



## **ECONOMIC INCENTIVES POLICY**

Location, demographics, and quality of life are just a few reasons that make the City of Littleton a great place to run a business. Littleton believes that a great city provides a strong and positive foundation for its business community. Taking a 'green tape' approach to community and economic development, the city works collaboratively with Littleton businesses to ensure long-term positive outcomes for all parties.

The Littleton City Council will not support any incentive package or private/public partnership that does not strengthen the quality of life for our citizens, visitors, and businesses and that does not foster a long-term economic sustainable vision. The City Council encourages developers to bring forward incentive requests for projects that maintain or improve our community's quality of life and focus on the long-term economic sustainability and character of the community.

### **PROCEDURAL REQUIREMENTS**

#### Economic Incentive Request

To be considered for an incentive agreement, the requesting party will complete and submit a request form, with all available project specifications such as a narrative describing the proposed project, a well-developed conceptual site plan including renderings, and a comprehensive financial pro-forma, to initiate a review process. The Economic Development and Community Development Directors will analyze the request, perform the economic impact analysis, and determine eligibility. A recommendation will then be provided to the City Manager.

In addition to financial considerations, all projects will be evaluated on various aspects including how the project:

1. Exceeds the City-Wide Plan, Comprehensive Plan, relevant design standards, and City Council's Goals and Objectives,
2. Represents significant private-sector financial investment,
3. Promotes a higher and better use of the property,
4. Provides a positive fiscal and economic impact to the city,
5. Mitigates any perceived or potential negative impacts to the surrounding area,
6. Demonstrates a long-term commitment to the city, and
7. Is developed in a sustainable and environmentally conscious manner.

The City Manager retains the right to determine whether the proposed incentive agreement will be presented to City Council, in a resolution, for consideration. Littleton's City Council considers all incentive requests on a case-by-case basis, and ultimately reserves the right to approve or reject any proposed incentive agreement.

The Economic Development and Community Development Directors, the City Manager, and City Council will consider all requests on a case-by-case basis. No project approval or rejection will become a precedent for future recommendations or decisions.

#### Planning & Development Processes

The Community Development Department will provide exceptional customer service and ensure that its applicants experience an expedient and high quality development process.



All projects are reviewed in a formal in-person **Concept Meeting** in which the reviewing parties provide comments, suggestions, and recommendations prior to formal submittal to ensure an efficient and effective process. Timelines will be covered during concept meetings. All projects will have a single point of contact throughout the city's development process.

Those exploring ideas for a business or development but who are not yet ready to submit for a concept meeting are encouraged to schedule an **Exploratory Meeting** in which Economic Development and Community Development will provide land use data and information for a requesting party's due diligence.

## **PROJECT TYPES**

The City of Littleton may consider negotiating an incentive agreement for these project types:

### Retail Development

A retail development may be considered for an incentive agreement if the proposed project:

1. Adds new and unique tenants to the market and/or trade area, and
2. Minimizes the impacts of consumer expenditure cannibalization from existing projects in the city.

### Primary Employment

A commercial development which includes a substantial primary employment component may be considered for an incentive agreement if the proposed project:

1. Provides quality employment opportunities for Littleton's citizens and the region.
  - a. *Minimum of 50 NEW jobs at a pay rate equal to 66% (not including benefits) of the City's Median Household Income*

### Commercial/Mixed-Use Annexation

Littleton may provide incentives to enable the annexation of fully developed, partially developed, or vacant land that is commercial or mixed-use in nature if the project/property:

1. Is a geographically logical addition to the city, and
2. Is reasonably served by the city and its service/infrastructure providers.

### Redevelopment/Revitalization

A redevelopment and/or revitalization project may be considered for an incentive agreement if the proposed project:

1. Improves the financial performance and viability of the existing property.

## **INCENTIVE TYPES**

### Sales Tax Reimbursement

Littleton may consider a share-back or partial reimbursement of the city collected portion of retail sales tax generated from the project. All proceeds of a sales tax reimbursement must be utilized for a public or public-related purpose which advances the public health, safety, and general welfare of the community.

### Use Tax Reimbursement

Littleton may consider a share-back or partial reimbursement of the city collected portion of use tax (*one-time use tax paid on the purchase price of all furniture, fixtures, equipment and supplies incidental to the opening or expansion of a business*).



### Construction Use Tax Reimbursement

Littleton may consider a partial reimbursement of the construction use tax generated by constructing a project. All proceeds of the use tax reimbursement must be utilized for a public or public-related purpose which advances the public health, safety and general welfare of the community.

### Tax Increment Financing

Littleton may consider utilizing Tax Increment Financing (TIF) through Littleton Invests for Tomorrow (LIFT), the city's Urban Renewal Authority only after an urban renewal area has been established. The city will only consider utilizing TIF for projects that are unique, significant in magnitude, and have considerable regional benefit. All proceeds from the TIF must be utilized for public or public-related infrastructure which may include: streets, utilities, street lighting, storm water drainage structures, surface parking, parking garages, fire protection improvements, and other public purpose related needs.

All private improvements in the redevelopment project area (i.e., buildings, project design and planning expenses) must be solely financed by the project developer.

### Reduction in Fees

The City may consider offsetting all, or a portion of, the development review fees (i.e., building permit, plan review, and impact fees) for commercial projects that provide a unique and high quality project.

### Grant Programs (2016)

#### **Revitalization Incentive Grant**

The goal of the Revitalization Incentive Grant is to encourage private investment and improvements, while making revitalization efforts affordable, creative and of benefit to the community. Littleton City Council has appropriated \$100,000 for the Revitalization Incentive Grant to be administered by the Economic Development Department. The program offers up to \$20,000 in matching funds to business tenants and property owners within the City of Littleton proposing projects that improve the appearance of existing buildings. Applications for consideration involve improvements visible from the public right of way and include architectural/design assistance, façade, landscape, parking areas, exterior lighting and Americans with Disabilities Act (ADA) and signage.

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#### **Main Street Historic District Grant**

The Main Street Historic Grant provides funding for improvements for property owners or tenants within the Main Street Historic District or in Downtown Littleton. Applications can be made for projects including architectural design assistance, façade work, removal of graffiti, maintenance, signage, or building improvements. Individual projects may be considered for awards up to \$50,000.

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**Place-Making Grant**

The goal of the Place-Making Grant is to encourage the creation and/or improvements to community gathering places. Specifically this grant is reserved for projects involving artistic, creative and physical improvement to spaces that transform underutilized areas into valuable neighborhood assets. Individual projects may be considered for awards up to \$9,999. Schools and religious organizations are not eligible for place-making grants.

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**Other Available Incentives**

Additional incentives are available through other agencies, such as a business personal property tax rebate through the county, federal and state rehabilitation tax credit programs for historic properties, and various programs through the State Office of Economic Development and International Trade. Littleton staff will assist in these processes if projects qualify.