

# Economic Development Update

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April 14<sup>th</sup>, 2025



Commerce  
**CITY**

# Who's collecting the most sales/use tax?

Among our neighboring communities:

- Aurora
- Brighton
- Commerce City
- Denver
- Thornton
- Westminster

\*Total:

- \$382.0 million
- \$ 46.1 million
- \$103.2 million
- \$1,185 million
- \$140.6 million
- \$136.5 million

\*Per Capita:

- \$ 971
- \$1,136
- \$1,560
- \$1,661
- \$ 981
- \$1,192



\*2023



# Economic Development Defined

“Economic development can be defined as a program, group of policies, or a set of activities that seeks to improve the economic well-being and quality of life for a community by creating and/or retaining jobs that facilitate growth and provide a stable tax base.”

- International Economic Development Council

Typical elements:

- Job Creation
- Job Retention
- Quality of Life



# The Economic Development Ecosystem

- Local Governments
- State Governments
- Federal Government
- Special Authorities
- Public-Private Partnerships
- Chambers of Commerce
- Business Associations
- Universities & Research Institutions
- Community Colleges
- Workforce Development Organizations
- Neighborhood Groups
- Utilities & Telecom
- Philanthropic Organizations
- Banks
- Faith-based Institutions

WELCOME TO



Match with resources, support,  
and financial incentives  
for your new business.

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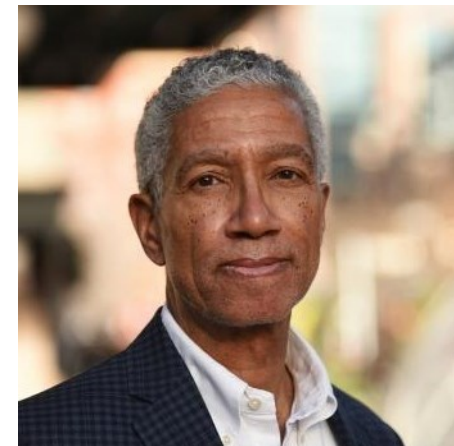
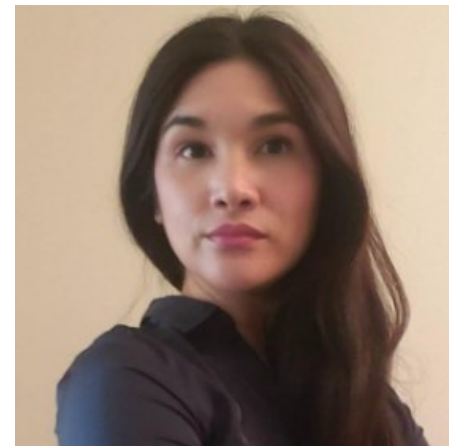
[elevate.c3gov.com](https://elevate.c3gov.com)



# The Economic Development Staff

## The Roles of an Economic Development Professional:

- Analyst
  - Understand the comparative advantages of the local economy
- Catalyst
  - Leverage the investment of various public & private actors
- Gap Filler
  - Provide assistance where markets cannot meet community needs
- Advocate
  - Protects the interests of business, advocating for the community
- Educator
  - Teach the public about costs and benefits of incentives and programs
- Visionary
  - See what is likely to happen, and what could be with catalytic projects
- Ethics Champion
  - Practice regional ethics to guard against zero-sum development



# What do Businesses Need to Succeed?

It depends on the business...

- Primary Employers
- National Retail
- Small Business

“A primary employer is a business or industry that exports goods or services to other regions, countries, or the nation. This process brings money into the local economy, which can lead to economic growth.”

- International Economic Development Council

	Population 2023	Growth 2020-2023	Total Jobs	Total Workforce	Local Jobs per Worker	Primary Jobs	% Primary Jobs
Adams County	533,365	3%	244,151	255,871	0.95	189,359	78%
Aurora	394,701	2%	164,124	185,099	0.89	121,521	74%
Brighton	41,196	3%	16,442	16,887	0.97	10,421	63%
<b>Commerce City</b>	<b>68,248</b>	<b>9%</b>	<b>36,049</b>	<b>32,051</b>	<b>1.12</b>	<b>32,070</b>	<b>89%</b>
Thornton	144,889	2%	38,865	58,423	0.67	30,022	77%
Westminster	114,882	-1%	42,514	60,610	0.70	38,865	91%

# Primary Businesses

## WHAT MATTERS MOST

### SITE SELECTORS' MOST IMPORTANT LOCATION CRITERIA

1. Utilities (availability, cost, reliability)
2. Workforce skills
3. Land/building prices and supply
4. Ease of permitting and regulatory procedures
5. Transportation infrastructure
6. Workforce development
7. Quality of life
8. State and local tax scheme
9. Economic development strategy
10. Higher education resources

	'24	'23	'22	'21	'20	'19	'18	'17	'16	'15
Workforce skills	2	2	1	1	1	1	1	1	1	1
Ease of permitting & regulatory procedures	4	1	5	3	4	4	8	8	9	6
Workforce development	6	6	3	4	2	5	3	7	6	
Transportation infrastructure	5	9	4	2	3	2	2	2	4	3
Utilities (cost, reliability)	1	4	7	5	7	7	5	3	7	4
Land/building prices & supply	3	3	6	10		6		5	5	5
State & local tax scheme	8	8	2	8	5	3	7	4	3	2
Right-to-work state		10		6	6	8	6			8
Quality of life	7	5	10		8	10	9	6	10	
Economic development strategy	9	7		9						
Incentives		8			9		10	9	2	9
Higher education resources	10		9	7		9	4	10	8	10
Legal climate (tort reform)					10					

# What do Businesses Need to Succeed?

It depends on the business...

- Primary Employers

- Workforce skills
- Ease of permitting
- Transportation infrastructure
- Utilities (cost, reliability)

- National Retail

- Access to customers
- High visibility, high traffic counts
- Diverse retail mix
- Community support

- Small Business

- Networks
- Community support
- Technical assistance
- Access to capital



## HOW ARE WE DOING?

- Utilities (cost, reliability) Access to customers
- Workforce Skills
- Workforce Development
- Land/Building Prices & Supply
- Ease of Permitting
- Transportation Infrastructure
- State & Local Tax Scheme
  - Community Comparison
- Economic Development Strategy
- Access to Customers
  - Sales Tax Report
- High visibility, high traffic counts
- Diverse Retail Mix
- Community Support
- Access to Capital
  - Incentives



# Utilities

(availability, cost reliability)

- Average Commercial Rate
  - Colorado – 9.39¢ /kWh
  - United States – 10.09¢ /kWh
- Water Rates
  - Higher than national average
  - Scarce resource in the west
- United Power Strategy = LIT
  - Location – they can support a variety of locations
  - Investment – new loads pay up front costs in advance
  - Timing – when is the power (really) needed?

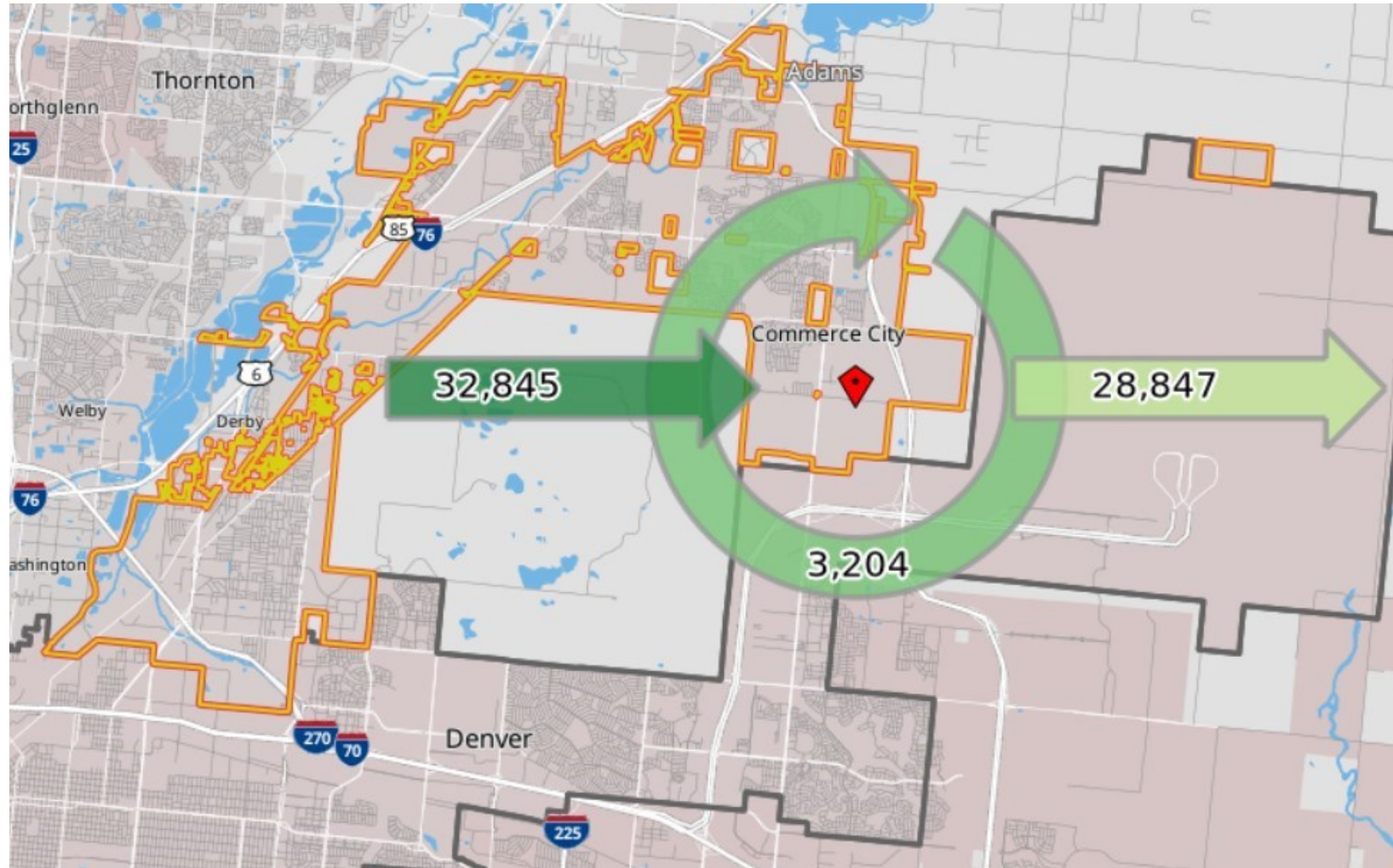


# Workforce Skills: Employment Inflow/Outflow

Notable points:

- 14% more people coming into C3 to work, than commute out
- 27.5% commute to Denver
- 10% of residents work in C3 (relatively high)
- Most common working in Commerce City
  - Denver 14.6%
  - Aurora 10.3%
  - Commerce City 8.9%
  - Thornton 8.0%
  - Brighton 3.6%

- Census On the Map



# Workforce Development:



Future Council action:

- Authorize City Manager to Approve
- \$500,000 of our ARPA Spend

Future Council action:

- Becoming a Target Champion

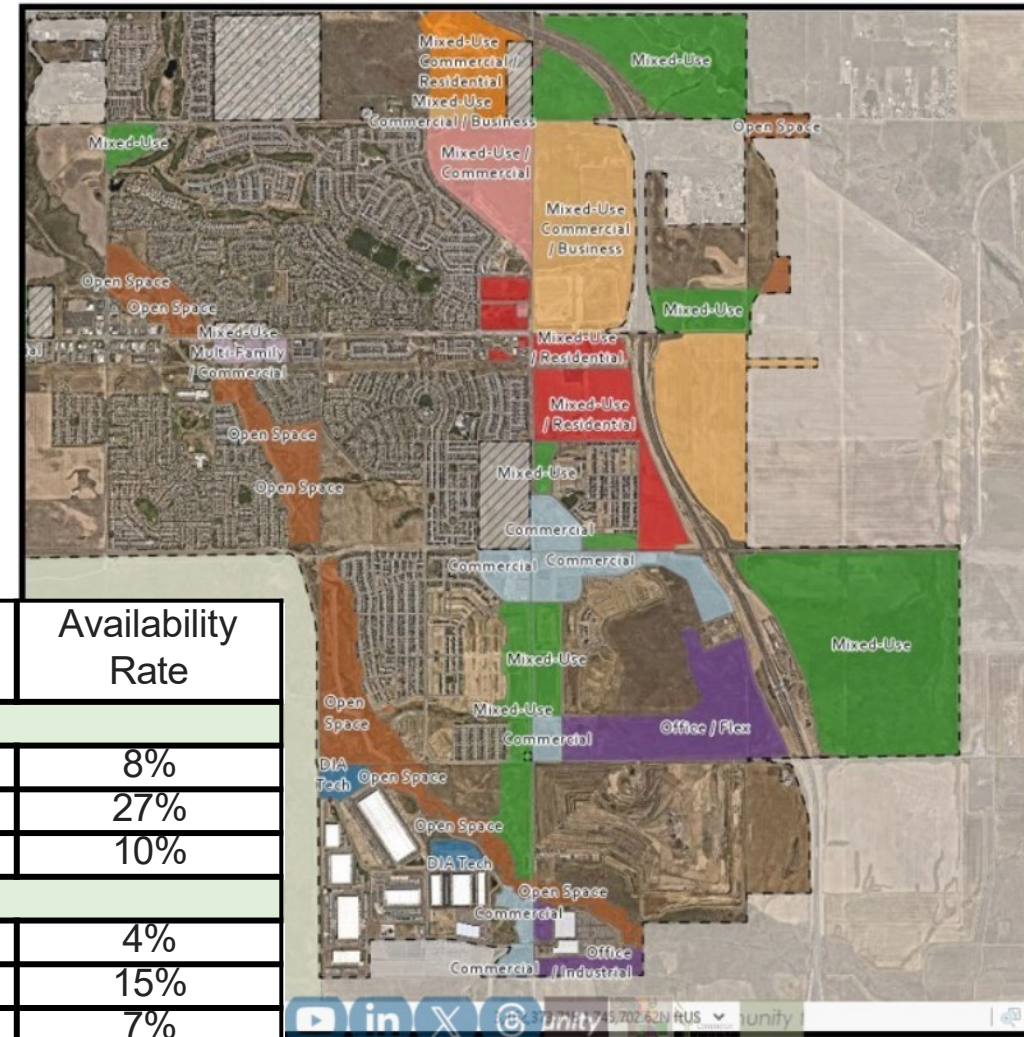




# Land/Building Prices and Supply

- Vacant commercial building tracker
- RedefiningCommerce.com real estate search (Moody's)
- GIS Department

Location and Type	Number of Properties	Number Available	Availability Rate
<b>Industrial</b>			
Core	561	45	8%
Northern	49	13	27%
Total	610	58	10%
<b>Retail</b>			
Core	202	9	4%
Northern	60	9	15%
Total	262	18	7%
<b>Land</b>			
Core	225	30	13%
Northern	229	56	19%
Total	524	86	16%
<b>Total</b>			
Core	988	84	9%
Northern	408	78	19%
Total	1,396	162	12%



# Ease of Permitting

- Development Scenario 1 – Fees
- 30,000 sf, 11.5 acres, I-2 zoning
  - Commerce City
    - \$147,281 current fees
    - \$54,272 former fees
  - Brighton
    - \$64,527
  - Federal Heights
    - \$15,633,75
  - Westminster
    - \$10,336
  - Greenwood Village
    - \$58,772
  - Denver
    - \$24,940
  - Aurora
    - \$82,307



## Commercial Development Cost Analysis

October 30, 2024  
City of Commerce City, Colorado  
City Manager's Office



# Transportation Infrastructure

- Highways
- Airport
- Rail
- Local roads





# Taxes



## Current State of Commercial Development in Commerce City

January 9, 2025

### Total Sales Tax Rate Comparison

City	Sales Tax Rate
Commerce City	9.25%
Boulder	9.05%
Denver	8.81%
Northglenn	8.75%
Westminster	8.60%
Brighton	8.50%
Thornton	8.50%
Broomfield	8.15%
Aurora	8.00%
Littleton	8.00%
Arvada	7.96%
Golden	7.50%
Lakewood	7.50%
Centennial	6.75%

### Average Property Tax Levies by County

County	2020
Adams	115.884
Arapahoe	96.460
Boulder	91.958
Broomfield	113.735
Denver	81.617
Douglas	103.443
Jefferson	97.582
Metro Denver Average	100.097

SOURCE: Colorado Department of Local Affairs, Division of Property Tax Administration, "2023 Fifty-Third Annual Report to the Governor and the General Assembly."

### Local Property Tax Rates

Special Districts	Mill Levy
General	
Adams County	27.069
SACFP District 4	14.750
Rangeview Library	3.689
Commerce City	2.920
SAWSD	2.277
Location Specific	
Commerce City ERAGID	90.000
Adams J27	49.866
Adams 14	36.918
Commerce City ECAGID	27.000
Commerce City North Infrastructure (GID)	20.000
Urban Drainage & Flood Control	0.900
Urban Drainage South Plate	0.100

# Economic Development Strategy



# Access to Customers

- Estimate of the market potential for certain retail categories
  - Data comparison
- ESRI Retail Demand
  - Profiles of typical household spending
  - How much does Commerce City fit these profiles
- Actual Spending
  - Categories of Spending according to sales tax collections from the Finance Department
  - Limitations to the comparison
- Where do we see the differences
  - Any Surprises?



# The Retail Sales Dashboard

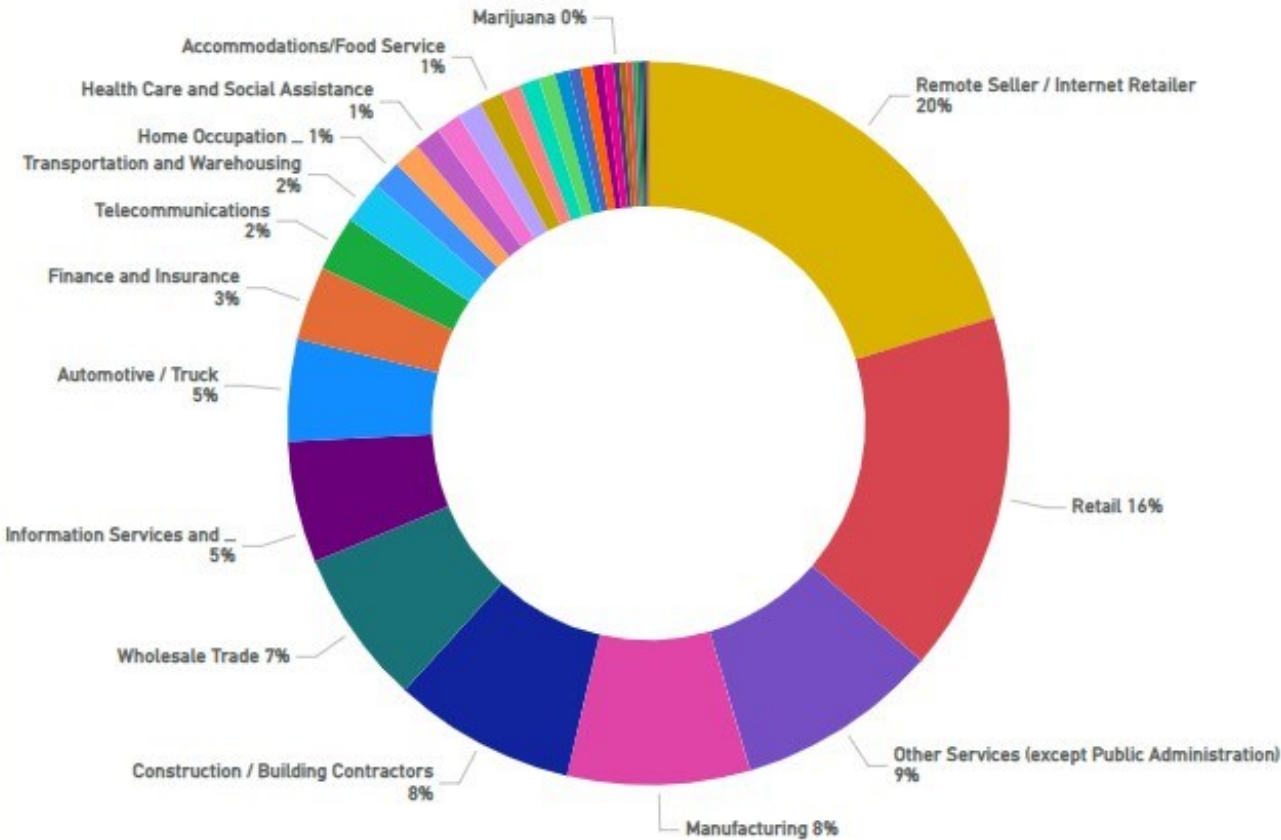
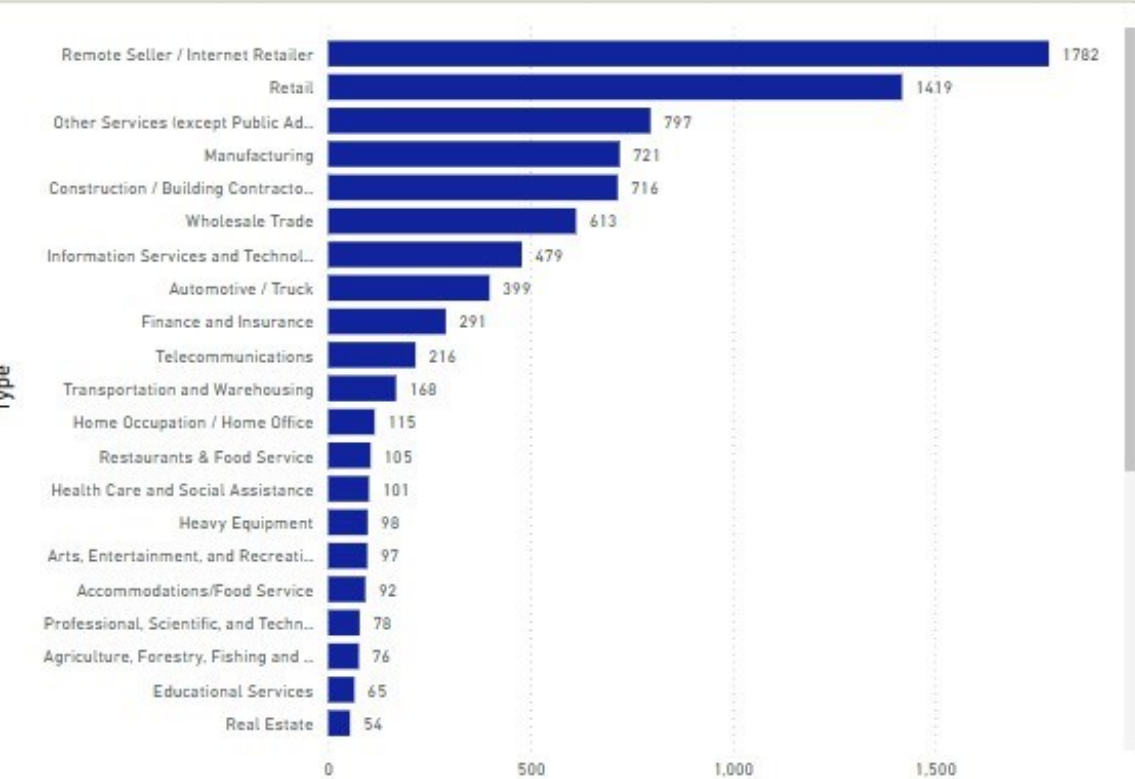
## Business Dashboards

Type  
All

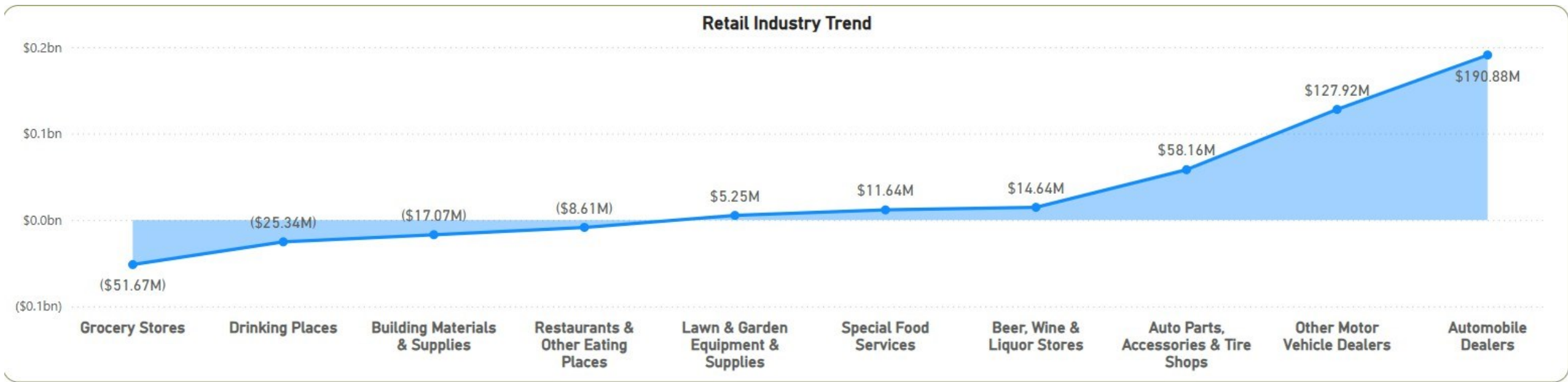
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# The Retail Sales Dashboard

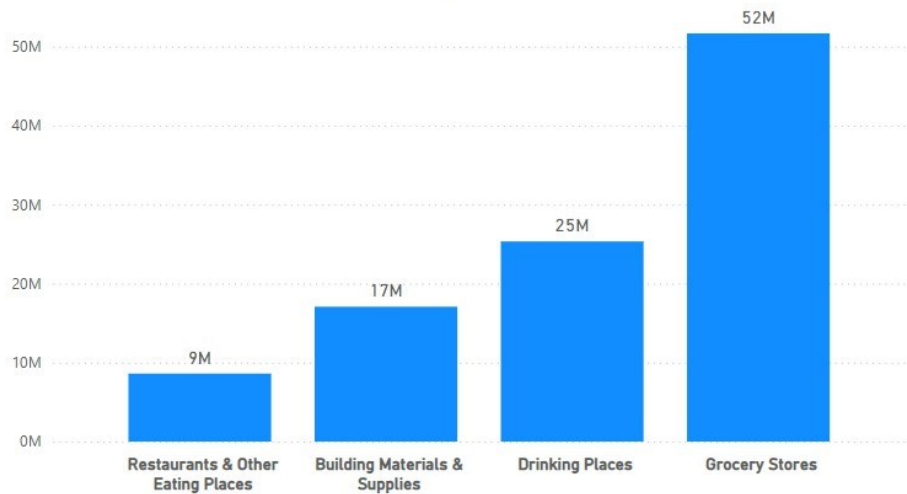


# The Retail Sales Dashboard



## RETAIL BUSINESS DEMAND DASHBOARDS

Trend by Amount



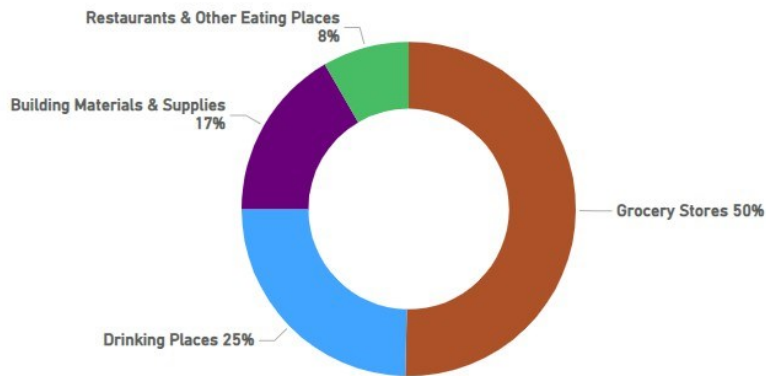
Current Business Count and Amount in Millions \$



Trend by Business Type



Demand % Distribution





# Who's collecting the most sales/use tax?

Among our neighboring communities:

\*Total:

\*Per Capita:

Per Tax Percent:

■ Aurora

■ \$382.0 million

■ \$ 971

■ \$259

■ Brighton

■ \$ 46.1 million

■ \$1,136

■ \$303

■ Commerce City

■ \$103.2 million

■ \$1,560

■ \$347

■ Denver

■ \$1,185 million

■ \$1,661

■ \$345

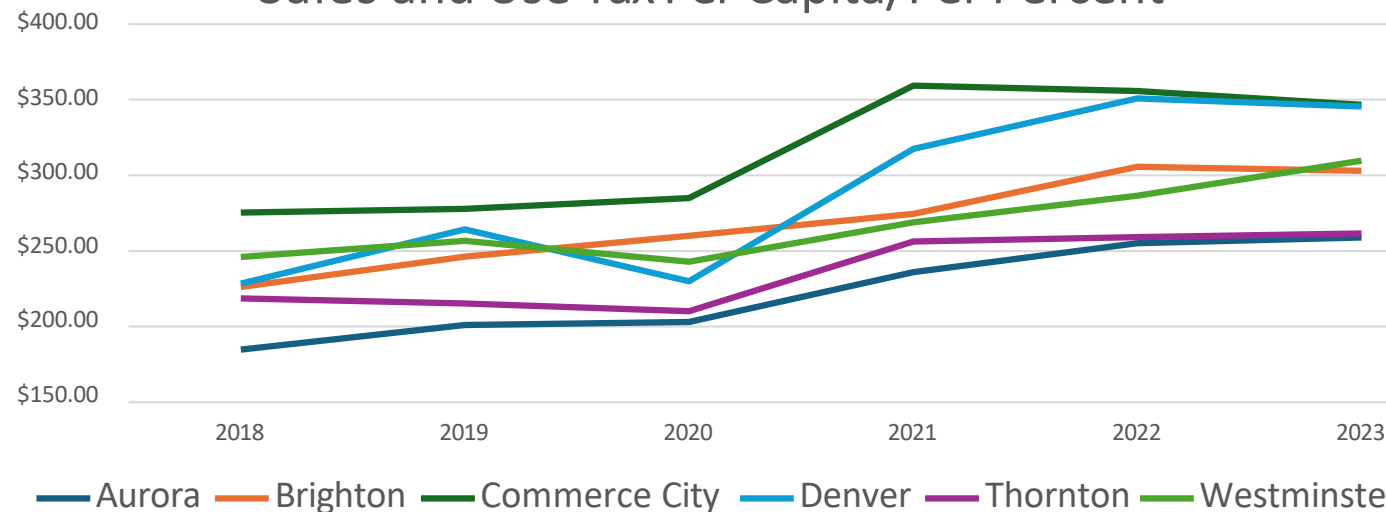
■ Thornton

■ \$262

■ Westminster

■ \$310

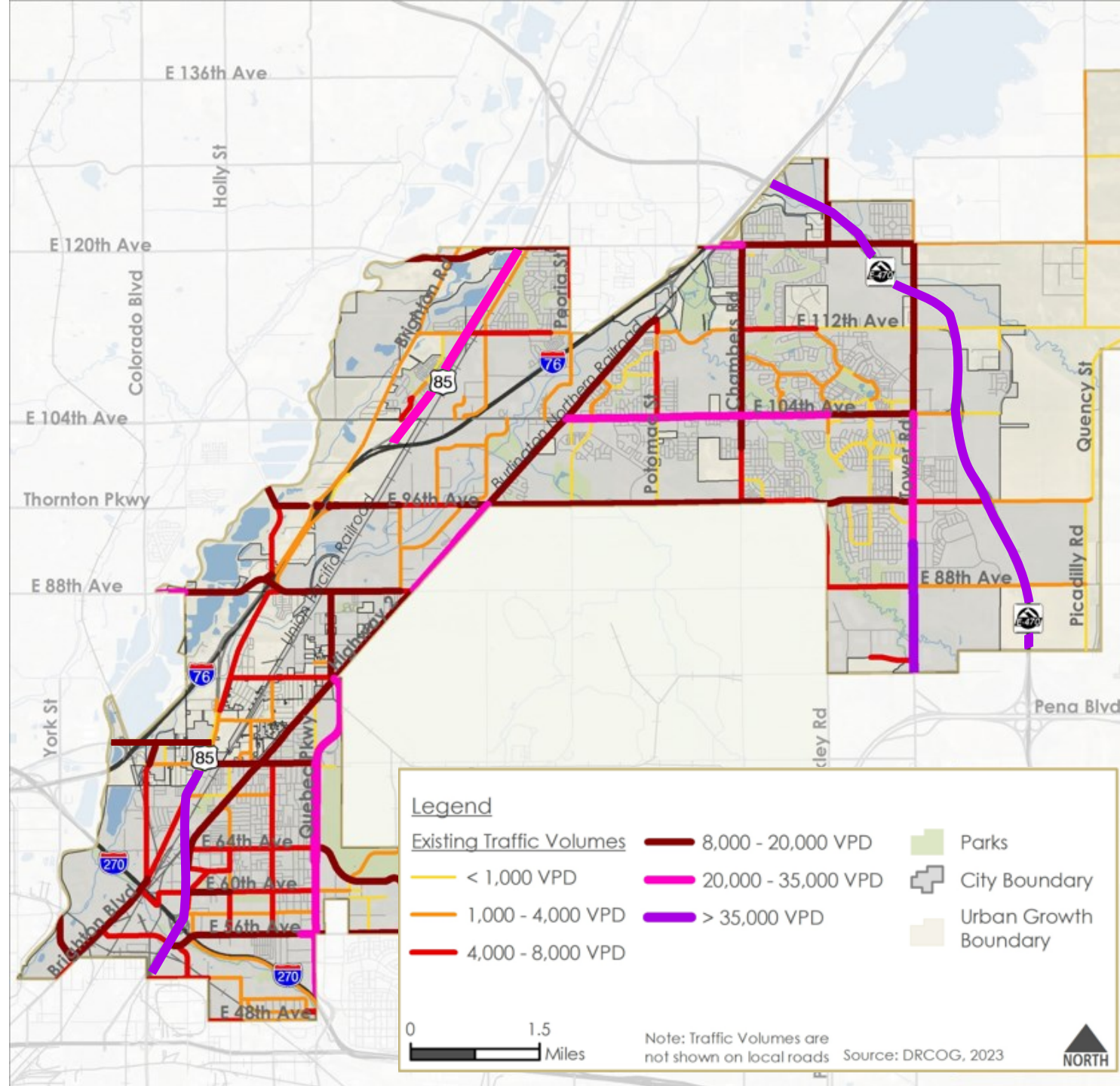
Sales and Use Tax Per Capita/Per Percent



\*2023

# High Visibility High Traffic Counts

Typical request at ICSC is 30,000



# Diverse Retail Mix

Important to have a wide variety of trip-producing destinations all together

- Including non-retail and institutional uses

Brands like to enter the market with other brands

- Marshalls, TJ Maxx, Burlington, Kohl's, Ross

The bad news...

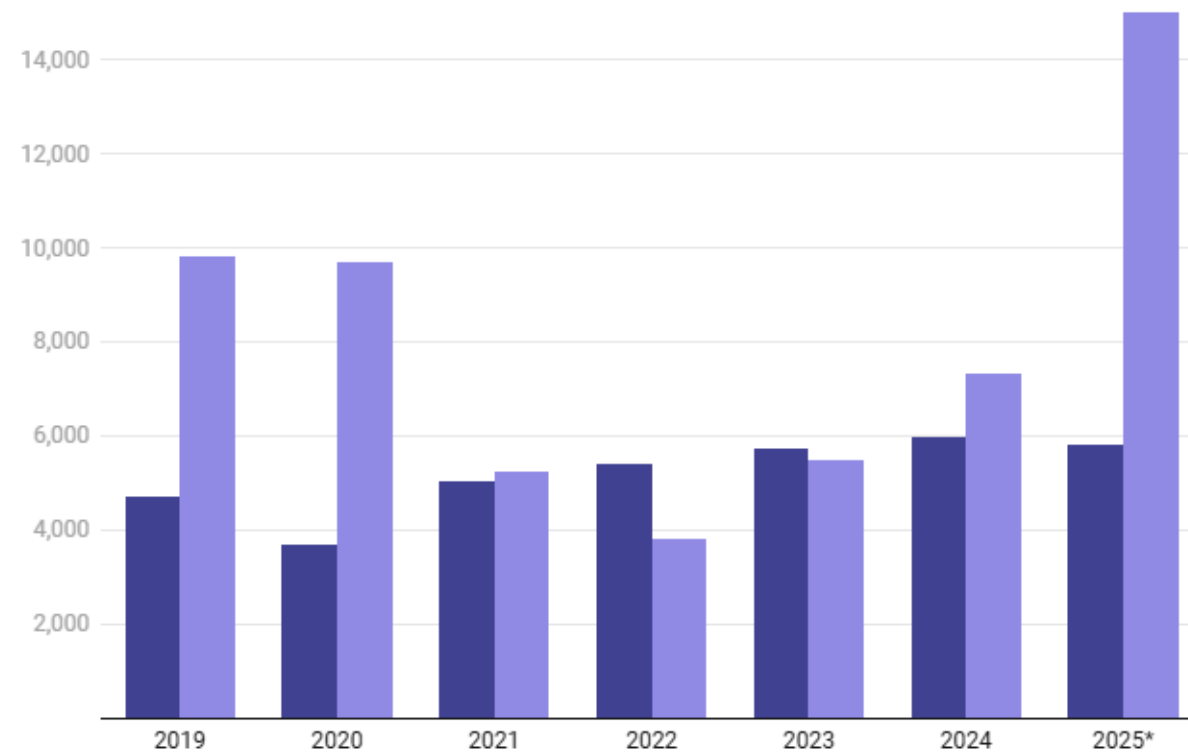
Brick and Mortar Retail is not growing

- For the second year in a row, US retailers are expected to close more stores that they open
- 2024
  - 5,970 stores opened
  - 7,325 stores closed
- 2025 expected
  - 5,800 stores will open
  - 15,000 stores will close

## Store closures in 2025 will be worse than in 2020

Annual store openings and closings from 2019 to 2025.

■ Openings ■ Closings



\*2025 numbers are projected.

Chart: Cara Salpini • Source: Coresight Research • Created with [Datawrapper](#)



# Community Support

- Public Safety
- Parks
- Permitting
- Potholes
- Political feasibility
- Perceptions



# Access to Capital



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WELCOME TO



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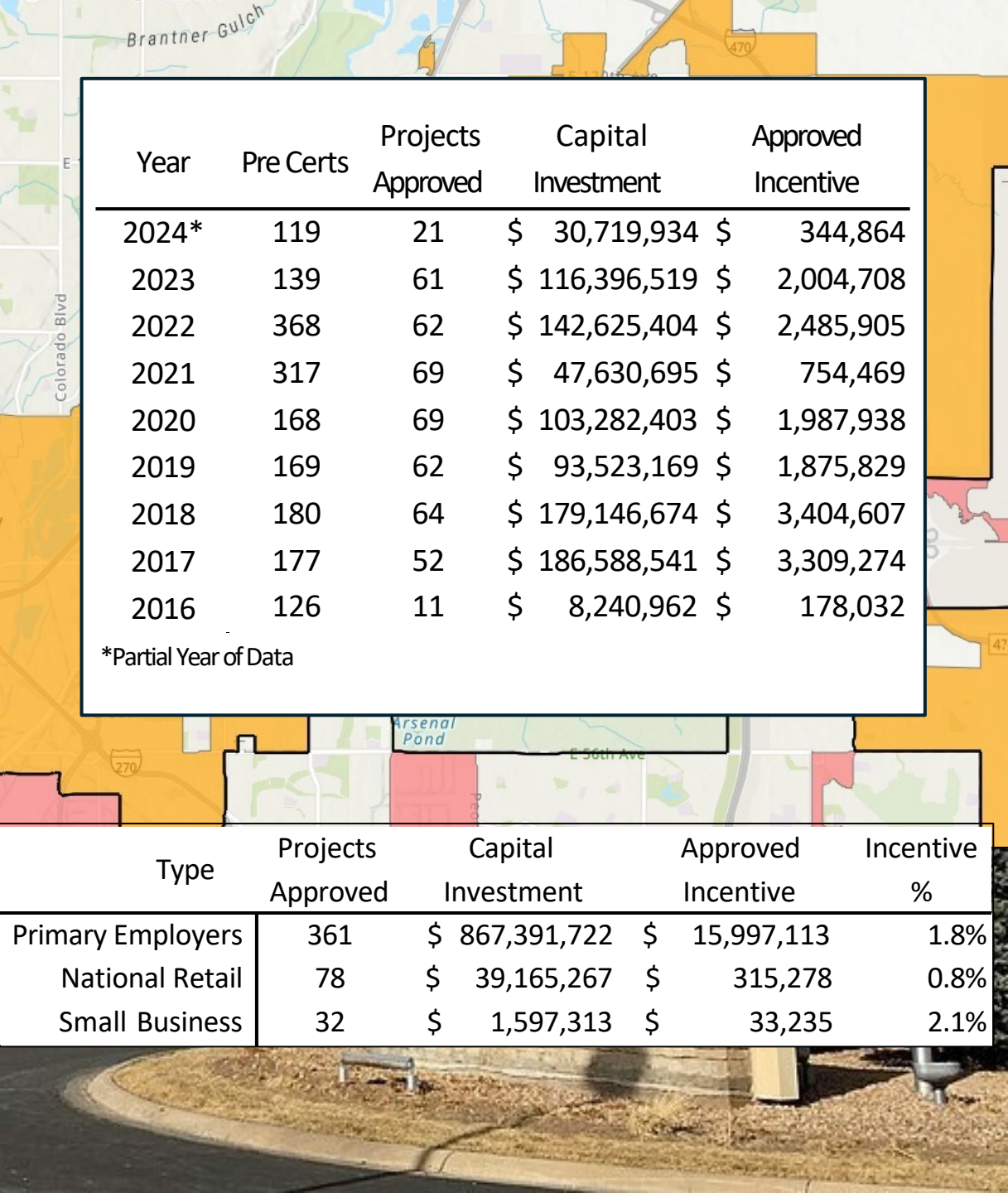
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[elevate.c3gov.com](https://elevate.c3gov.com)

# County Enterprise Zone

Enterprise Zones are state-funded programs encouraging business development and job growth in economically distressed areas. See the map for these designated areas in Commerce City.

- Investment Tax Credit
- New Job Credit
- Health Insurance Credit
- Training Credit
- Research & Development Credits
- Commercial Vehicle Investment Tax Credit (CVITC)
- Vacant Building Rehab Tax Credit
- Manufacturing Sales Tax Exemption



Year	Pre Certs	Projects Approved	Capital Investment	Approved Incentive
2024*	119	21	\$ 30,719,934	\$ 344,864
2023	139	61	\$ 116,396,519	\$ 2,004,708
2022	368	62	\$ 142,625,404	\$ 2,485,905
2021	317	69	\$ 47,630,695	\$ 754,469
2020	168	69	\$ 103,282,403	\$ 1,987,938
2019	169	62	\$ 93,523,169	\$ 1,875,829
2018	180	64	\$ 179,146,674	\$ 3,404,607
2017	177	52	\$ 186,588,541	\$ 3,309,274
2016	126	11	\$ 8,240,962	\$ 178,032

\*Partial Year of Data

Type	Projects Approved	Capital Investment	Approved Incentive	Incentive %
Primary Employers	361	\$ 867,391,722	\$ 15,997,113	1.8%
National Retail	78	\$ 39,165,267	\$ 315,278	0.8%
Small Business	32	\$ 1,597,313	\$ 33,235	2.1%



# State of Colorado

The Economic Development & International Trade (OEDIT) offers over 100 customized programs to fit the investment needs of a myriad of business types and sizes. Elevate Commerce can match the user with resources, support and financial incentives.



**COLORADO**  
Office of Economic Development  
& International Trade



**COLORADO**  
Department of the Treasury  
Dave Young, Colorado State Treasurer



# Permit Fee Reduction

## Goal

- Attracting new commercial development

## Qualification

- Targets: restaurant, amusement, lodging, hospital, grocery (not C-store)
- “requests for other types of development will be considered on a case-by-case basis”

## Source of Incentive

- Waiver of “city-imposed development fees identified in Exhibit A...”

## Enacted

- 2019, amended 2022

## Expiration

- May 31, 2027





# Lodging Tax Rebate

## Goal

- Attracting new lodging development

## Qualification

- Business pays the 4% city lodging tax
- Incentive with value over \$50,000 subject to approval by Council, otherwise City Manager

## Source of Incentive

- Up to 50% of Lodging Tax rebate for up to 10 yrs.

## Enacted

- 2022





# Incentives Program

## Goal

- Incentivize investments that trigger or create development

## Qualification

- Targets: sit-down restaurants, hotels, anchors
- Generation of tax revenues, job creation, local business, quality jobs
- Incentive with value over \$50,000 subject to approval by Council, otherwise City Manager

## Source of Incentive

- Not defined, typically a calculation of potential sales & use tax

## Enacted

- 2014

Year	Projects Approved	Capital Investment	Approved Incentive
2024	2	\$ 118,900,000	\$ 1,450,000
2023	2	\$ 5,635,000	\$ 55,650
2022	7	\$ 101,370,925	\$ 1,778,430
2021	1	\$ 75,000	\$ 6,000
2020			
2019	2	\$ 10,520,911	\$ 65,923
2018	1	\$ 484,750	\$ 309,750
2017			
2016			
2015	1	\$ 915,000	\$ 20,100

Type	Projects Approved	Capital Investment	Approved Incentive	Incentive %
Primary Employers	7	\$ 209,960,000	\$ 2,518,319	1.2%
National Retail	0	\$ -	\$ -	
Hotel	2	\$ 24,900,000	\$ 700,000	2.8%
Small Business	7	\$ 3,041,586	\$ 467,534	15.4%

# Proposed Incentives Policy

## Introduction

- Focus on achieving goals from Strategic Plan & Comprehensive Plan
- Investments that will trigger additional development
- Support high-quality employment
- Encourage equitable participation in the local economy

## Section 1: Target Areas

- Target industries, placemaking





# Proposed Incentives Policy

## Section 2: Process

- Application, preparation, approval, execution
- Evaluated on strategic focus and impact

## Section 3: Conditions

- Positive ROI to the City
- Job creation, Wages
- MWBE, no displacement
- Ethics



# Proposed Incentives Policy

## **Section 4: Sales Tax Rebate Program**

- Temporary rebate of new sales and use tax
- Administrative approval up to \$250,000

## **Section 4(A): As-of-Right Sales/Use Tax Rebate**

- Targeted industries and areas
- Minimum investment of \$500,000
- Up to 40% tax for 10 years

## **Section 4(B): Negotiated Incentive**

- Budgets larger than \$25 million
- Demonstrated financial gap larger than 4(A) can fill
- Spec construction
- Council approval for >10 years or >40%





# Proposed Incentives Policy

## Section 5: Lodging Tax Rebate

- Evaluate on size, quality, room price, etc.
- Up to 49% for 10 years
- Administrative approval up to \$250,000



# Proposed Incentives Policy

## Section 6: Development Fee Waivers

- Targets such as restaurant, fitness, lodging, hospital, grocery
- Administrative approval
- Specific list of fees that can and can't be waived
  - Building permit
  - Applications to Planning Commission and Council
  - Subdivision plat
- Not to be waived
  - Impact fees
  - Plan review
  - Business license





# Proposed Incentives Policy

## Section 7: Restaurant Construction Loan

- To construct new full-service restaurants
- Max \$1 million loan, up to 30 years at 2%
- Payment deferred until after opening
  - Interest will still accumulate
- Council approval



# Discussion

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April 14<sup>th</sup>, 2025



Commerce  
**CITY**