

# Economic Development Business Incentives Request

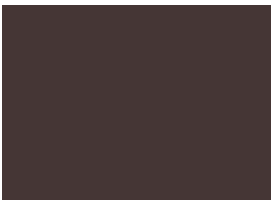
for



Resolution 2017-129

December 18, 2017



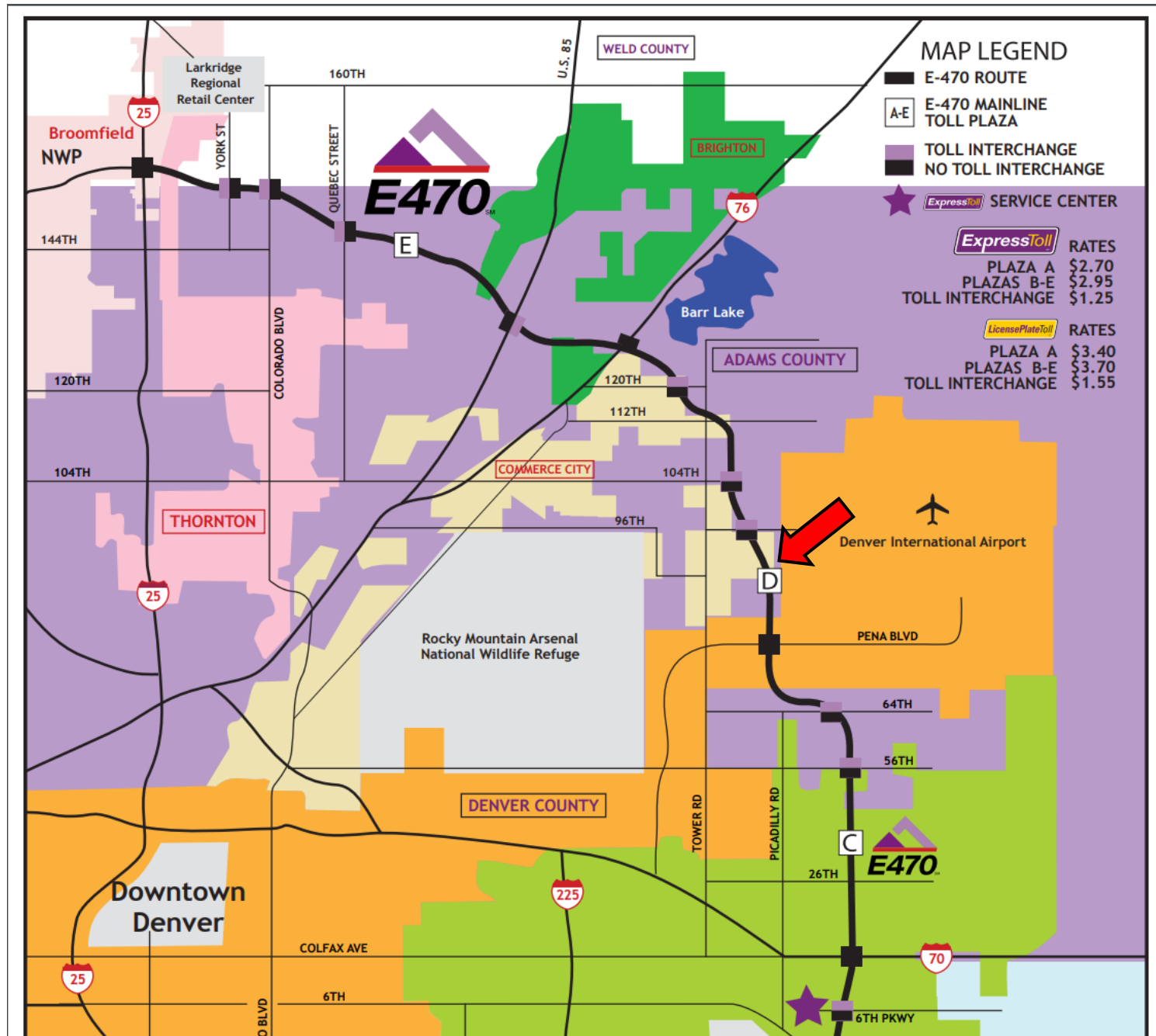


# Purpose for Incentives Program

- Current program adopted by City Council - Resolution 2014-56.
- Tool used to help attract businesses to Commerce City.
- Performance based.
- Partner with community organizations to create comprehensive incentives package.







# Project Overview

Estimated initial capital investment: **\$10 million**

- \$7.5 million for track equipment, testing rigs and system vehicles
- \$1.5 for facility construction and/or improvements
- \$1 million for track site development

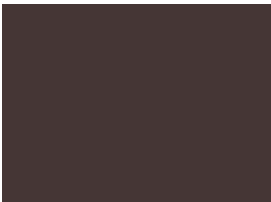
Estimated job creation: up to **75 jobs** over 3 years

Average annual wage: **\$99,704**

Estimated city tax and fees collected: **\$390,266**

- Construction 4.5% use tax: \$40,500
- Building permit and plan check fees collected: \$12,266
- 4.5% sales/use tax on track materials: \$337,500





# Proposed Business Incentives

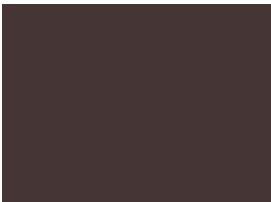
Incentive request complies with current program adopted by City Council (*Resolution 2014-56*).

## Proposed Incentives

- 60% rebate of non-dedicated sales and/or use tax (3.5% tax basis) on capital investment
- 50% rebate of building permit and plan check fees
- Estimated city incentives value\* = **\$182,500**

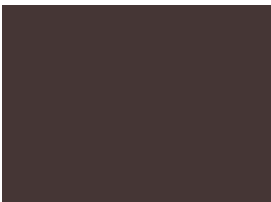
*\* Final incentives amount determined by actual taxes collected and fees paid in conjunction with the capital investment.*

# Anticipated Community Benefits



- This project helps to **meet City Council Goal #1: *Develop a balanced and vibrant economy to improve socioeconomic status;*** and **Outcome #1.3 to create a diverse mix of businesses within the city.**
- This project helps **diversify existing industry base** and may attract additional high tech research and development (R&D) companies to the city.
- Company expects a high number of visitors from investors, as well as other research engineers. This supports greater opportunity for hotels, restaurants and **other commercial development** in the area.
- Project may create up to **75 new, high income jobs** in the community over three (3) years.





# Introductions







# Questions