



## Incentives Matrix

### City/ County/ State Programs

Partner Level	Program Name	Program Criteria
<i>City of Fountain</i>	<b>City Sales and Use Tax Exemptions</b>	The City of Fountain awards sales and use tax rebates on a case by case basis. The City's 2015 use tax rate is 2% on materials and the sales tax rate is 3.75%. Each business assisted will be analyzed to determine the tax issues that are important and a presentation of available incentives will be provided. While the tax cannot be waived, it can be rebated. All agreements are conditioned upon City Council approval.
	<b>City Real Property Tax Credits and Rebates</b>	The City has from time to time rebated portions of real property taxes that result from improvements to real estate (value above the current status of the property). This is done on a case by case basis. All agreements are conditioned upon City Council approval.
	<b>Urban Renewal Authority (FURA)</b>	The Charter Oak urban renewal designation took effect January 1, 2016. The designation provides for potential funding assistance programs to support new business development in Fountain. Learn More: <a href="http://www.FURACO.org">www.FURACO.org</a>
<i>City of Fountain/ El Paso County</i>	<b>City and County Personal Property Tax Credits and Rebates</b>	<p>Primary employers, defined as those companies that sell 50 percent or more of their business' goods or services outside of El Paso County, may be eligible for a credit of up to 50% of personal property taxes on city personal property tax liabilities for up to five years with opportunity for a five year extension.</p> <p>Standard agreements are five years with at least 10 new jobs and over \$1 million in investment. Agreements up to 15 years are possible for companies meeting additional job creation and specific investment criteria. All agreements are conditioned upon City Council approval.</p> <p>Once eligible, the company and the City enter into a standard agreement for a specified term, contingent upon performance. Personal property taxes are paid two years after the personal property is put into service. The credit is made after the tax is paid. The Personal Property Tax Credit program is ongoing and does not have an expiration date. The City Economic Development Manager will assist with the application to the City Council.</p> <p><b>Note:</b> As a business incentive, El Paso County no longer collects its share of personal property tax from any business; so its rebate would be: County: 100% credit (no tax)</p>
	<b>Enterprise Zone</b>	Businesses locating within the El Paso County Enterprise Zone may be eligible for one or several Colorado Corporate Income Tax Credits related to hiring new employees, making investments in equipment used or to be used exclusively in an Enterprise Zone for at least one year, training employees and conducting research and development activities.

		<p>The Fountain Economic Development Director and the El Paso County Enterprise Zone Administrator will be able to elaborate on any of these credits.</p> <p style="text-align: right;"><b>Investment Tax Credit</b></p> <p>Businesses making investments in equipment used exclusively in an Enterprise Zone for at least one year may claim a credit against their Colorado income taxes equal to three percent (3%) of the investment amount, subject to limitations on the amount that can be claimed in any one year. In general, only equipment purchases qualify for the investment tax credit. The credit is claimed on the state income tax return for the year it would have been claimed under federal law (the year the property was placed in service). No investment tax credit is allowed if the investment resulted from the relocation of a business operations from anywhere within Colorado to the Enterprise Zone; even if the business had been operating in an Enterprise Zone. However, credits are still allowable if the relocation meets the New Business Facility requirements as a qualifying expansion.</p> <p style="text-align: right;"><b>Job Tax Credit</b></p> <p>Businesses hiring new employees in connection with a New Business Facility in an Enterprise Zone may claim a state income tax credit of \$500 for each new employee. Qualifying new, expanding or replacement facilities may claim the jobs tax credit each year during the life of the Enterprise Zone for each new employee above the maximum number employed in any prior tax year. The taxpayer may prorate the credit based on the number of months the new facility is in operation at a rate of \$41.67 per new employee per month of employment. If the credit exceeds the taxpayer's Colorado income tax liability, the balance may be carried forward up to five years.</p> <p style="text-align: right;"><b>Employer-Sponsored Health Insurance Credit</b></p> <p>An Enterprise Zone taxpayer who qualifies for the New Business Facility (NBF) jobs credit can also qualify for a two-year credit of \$200 (or \$400 total) for each NBF employee who is insured under a health insurance plan or program provided through the employer. The employer must contribute 50% or more of the total cost of the plan. The taxpayer may only claim this credit for the first two full income tax years after the facility initially qualifies as a NBF.</p> <p style="text-align: right;"><b>Research &amp; Development Tax Credit</b></p> <p>Businesses involved in private expenditures on research and development activities in the Enterprise Zone qualify for an income tax credit. This credit equals three percent (3%) of the amount of the increase in the taxpayer's R&amp;D expenditures within the Enterprise Zone for the current tax year above the average of R&amp;D expenditures within the Enterprise Zone during the previous two tax years. The total amount of the credit must be divided equally over a four-year period. Qualified research must satisfy three criteria: it must be technological in nature, it must be useful in the development of a new or improved product or component of the business and it must utilize the process of experimentation.</p>
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	<b>Private Activity Bond (PABs)</b>	<p>Bond financing for investing in qualified projects; Offered at a lower interest rate and provide significant savings over conventional financing; Exempt from federal and state income tax; and ; Repaid from the revenues of the entity on whose behalf the City has issued the bonds. Thus, the City assumes no financial risk since PABs do not constitute a debt for the City of Fountain.</p> <p>Qualified PAB projects, typically from \$1 million - \$10 million, can be used for:</p> <ul style="list-style-type: none"> <li>• new facilities;</li> <li>• existing facilities that are rehabilitated;</li> <li>• purchasing new equipment;</li> <li>• facility infrastructure;</li> <li>• higher education facilities;</li> <li>• health care facilities;</li> <li>• other types of eligible projects which promote the public good;</li> <li>• essentially, PAB projects should include components that create jobs, improve neighborhoods, and/or increase the wealth in Fountain.</li> </ul> <p>A prospective borrower is required to demonstrate the financial soundness of the business and the project, similar to the requirements for securing a privately-funded loan. Proforma balance sheets, income statements, audited financial statements, and cash flow projections are examples of the types of documents required.</p> <p>The borrower pays fees to the City associated with the City's issuance of PAB financing. There are non-refundable fees of \$1,000 and \$5,000 for application and inducement resolution, respectively. In addition, the borrower also pays all City Attorney expenses related to the bond issuance, and bond services fees of up to .5% / \$1,000 of bonds issued.</p> <p>Some not-for-profit organizations may also be eligible for tax-exempt financing of capital projects under a different form of PAB, and the 501(c)(3) bonds.</p>
El Paso County	<b>Revolving Loan Fund</b>	<p>The El Paso County Revolving Loan Fund (RLF) is a federally-funded loan pool created by the US Department of Housing and Urban Development (HUD). The funds, Community Development Block Grant (CDBG) monies, are provided by the State of Colorado and administered locally. El Paso County contracts with the Pikes Peak Regional Development Corporation to</p>

		<p>administer the program for the County.</p> <p><b>GOALS</b> - The primary goals of the RLF are to create and retain jobs and to expand and diversify the economic base. Highest priority will be given to manufacturing operations that create new investment in El Paso County.</p> <p><b>ELIGIBILITY</b> - The RLF monies are available to private, for-profit businesses within unincorporated El Paso County and its incorporated cities and towns.</p> <p><b>FUNDS</b> - The RLF is primarily for financing fixed assets, including land, buildings, machinery, and equipment. Working capital and inventory are also eligible uses of loan funds. Priority will be given to projects that exhibit the greatest public benefit and range \$10,000 to \$200,000.</p> <p>All loans are fully collateralized and personal guarantees are required of all borrowers. Interest rates will be fixed at a rate that is below market rates at the time of closing.</p>
	<b>Industrial Development Bonds</b>	<p>Industrial Development Bonds (IDB) are PABs for manufacturing facilities to finance qualified capital projects. The private user benefits from the City's tax-exempt status and tax-exempt rates. The proceeds can be used for:</p> <ul style="list-style-type: none"> <li>• Building and equipment</li> <li>• Machinery and furnishings</li> <li>• Land, landscaping</li> <li>• Cost of issuance (limited amounts)</li> </ul> <p>Cost of architects, engineers, attorneys, permits (limited amounts)  The maximum amount is \$10million per company, per jurisdiction. A company may not exceed \$40 million in aggregate tax-exempt bonds. Other conditions apply for a 6 year period. The 2009 federal stimulus bill added intangible property such as software, increased the "small issuer" limit and added warehousing, related and subordinate facilities.</p>
<i>Pikes Peak Regional Development Corporation</i>	<b>SBA 504</b>	<p>The PPRDC is a Certified Development Company (CDC) that has funds available for small loans to credit-worthy companies at favorable rates. Through the SBA 504 loan program, PPRDC arranges funding for 40% of the project cost, up to a maximum of \$2,000,000. The first 50% of the project comes from a bank or other private lender, leaving a 10% equity injection by the borrower. Eligible purposes or project costs for the funds are: (1) purchase of land, building, machinery and equipment; (2) land improvements; (3) renovation or major addition to existing building; (4) construction of new buildings; and (5) the project financed should stimulate economic development and create new jobs.</p> <p>Eligible businesses: (1) are for-profit corporations, partnerships or proprietorships; (2) have net worth less than \$8.5 million; (3) average net profit after tax of less than \$3 million dollars for the past two years; and (4) must be the user of the financed fixed assets with the expansion ranging from \$250,000 to several million dollars. These assets can include real estate acquisition, new construction, renovation or expansion. Proceeds can also be used for land and</p>

		<p>site improvements such as parking lots, utility connections, and landscaping. Machinery and equipment can also be financed. Examples of other project costs that can be included are professional fees directly attributable and essential to the project such as surveying, engineering, architectural fees, legal fees, recording and title fees, and points on interim financing. Construction interest can be financed as well.</p>
State of Colorado (OEDIT)	<b>Job Growth Tax</b>	<p>The performance-based Job Growth Incentive Tax Credit provides a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program.</p> <p>Learn More: <a href="http://choosecolorado.com/doing-business/incentives-financing/job-growth-incentive-tax-credit/">http://choosecolorado.com/doing-business/incentives-financing/job-growth-incentive-tax-credit/</a></p>
	<b>Strategic Fund</b>	<p>The Strategic Fund Incentive program supports and encourages new business development, business expansions and relocations that have generated new jobs throughout the state. In some cases, the Strategic Fund may also be able to provide support for initiatives led by non-profit entities pertaining to key industries or regional development.</p> <p>Learn More: <a href="http://choosecolorado.com/doing-business/incentives-financing/strategic-fund-incentive/">http://choosecolorado.com/doing-business/incentives-financing/strategic-fund-incentive/</a></p>
	<b>CO FIRST/ Job Training Grants</b>	<p>The Colorado FIRST and Existing Industry grants are jointly administered by OEDIT and the Colorado Community College System. The programs increase transferable job skills that support both the company's economic competitiveness and enhance worker's resumes and long-term employment opportunities.</p> <p>Learn More: <a href="http://choosecolorado.com/doing-business/colorado-first-existing-industry-job-training-programs-cfei/">http://choosecolorado.com/doing-business/colorado-first-existing-industry-job-training-programs-cfei/</a></p>
	<b>CDBG Business Loan Funds</b>	<p>Every year, the State of Colorado receives an allocation of federal funds to use for both community and economic development efforts within the state. OEDIT receives approximately one-third of the state's annual allocation of funds to use specifically for economic development efforts statewide.</p> <p>Learn More: <a href="http://choosecolorado.com/doing-business/incentives-financing/cdbg-business-loan-funds/">http://choosecolorado.com/doing-business/incentives-financing/cdbg-business-loan-funds/</a></p>
	<b>Advanced Industry Investment Tax Credit</b>	<p>The Colorado Advanced Industry Investment Tax Credit helps Colorado's advanced industry companies receive more capital from Colorado investors.</p> <p>Learn More: <a href="http://choosecolorado.com/doing-business/incentives-financing/advanced-industry-investment-tax-credit/">http://choosecolorado.com/doing-business/incentives-financing/advanced-industry-investment-tax-credit/</a></p>
	<b>CO Tourism Matching Grant</b>	<p>This matching grant program provides assistance to the tourism industry for marketing efforts. Travel regions throughout the state are eligible for these grant dollars, as well as statewide associations, organizations and other nonprofit entities that promote travel throughout Colorado.</p>

		Learn More: <a href="http://industry.colorado.com/resources/matching-grant-program">http://industry.colorado.com/resources/matching-grant-program</a>
	<b>CO Creative Industries Grant</b>	<p>Colorado Creative Industries promotes, supports and expands the creative industries to drive Colorado's economy, grow jobs and enhance our quality of life.</p> <p>Learn More: <a href="http://choosecolorado.com/doing-business/incentives-financing/creative-industries-artists/">http://choosecolorado.com/doing-business/incentives-financing/creative-industries-artists/</a></p>
	<b>Venture Capital Authority (VCA)</b>	<p>The Colorado Venture Capital Authority (VCA) was established in 2004 to make seed- and early-stage capital investments in businesses. The VCA was allocated \$50 million in premium tax credits, which it subsequently sold to insurance companies. The VCA selected fund manager High Country Venture, LLC, and established Colorado Fund I and Colorado Fund II, each with approximately \$25 million.</p> <p>Learn More: <a href="http://choosecolorado.com/doing-business/incentives-financing/venture-capital-authority-vca/">http://choosecolorado.com/doing-business/incentives-financing/venture-capital-authority-vca/</a></p>