

Commerce City Lodging Tax Rebate Program

The City of Commerce City desires to attract new hotel developments to the City in order to improve the quality of life of the City's residents, support local employer needs, create new employment opportunities, and attract a variety of commercial development to the City.

The Commerce City Lodging Tax Rebate Program is an incentive program to attract hotels to the City. A new hotel in the City may be eligible to receive a Lodging Tax rebate of the *hotel and motel accommodation tax* of up to 50% of the tax collected for up to 10 years. A request to determine eligibility may be made to the City's Economic Development Division. Eligibility will be determined based on balancing the following factors against the City's goals, impact on economic development, benefit to residents, and benefit to local employers:

- Amount of new capital investment
- Number of new jobs
- Proposed square-footage and number of floors
- Number of keys/rooms
- Hotel product type and flag
- Average room price per night
- Hotel amenities
- Hotel meeting space or restaurants
- Hotel location and ability to be a catalyst for further commercial development
- Estimated tax revenues generated

The existing *hotel and motel accommodation tax* is a 4% city tax added to the price of renting a hotel or motel room in Commerce City for less than 30 days. The tax was approved by Commerce City voters in the November 2007 general election.

Final approval of any Lodging Tax rebate incentive with an estimated value over \$50,000 will be subject to the approval of City Council. Any request with an estimated value below \$50,000 may be approved by the City Manager.

If a hotel is determined to be eligible, then an incentive agreement is to be negotiated and approved. Once the hotel is operating, and provided the hotel business is in "good standing" with all taxes and fees, then a rebate is issued.