met, will authorize an incentive payment of 50% of the incremental increase in Business Personal Property Tax (for four years) or a 30% Building Permit Fee Rebate. Any incentive payment or rebate desired beyond that which is granted administratively must be reviewed and approved by the City Council. Upon approval of the application, an agreement will be drawn up by the Longmont City Attorney (see attachment #1) to allow the Business Personal Property Tax Incentive Payments or rebate of the Building Permit Fees once conditions of the agreement are met.

To summarize the basic features of the City Economic Development Business Personal Property Tax Incentive Payment or Building Permit Fee Rebate Programs:

1. Any relocating or expanding primary employer is eligible to apply for the Business Personal Property Tax Incentive Payment or Building Permit Fee Rebate at the time of applying for a building permit or no later than receiving a certificate of occupancy. A primary job is defined as one from a company which sells the majority of its goods or services outside Boulder County. (Form D-1)
2. The proposed project must satisfy enough criteria to receive at least 8 points to be considered eligible for an incentive payment of 50% of the incremental increase in Business Personal Property Tax or a 30% Building Permit Fee Rebate. (Form D-2)
3. The company must sign an agreement (attachment #1) assuring that the respective criteria will be met within one year from the issuance of a Certificate of Occupancy (Form D-4). The Personal Property Tax Incentive Payment would be for four (4) consecutive years with the first year incentive payment occurring within 6 months after one full taxable year of occupancy. The Building Permit Fee Rebate would be granted prior to receiving a certificate of occupancy.
4. The program will be administered within the Economic Development and Finance Departments and subject to appeal to the City Manager. An applicant may also appeal the decision to the City Council.

## D. ECONOMIC DEVELOPMENT BUSINESS PERSONAL PROPERTY TAX INCENTIVE PAYMENT OR BUILDING PERMIT FEE REBATE PROGRAM

### Instructions for Application

1. Company completes Forms D-1, D-2 and signs D-4, submitting additional information available to verify projected economic impact on the community. Submit all forms and supplemental information to the Economic Development Department Director for review and approval.
2. Form D-2: This form identifies six specific thresholds with points given to each criterion that the proposed project can meet. At least 8 points must be obtained to allow a project to qualify for the incentive payment of 50% of the incremental increase in Business Personal Property Tax or (30%) Building Permit Fee rebate program.
3. Form D-3: Calculation of Development (Permit) Fee Rebate or Personal Property Tax Incentive Payment eligible to be granted and calculated by City staff.
4. Form D-4: Economic Development Business Personal Property Tax Incentive Payment or Building Permit Fee Rebate Certification form that must be signed by the applicant's Chief Executive Officer (or an appropriate officer) and properly notarized.
5. If Business Personal Property Tax Incentive Payment is granted, it will be issued by the Finance Department within 6 months following full payment of personal property taxes pursuant to an agreement (attachment #1) prepared by the City Attorney. If a Fee Rebate is granted, it will occur prior to receiving a certificate of occupancy.



**FORM D-2  
CITY OF LONGMONT  
BUSINESS PERSONAL PROPERTY TAX INCENTIVE PAYMENT OR BUILDING  
PERMIT FEE REBATE CRITERIA CALCULATION**

**CRITERIA (Check each area that applies)**

		<b>Points Achieved</b>	<b>Total Points Possible</b>
1.	Hire at least 30% of new employees who will live in Longmont		1
2.	Project meets Longmont Area Comprehensive Plan goals and policies.		1
3.	Project will help diversify the local economic base.		1
4.	The company agrees to pay an average wage level for the primary jobs created that is at least 5% above the prevailing average Boulder County wage, as determined by the Colorado Department of Labor Quarterly Census of Employment and Wages (QCEW) - \$25.65 through 2010.		5
5.	Company will institute a training program for Longmont residents to meet the skill needs of the company within 1 year.		1
6.	Other conditions contributing to Council's economic goals and objectives ( e.g. jobs based on intellectual patents)		1
<b>TOTAL</b>			<b>10</b>
<p><b>Of the 10 points possible, a project shall have a minimum of 8 points to be considered for an incentive payment of 50% of incremental Business Personal Property Tax or 30% Building Permit Fee Rebate</b></p>			

\*Primary Jobs -- Defined as employment from a company which sells the majority of its goods and services outside of Boulder County.

**FORM D-3 COMPLETED BY CITY STAFF**

**CALCULATON OF CITY DEVELOPMENT FEES/  
PERSONAL PROPERTY TAX INCENTIVE PAYMENT**

**Date:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_

**Step 1: Record Level of Fee Adjustment**

Points achieved by meeting criteria from Form D-2: \_\_\_\_\_

Fee Adjustment Schedule:

8+ points = 30% rebate of City Development Fees or  
Incentive Payment of 50% of the incremental Business Personal Property  
Tax

**Step 2: Amount of City Fees from Project**

<b>City Development Permit Fees Eligible to be Rebated</b>	<b>I Total Due with Permit</b>	<b>II % Amount Rebated</b>	<b>III Rebated Amount Due</b>
1. Building Permit	\$	%	\$
2. Plan Check	\$	%	\$
3. Transportation Community Investment Fee (for infill projects only – 50%)	\$	%	\$
4. City Sales Tax	\$	%	\$
5. Grading Permit	\$	%	\$
<b>Total</b>	<b>\$</b>	<b>%</b>	<b>\$</b>

<b>Business Personal Property Tax (50%)*</b>	\$	%	\$

\* Use valuation from County Assessor's records, multiply by .29, then multiply by Longmont's current mill levy 13.24.

*Note: City staff will be responsible for completing this form*

**FORM D-4  
CITY OF LONGMONT  
ECONOMIC DEVELOPMENT BUSINESS PERSONAL PROPERTY TAX INCENTIVE  
PAYMENT OR BUILDING PERMIT FEE REBATE CERTIFICATION**

This certifies that the information submitted to the City of Longmont in application for a Business Personal Property Tax Incentive Payment or Building Permit Fee Rebate consideration is accurate and true in all aspects.

It is further certified that the project for which this Business Personal Property Tax Incentive Payment or Fee Rebate is being applied must meet the conditions of the agreement within 1 year after the certificate of occupancy is issued. The applicant also understands that City representatives will be contacting the company to verify the number of new employees and salaries identified on Form D-2.

It is understood and hereby agreed upon that any failure to comply with the certifications herein attested to may result in the invalidation of any incentive offered and result in the immediate revocation of any Business Personal Property Tax Incentive Payments or Building Permit Fees rebated. Further legal remedy (e.g. financial audits) may also be pursued as determined by the City.

\_\_\_\_\_  
Chief Executive Officer/Responsible Party

\_\_\_\_\_  
Date signed

SUBSCRIBED AND SWORN BEFORE ME THIS \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

My Commission Expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

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**BUSINESS PERSONAL PROPERTY TAX INCENTIVE PAYMENT OR BUILDING PERMIT  
REBATE GRANTED:**

\_\_\_\_\_  
Economic Development Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Manager (Appeal)

\_\_\_\_\_  
Date

February 2, 2012