TOWN OF SPRINGFIELD
ECONOMIC DEVELOPMENT INCENTIVE POLICY

Purpose

The purpose of the incentive policy is to encourage the expansion of existing businesses within the Town of Springfield and to encourage the location of new businesses within the Town, thereby stimulating the local economy by providing new jobs and expanding the tax base. The policy does not commit or restrict the Town from providing additional incentives, but contains specific criteria, guidelines and procedures necessary to effectively and fairly administer the provisions of economic development incentives.

Eligibility Criteria

Economic Development Incentives shall be available to any new or expanding business that meets the following criteria:

Job Creation

- Business must create and sustain three (3) new jobs or have an increase of 10% (but not less than one (1) new full-time employee) over the base number of persons employed at the facility.
- Average annual wages paid to full-time employees shall be equal to or greater than the county average individual wage by industry (as documented by Colorado Department of Labor and Employment).

Capital Investment

- Business must invest at least $250,000 in the facility, or an investment of an amount less than $250,000 will qualify if such investment is at least equal to the assessed value of the existing facility located within the Town limits.
- Business must commit to usage of Town utilities for the full term of the incentive agreement.
- No corporate reorganization or sale of business will qualify unless the business has been closed for previous 24 months.
- Changes in the Colorado Tax structure could void the incentive agreement.

Incentives

Incentive agreements are limited to four (4) years. Companies that continue to expand may re-apply for new incentive agreements. For expansions, incentives are calculated based on the amount of each new investment. New or expanding businesses that meet the Eligibility Criteria may apply for the following incentives.

Tax Refunds Based on Capital Investment:

Year 1	80% Refund
Year 2	60% Refund
Year 3	40% Refund
Year 4	20% Refund

The Town may negotiate additional incentives , including:

- Special Improvement District – to finance and build infrastructure improvements with the provision for repayment with future property taxes.

Procedural Guidelines

Pre-application

Prior to submittal of a formal Application, a business may inquire as to its eligibility for economic development incentives based on preliminary employment and capital investment figures. The business shall complete a pre-application form and submit the information to the Town Administrator. Staff will review the information submitted and respond to the business regarding apparent eligibility and the potential for incentives under this Policy, if approved by the Board of Trustees. The response from Staff shall in no way represent definitive findings or be seen as an expression of intent or obligation of the Board of Trustees to favorably consider or approve a formal request for incentives. The pre-application form and Staff response shall be deemed to be proprietary business information and shall be kept confidential.

Formal Application

The Town will consider economic development incentives for businesses that submit a complete Application and provide such additional information as may be reasonably requested. The Application shall include the following information:

- 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 twelve (12) months.
- Number of new jobs (Full Time Employee) 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 the Town's aesthetic environment (address odor, noise, water quality, smoke, heat, glare vibration, lighting, etc.)
- Economic impact analysis conducted by independent party (i.e. Baca County Economic Development).

Application Review Procedures

- Staff reviews Application for completeness and places the application the Board of Trustees Agenda.
- The Board of Trustees reviews the analysis of the costs and benefits and receives comments from the applicant. If the Board decision is favorable, the approval shall be made in the form of a resolution.

Monitoring Review

Each incentive agreement shall be subject to an annual review by Staff to determine if the business continues to meet all eligibility criteria and remains in compliance with the terms and conditions of this policy. The Economic Incentive Agreement may be terminated by the Board of Trustees if the business fails to continue to meet the Eligibility Criteria.