



Legislation Text

File #: Resolution 39-2017, **Version:** 2

Agenda Date: 09/19/2017

Subject:

Resolution to approve the Economic Incentives Policy

Presented By: Denise Stephens, Economic Development Director
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POLICY QUESTION:

Does city council support a resolution approving the Economic Incentives Policy?

BACKGROUND:

Recently, the city council approved five incentive agreements. When these agreements were negotiated, there was no formal policy or process to guide staff as it considered proposals from businesses seeking economic incentives.

STAFF ANALYSIS:

Over the past few years the economy has improved and lending rates have been low. Littleton is an attractive place for business and land development, but certain uncontrollable events may influence future interest. As remaining vacant land is developed, the challenges of redevelopment will become increasingly important. The economy may plateau or decline and interest rates may rise, as has been seen recently. This means the cost of development and redevelopment may become more expensive. If this occurs, it will be more likely that business owners and land developers will approach the city with requests for incentives.

Having an approved incentives policy and process will standardize how requests are considered and will require the applicant follow a defined process and submit documentation for review and validation.

Staff understands the need to monitor compliance and measure the outcomes of incentive agreements. Staff will make sure incentive agreements include terms that can be monitored for compliance and will provide information to council that measures outcomes on a biannual basis.

OPTIONS/ALTERNATIVES:

Council can decide not to approve the Economic Incentives Policy which will result in a lack of clarity for staff and developers regarding the incentives council will consider.

Approving an Economic Incentives Policy does not mean council is obligated to approve any requests for incentives. Approving the proposed Economic Incentives Policy puts the responsibility for proposing incentives that comply with city policy on the business owner or developer.

At the August 8th, 2017 Study Session, council did request the review and approval process be modified to reflect the City Manager's review and recommendation prior to council review. This has been modified and is

now reflected in Attachment 5.

FISCAL IMPACTS:

This is a policy and process for incentive requests and not linked to any specific request(s).

STAFF RECOMMENDATION:

Staff recommends approval of the Economic Incentives Policy

PROPOSED MOTION:

I move to approve the resolution supporting an Economic Incentives Policy.