

Incentive Payment Agreements

BOARD OF COUNTY COMMISSIONERS STUDY SESSION

DECEMBER 5, 2023



ARAPAHOE COUNTY

Incentive Payment Agreements

- Per CRS 30-11-123, incentive payment agreements can be made with the following businesses in unincorporated Arapahoe County:
 - A new business facility, or
 - A taxpayer who expands a facility
- The County's program uses the incentive payment with reimbursement option
- Historically, the Board has considered 100% reimbursement but has recently approved reimbursements at 50% and 75%
- Terms are typically for five years with an option for an additional five
- BOCC held study sessions on this in June 2022 and February 2023.



ARAPAHOE COUNTY

10

Current agreements

7

Participating businesses

10

Locations in
Arapahoe County

Current Program Status

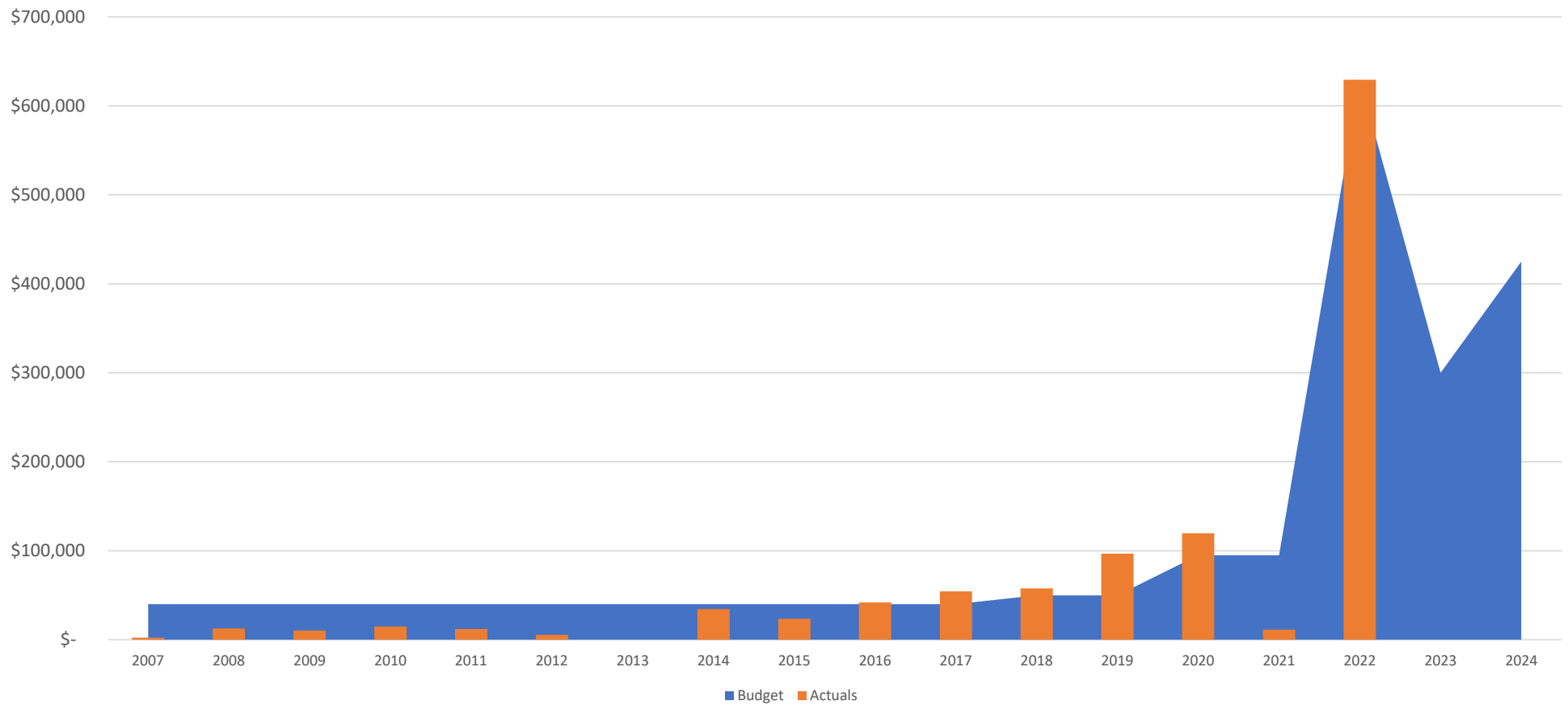
Program Budget

Year	Budget	Actual
2007	\$40,000	\$2,430.78
2008	\$40,000	\$12,640.26
2009	\$40,000	\$10,415.58
2010	\$40,000	\$14,948.22
2011	\$40,000	\$12,082.56
2012	\$40,000	\$5,507.21
2013	\$40,000	-
2014	\$40,000	\$34,473.92
2015	\$40,000	\$23,630.17

Year	Budget	Actual
2016	\$40,000	\$41,987.81
2017	\$40,000	\$54,402.22
2018	\$50,000	\$57,839.92
2019	\$50,000	\$96,703.82
2020	\$95,000	\$119,683.68
2021*	\$95,000	\$11,358.82
2022*	\$630,000	\$629,323.30
2023	\$300,000	
2024	\$425,000	

**Two companies were not paid until 2022 for 2021. \$356,844 paid in 2022 was for 2021*

Incentive Payment Agreement History



Incentive Payment Agreement Proposal

- Establish process for interested parties to request incentive payment agreements, including roles and responsibilities, required information and expectations.
- Provide program information to BOCC as part of evaluation process.
- Identify program requirements and priorities for companies applying for incentives.



ARAPAHOE COUNTY

Incentive Payment Agreement Requirements

1. Be a primary employer establishing a New Business Facility or an Expanded Business Facility (as defined by Colorado Revised Statute 39-30-105) in Arapahoe County.
2. The company must make a minimum of \$1 million investment (as defined by Colorado Revised Statute 39-30-105) in business personal property.
3. The company must pay its employees at or above the county's annual average wage (excluding overtime, commission and benefits).
4. The company must be in the negotiation phase of the site selection process (no contracts signed).



ARAPAHOE COUNTY

Incentive Payment Agreement Priorities

1. Job Creation
2. Capital Investment
3. Wages Paid at/above County Average
4. Employing Arapahoe County Residents
5. Target Industry
6. Other Regional Incentives
7. Alignment with Arapahoe County Strategic Plan
8. Fiscal Responsibility



ARAPAHOE COUNTY

Options for Board Consideration

1. **Option 1** – given the County’s budget challenges, place a temporary freeze on new incentive payment agreements (with limited exceptions) and re-evaluate options for adjustment in the future (***staff recommendation***).
2. **Option 2** – continue to accept all applications for incentive payment agreements, evaluate on a case-by-case basis and adjust budget based on request approvals (***consistent with past practice***).
3. **Option 3** – create a limit on the incentive payment agreement program, continue to accept all applications, and evaluate on a case-by-case basis within the defined limit.



ARAPAHOE COUNTY