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Local Employment Expansion/Relocation Incentives

City Approach

The City of Fort Collins uses a variety of local incentives to assist primary employers with relocation and expansion efforts. The City does not employ a one size fits all approach to developing incentive packages. Instead, the City chooses to work collaboratively with each primary employer and build a package that is specific to the individual needs. This approach typically results in a better outcome for all parties. In addition, this approach allows for a wider variety of incentives to be deployed depending on the needs of the project (e.g. negotiated power rates, etc).

Local Incentives

The following incentives may be available to the project. These incentives are in addition to those available at the State and County level.

- **Personal Property Tax Rebate** – The City employs the use of personal property tax rebates on a discretionary or case-by-case basis. Use of this incentive will require approval of the City Council. Past agreements with primary employers have included a 10-year rebate for 50 percent of the personal property in the expansion/relocation project. In addition, Larimer County provides a Personal Property Tax Rebate Incentive. This will be discussed further below.
- **Construction Materials Use Tax Rebate Program** – The City charges 3 percent on building materials at the time of construction (building permit application). The City has provided a rebate of a portion or all of this use tax on past projects. Projects that fit into the economic development strategy of the community and contribute to the Innovation Economy are ideal candidates for this incentive.
- **Manufacturing Equipment Use Tax Rebate Program** – The City’s Manufacturing Equipment Use Tax Rebate Program provides a partial rebate (2 percent) of the 3.0 percent local use taxes paid on qualifying equipment. In exemplary cases, such as primary job expansion, the City will consider rebating the remaining 1 percent as an additional incentive to companies considering Fort Collins. Use taxes are used by other Colorado municipalities and intended to equalize competition between vendors located in the cities who collect local sales tax and those located outside the cities who do not charge local sales tax. Example, if the client were to invest \$10,000,000 in manufacturing equipment, this program could potentially save the company up to \$300,000 in use tax.
- **Low Utility Costs** – The City of Fort Collins owns a municipal utility company and provides the 3rd lowest utility rates in the state for large commercial users. In addition, the City’s Electric Utility will negotiate a Master Power Agreement for additional potential long-term savings. This may provide a significant savings give the potential data center component of the proposed expansion project.

- **Expedited Development Review** – For large primary employment development projects, the City will commit to an expedited development review and building permit application process. This process can save essential time allowing for rapid construction minimizing the time to the expansion/relocation event.
- **Other Incentives** – The City has also employed a variety of other incentives specific to a project. These other incentives have included assistance with off-site improvements and waiver/deferral of additional fees (e.g. drainage fees). The use of these other fees typically depends on the financial need of the specific project.