



## **ECONOMIC DEVELOPMENT INCENTIVE POLICY FOR MORGAN COUNTY**

**July 29, 2019**

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### **Purpose**

The purpose of the incentive policy is to encourage the location of new business/industry and the expansion of existing business/industry in Morgan County, Colorado. To support a sustainable, self-reliant local economy that meets the needs of the residence of Morgan County. The policy is designed to encourage employment opportunities and increase the tax base to strengthen the area economy. The policy does not commit or restrict the county from providing additional incentives, but contains specific criteria, guidelines and procedures necessary to effectively and fairly administer the provision of economic development incentives.

### **Targeted Industries (not limited to)**

- Advanced technology (examples: biotechnology, precision agriculture, CNC manufacturing, data storage, medical technologies, research and development, telecommunications)
- Aerospace
- Agri-business
- Energy and Natural Resources
- Financial services
- Technology and Information Services
- Tourism & Recreation
- Transportation
- Any other Business/Industry that will complement our county/regional economies

### **Eligibility Criteria**

- A new business must invest minimum of \$1,200,000 in capital investment. An existing business must invest an amount equal to half the current assessed value of their current facility or \$2,000,000 whichever is less.
- Businesses must either create 3 new jobs, increase jobs by 10% over the base number of employees, or be re-tooling the to meet market needs/government regulations.
- The average annual wage for full-time employees must be equal to or greater than the

average individual wage by industry for Morgan County (as documented by the Workforce Center LMI reports). All full-time employees must earn at least 180% of the poverty threshold as determined by the U.S. Census Bureau).

- Employer must pay 80% of employee health plan.
- No corporate reorganization or sale of business will qualify unless the business has been closed for previous 4 months.
- Application for incentives must be submitted prior to beginning construction.
- Changes in the Colorado tax structure could void the incentive agreement.
- If the business/industry would sell during the incentive period the incentives would be void. This would not include a sale to a subsidiary company.
- If a business/industry closes during the incentive period the incentives would be void.
- Business/Industry applying for incentives cannot be a direct competitor of an existing Business/Industry. This is determined by BOCC (Board of County Commissioners) and MCEDC (Morgan County Economic Development).

### **Incentives**

Incentive agreements are limited to five years. New or expanding businesses that meet the eligibility criteria may apply for the following incentives.

- A MAXIMUM of 50% refund on real and personal property taxes.

The BOCC can negotiate other incentives if they feel the business will fill a significant need in the county/region.

- **Administration**

#### *Pre-application*

Prior to submittal of a formal application, a business may inquire as to the eligibility for incentives based on preliminary employment and capital investment figures. The business shall submit a letter of application to the Board of Morgan County Commissioners. The Commissioners and/or their designee will review the information submitted and respond to the business regarding apparent eligibility and potential amount of incentives if granted. This initial response shall in no way represent definitive findings or be seen as an expression of intent or obligation of the Board of Commissioners to favorably consider or approve a formal request for incentives. The pre-application letter and initial response shall be deemed to be proprietary business information and shall be kept confidential.

#### *Formal Application*

The County will consider incentives for businesses that submit a complete application and provide such additional information as may be reasonably requested. The application shall contain the following:

- Name and address of business, principal owners and officers, contact person, telephone and fax numbers.
- A general description of the nature of the business, business history and experience.
- Name and address of the owner of the land and building occupied or to be occupied by the business.
- A general description of the proposed building project or improvements, including estimated capital costs.
- A site plan of the proposed building project or improvements.
- If an existing business, average total monthly employment figures for the past 12 months.
- Number of new jobs (FTE) to be created by type or position and an estimate of

- wages/earnings of these jobs.
- Statement of how the proposed business will maintain or enhance quality of life and provide social, economic, or cultural benefits to community.
  - Statement that the business operation will not detract from city/county's aesthetic environment (addresses odor, noise, water quality, smoke, heat, glare vibration, lighting, etc.).
  - Economic impact analysis conducted by independent party (i.e. Morgan County Economic Development Corp.).

#### *Application Review Procedures*

The Board of Commissioners reviews the analysis of the costs and benefits and receives comments from the applicant. If the Board is favorable, the application would be moved to a formal hearing for formal action. Approval shall be in the form of a resolution.

#### *Monitoring Review*

Each incentive agreement shall be subject to an annual monitoring review to determine if the business continues to meet eligibility criteria and remains in compliance with any established terms and conditions. MCEDC will help facilitate getting the report