

**TOWN OF TIMNATH, COLORADO
RESOLUTION NO. 37, SERIES 2023**

**A RESOLUTION APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE
POLICY – SMALL BUSINESS**

WHEREAS, the Town Council of the Town of Timnath (“Town”) pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, attached hereto is a proposed Economic Development Incentive Policy – Small Business (the “Policy”); and

WHEREAS, the purpose of the Policy is to promote development of significant economic and/or retail or service benefits to the residents of the Town of Timnath by specifically providing strategic incentives that support the long-term fiscal health and viability for the Town; and

WHEREAS, the Town Council is familiar with the proposed Policy and finds it to be in the best interest of the Town, its residents, and the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO AS FOLLOW:

Section 1. Approval

The Policy is hereby approved in substantially the form as attached hereto, subject to technical or otherwise non-substantive modifications, as deemed necessary by the Town Manager in consultation with the Town Planner, Engineer, Legal Counsel, and other applicable staff or consultants.


INTRODUCED, MOVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, ON MAY 9, 2023.

TOWN OF TIMNATH, COLORADO



Mark J. Soukup, Mayor

ATTEST:



Milissa Peters-Garcia, CMC
Town Clerk



EXHIBIT A

Economic Incentive Policy – Small Business

**TOWN COUNCIL ADOPTED POLICY
TOWN OF TIMNATH**

SUBJECT: Economic Development Incentive Policy – Small Business

ISSUE DATE

May 9th, 2023

EFFECTIVE DATE

May 10th, 2023

INTENT

It is the intent of the Economic Incentive Policy (“Policy”) to provide clear guidance to staff in the community’s efforts to support economic growth and new commercial development and to provide for a strong, business friendly culture in the Town of Timnath.

PUBLIC PURPOSE

The Policy serves a broad public purpose as established by the Town Council at its discretion by providing significant economic and/or retail or service benefits to the residents of the Town of Timnath. Specifically, the Town is seeking to provide strategic incentives that support the long-term fiscal health and viability for the Town.

POLICY

The Town will accept incentive requests on an as-needed basis and subject to budget limitations. The Town will award incentives subject to the application process and considerations outlined in this Policy. The Town Council reserves the right to accept or reject any incentive request at its discretion. An application for an incentive does not guarantee approval. The Town Council reserves the right to waive any requirements within this Policy at its discretion to address any extraordinary circumstances not contemplated in the Policy.

The Town has identified the following incentive to address specific needs within the community.

Timnath Supports Small Business Incentive Opportunity

The Town seeks to actively support the growth of locally serving small businesses in Timnath with strategic incentives. The Policy seeks to encourage small businesses within the Downtown Core area as identified in the Comprehensive Plan, the Harmony Road corridor as the primary regional commuter route, and the commercial areas within the Town as identified in the Comprehensive Plan.

A project and/or development may be considered for a Small Business Incentive if it meets one or more of the following criteria:

- It is generally located within the Downtown Core or a commercial area, as identified in the Comprehensive Plan.

- The project is located in the Harmony Corridor and exceeds the design standards set forth in *Section 5.10 – Harmony Corridor Design Standards* of the Timnath Land Use Code.
- The project will generate retail sales tax revenue to the Town.
- The applicant demonstrates that the investment will not create negative impacts to existing retail businesses in Timnath.
- The project repurposes an existing building or structure where existing water, sewer, and street infrastructure are in place, and
 - The investment will add to the long-term economic viability of the property; or
 - The investment addresses a critical building deficiency that limits occupancy such as a pre-treatment system, ADA requirements, significant needed maintenance and/or fire suppression systems; or
 - The investment allows for use of property which has been vacant for more than 18 months.

Applicants may request an incentive not to exceed \$35,000 (a larger amount may be requested if warranted due to the scope of the project, however it will need to be reviewed and approved by the Town Council) per property to cover the following costs:

- Up to 50 percent of building permit fees assessed by the Town.
- Up to 50 percent of construction use tax assessed by the Town.
- Up to 50 percent of the cost of façade improvements for existing commercial buildings on Main Street, excluding signage, maintenance, or repair of existing façade elements.
- Up to 50 percent of investments that will substantially improve the usability of an existing building including but not limited to the following:
 - Accessibility requirements.
 - Utility infrastructure including pre-treatment (grease interceptor).
 - Fire suppressions systems including a hood, fire sprinkler systems, and water line installation.

Application Requirements:

To be considered for a Small Business Incentive, the applicant shall submit a formal request to the Town Manager to include the following information:

- Name and contact information for the principals involved in the businesses. (please note, preference may be given to small business owners who also live in the Town of Timnath)
- Business address and general location.
- Information on whether the business owns or has leased the subject property.
- Narrative description of the business, retail offering and/or any additional information that would be useful to the Town.
- An estimate of projected annual sales from the business.

- Description of the need for the incentive, specifically:
 - How will the incentive be used?
 - Why is the incentive needed and how will the incentive contribute to the long-term success of the business?
 - Project construction budget including any budget for façade improvements for existing commercial buildings on Main Street or investments that will substantially improve the usability of an existing building.
 - Project timeline including expected opening.

Review and Approval:

- The Town will review all applications and determine whether to grant incentives based on the best interest of the Town, considering factors including without limitation: completeness of the application, need of the applicant, budgetary considerations, and whether the application furthers the intent and purpose of this policy.
- Once the application requirements are met, Town staff will review the request and determine the recommended amount and form of the incentive. This may include those various incentives as identified under Incentive Types below.
- Please note, all incentive agreements will require performance by the applicant. This may include receipt of Certificate of Occupancy, sales tax generation and other performance measures as appropriate for the project. The Town reserves the right to terminate any agreement or require reimbursement of an incentive for failure to perform.
- If after review, the request is recommended for approval, the Town Manager may enter and sign a written incentive agreement administratively, as long as the total incentive is less than \$35,000.
- For incentive requests that exceed \$35,000, the Town Council will review and approve the incentive agreement.

INCENTIVE TYPES

The Town's preferred method of incentive is an Enhanced Sales Tax Incentive Program (ESTIP) but the Town will consider other incentives alone or in combination with an ESTIP on a case-by-case basis.

- 1) Enhanced Sales Tax Incentive Program (ESTIP) - Approval by the Town of an agreement implementing the ESTIP shall entitle the applicant to a rebate of a portion of sales tax derived from project, for approved purposes such as up to 50% of the cost of façade improvements for existing commercial buildings on Main Street or up to 50 percent of investments that will substantially improve the usability of an existing building. Said amount will be agreed to and determined on a case-by-case basis, based on the sales tax revenue projected to be owed specifically to the Town and generated by the project, up to a not to exceed amount. The time in which said enhanced sales taxes may be shared shall also be agreed to on a case-by-case basis. The total amount rebated would also be capped

at an amount that is negotiated and reflects the need of the applicant as established by the above-described financial analysis.

- 2) Construction Use Tax Reimbursements - The Town may consider a rebate of a percentage (up to 50%) of the construction use tax collected by and owed specifically to the Town, up to a not-to-exceed amount, on a case-by-case basis, subject to the terms set forth in the Policy and the incentive agreement.
- 3) Building Permit Fees Reimbursement - The Town may consider a rebate of a percentage (up to 50%) of the building permit fees collected and owed specifically to the Town on a case-by-case basis for the construction of the project subject to terms set forth in the Policy. Impact Fees are not eligible for reimbursement.

OTHER CONSIDERATIONS

No statements or representations by Town Staff or officials shall be binding upon the Town nor relied upon, except as set forth in an incentive agreement approved in writing by the Town Manager or approved by formal action of the Town Council and signed on behalf of the Town.

The Town Manager and Town Council reserve the right to approve or reject any incentive agreement. A recommendation of approval from Town staff does not automatically guarantee approval, as all agreements are approved at the discretion of the Town Manager or the Town Council and may be subject to budget appropriations. The Town will consider all requests on a case-by-case basis and no project approval or rejection by Town Manager or Town Council shall be considered precedent for future recommendations or decisions.

Approval of an incentive agreement by the Town does not imply approval of the development of property or a particular use thereof. The owner shall be required to comply with all land use, permitting and other approval requirements of the Town and other governmental jurisdictions.


Applicants should be advised that any written or visual communications with Town staff are subject to open records requests. Confidential information should be labeled - trade secret, privileged information, or confidential commercial, financial, geological, or geophysical data. In the event that information is labeled as confidential, Town staff will work with the applicant within the limits of the Colorado Open Records Act, as it relates to confidentiality, provided that the Applicant reimburses the Town for its costs associated with seeking a court order to restrict disclosure or defending an appeal of a denial of an open records request. The Town may disclose any information without liability if it is not labeled confidential or pursuant to a court order requiring disclosure. Any applicant who is concerned with business information being subject to open records are encouraged to consult with Town staff prior to submitting anything to the Town.

Amendment to This Policy

Town Council has the authority to amend this Policy and may also consider, upon staff recommendation, additional types of requests on a case-by-case basis.



Mark J. Soukup
Mayor



Attest: Milissa Peters, CMC
Town Clerk