



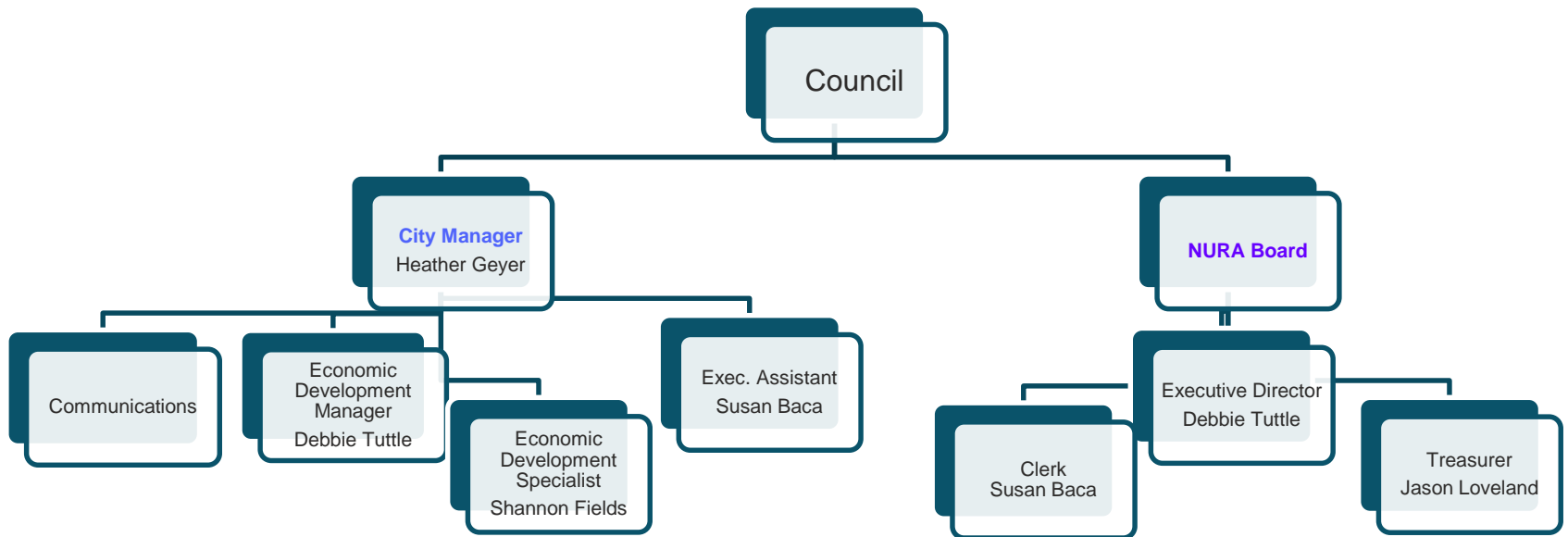
CITY OF
Northglenn

ED 101 & FINANCING TOOLS

Presented to NURA Board

April 10, 2019

ED & NURA REPORTING STRUCTURE



WHY IS ED IMPORTANT?

- Attraction of New Businesses
- Retention/Expansion Businesses
- Fosters Job Retention & Creation
- Builds Local Tax Base
- Capital Investment & Wealth Generation
- Supports Community with Retail/Services
- Quality of Life
- Infrastructure Improvements
- Diversified Businesses





WHAT DO I NEED TO KNOW?

- Decide what your community wants & needs
- Understand the changing demographics
- Understand the competition & retail leakage
- Balance between primary & retail businesses
- Understand why a diversified economy is important
- Understand the Tax \$'s
- Understand what is in the “tool box” for incentives & business assistance tools
- Success stories utilizing incentives & business assistance programs

WHAT ARE THE ED STRATEGIES & GOALS?



Imagine Northglenn: The Next 40 Years

Economic Development

section



6A. Economic Development
Introduction



COMPREHENSIVE PLAN

ED STRATEGIES

- 6B1: Create a more diversified & well-balanced economic base
- 6B2: Further enhance & solidify the retail sales tax base
- 6B3: Support business retention, expansion & attraction (BREAA) to recruit higher waged jobs
- 6B4: Enhance appearance & image of City to attract businesses
- 6B5: Leverage resources of NURA to enhance BREAA

ED COMP PLAN

IMPLEMENTATION GOALS (B6)

- Identify underperforming properties (retail)
- Outreach to property owners to identify plans
- Work with development community to promote the city
- Match projects & businesses with properties
- Identify & utilize tools such as NURA.
- Contact property owners for long-term plans



ED COMP PLAN

IMPLEMENTATION GOALS (B6)

- Financial analysis & consideration of incentives
- Consultation with private developers
- Conceptual site/land use plans
- Traffic/density/environmental studies
- Zoning approvals & entitlements
- Marketing & tenant negotiation
- Demolition of existing structures & construction

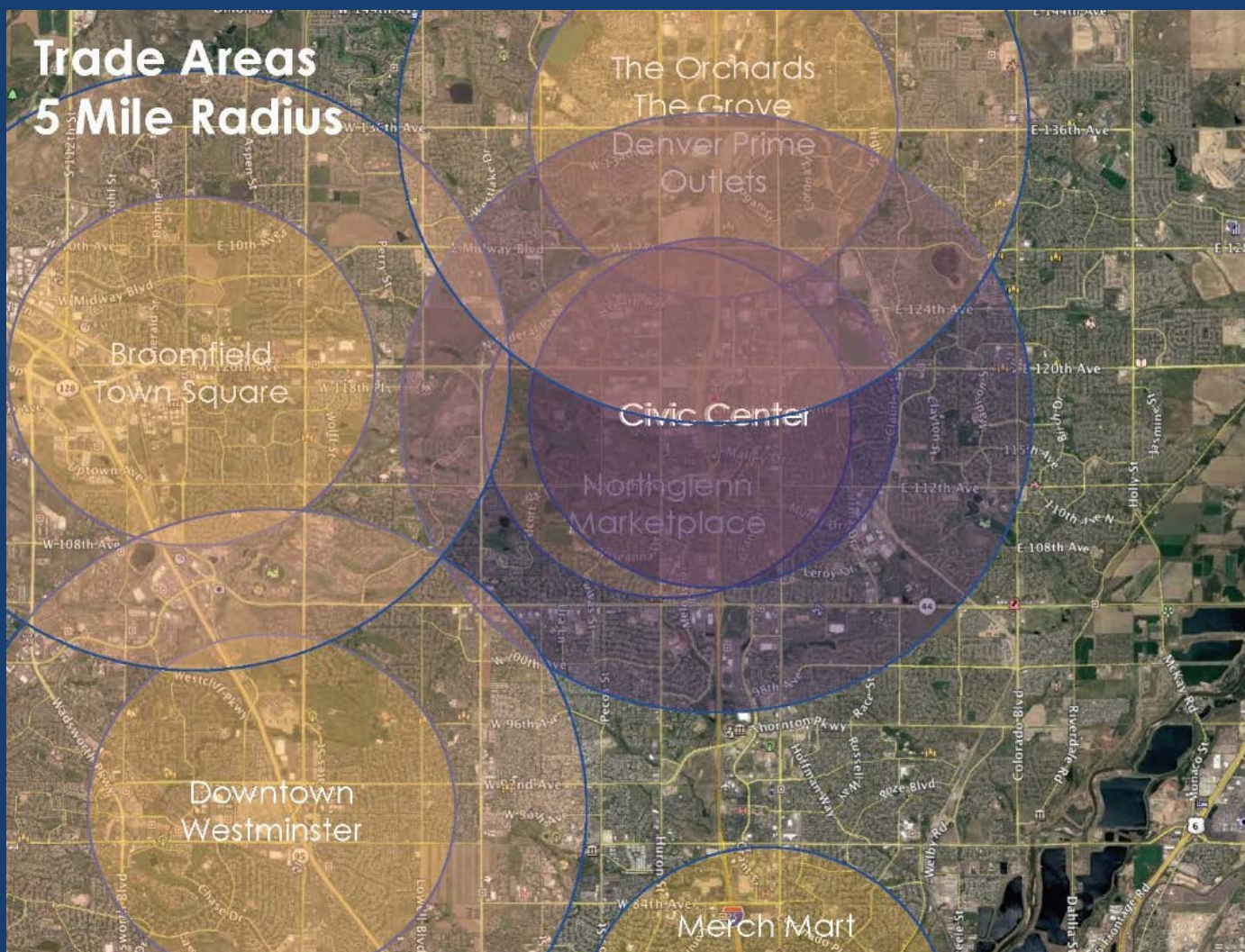


UNDERSTAND THE CHANGING DEMOGRAPHIC TRENDS

Demographics			
	1 Mile	3 Mile	5 Mile
Population	17,776	137,620	326,424
Med. Household Inc.	\$50,455	\$72,035	\$72,801
Median Age	32.4	35.4	34.9
Household Size	2.34	2.62	2.77
% Owner Occupied	49.1%	72.5%	73.9%
Median Home Value	\$193K	\$273K	\$276K

Source: ESRI Community Profile, Sept 2018

UNDERSTAND THE COMPETITION & CHANGING RETAIL MARKET



WHY IS IT IMPORTANT TO BUILD A DIVERSIFIED BUSINESS COMMUNITY?

- New Jobs = New \$'s = New Opportunities
 - Housing
 - Restaurants
 - Stores/Retailers/Services
 - City Services



Gold mine communities thrived, until there was no more gold. Then they became ghost towns.

WHAT IS A PRIMARY JOB?

- Businesses that **produce/export** goods/services for customers **outside** the community
- Bring in **new \$'s** to community
- **Higher paying quality jobs** = More disposal income
- **Job multipliers** – Spin-offs of service/retail support jobs



NEW WEALTH & HIGHER PAYING JOBS



HOW ABOUT RETAIL/SERVICES JOBS?

CIRCULATES SAME



- City's **“Bread & Butter”**
- Responsible for paying for city services
 - Police, Personnel, Infrastructure, Parks & Recreation, etc.
- Lower paying jobs
- Supports community with retail/services



UNDERSTAND THE TAX STRUCTURE

Sales Tax (except food for home consumption) – 8%

- State: **2.9%**
- RTD: **1%**
- SCFD: **.1%**
- Adams County: **.75%**
- Northglenn: **4%**
 - 3% - General Fund
 - 1% - Water Fund



Sales Tax on Food for Home Consumption – 3%

- **100%** - Water Fund
- **Cannot** be used for ESTIP

WHAT OTHER TAXES?

- **Marijuana Tax – 27.75%**
 - State – 17.9 (2.9% + 15%*)
 - County – .75%
 - RTD – 1%
 - SCFD – .1
 - City – 8% (3% + 1% + 4%*)
- *Special MJ Tax**



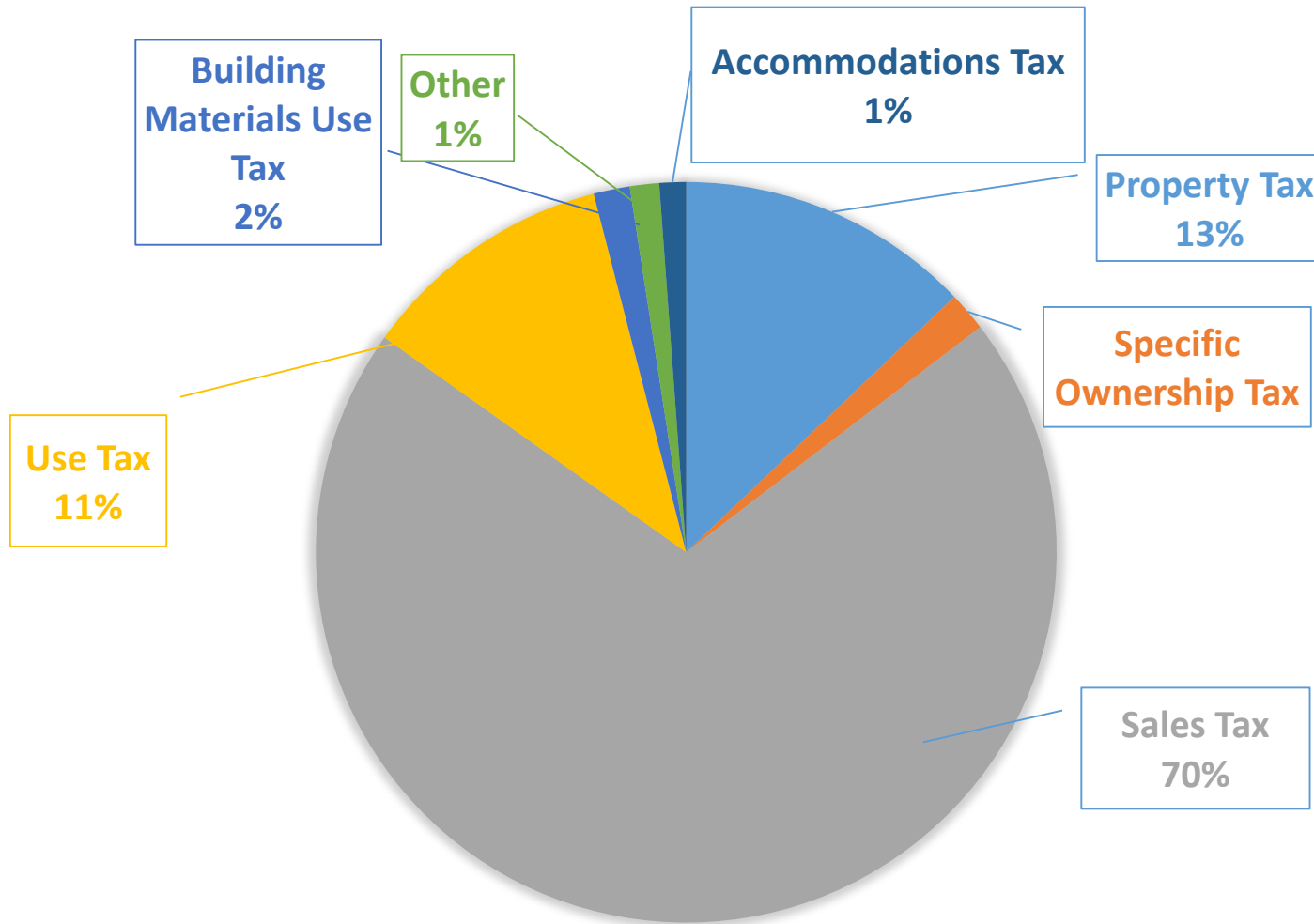
- **Admission Tax – 3%**
- **Accommodations Tax – 7.9%**
 - State – 2.9%
 - City – 5%



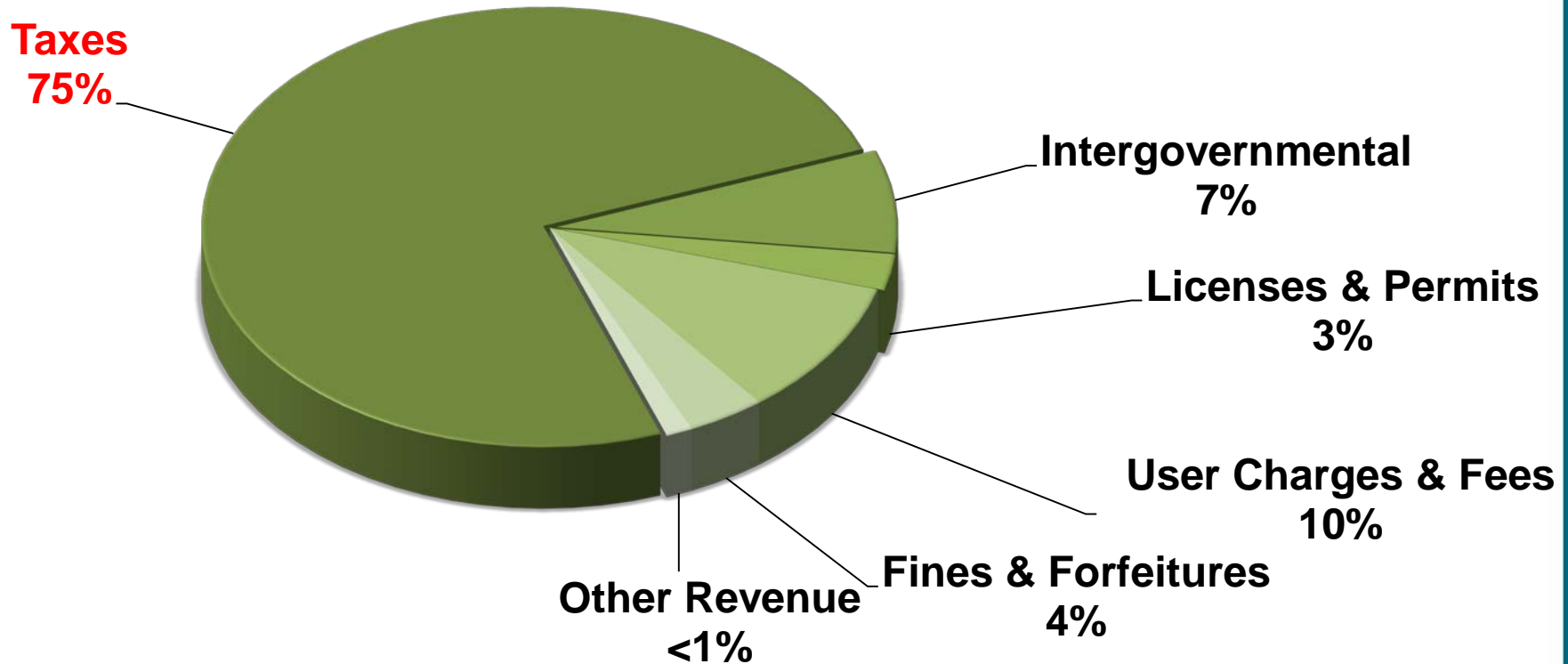
- **Use Tax – 8% (FF&E)**
 - State – 2.9%
 - RTD – 1%
 - SCFD – .1%
 - County – 0
 - City – 4%



WHERE DO THE TAXES COME FROM?



WHERE DOES OUR OPERATING \$'S COME FROM?



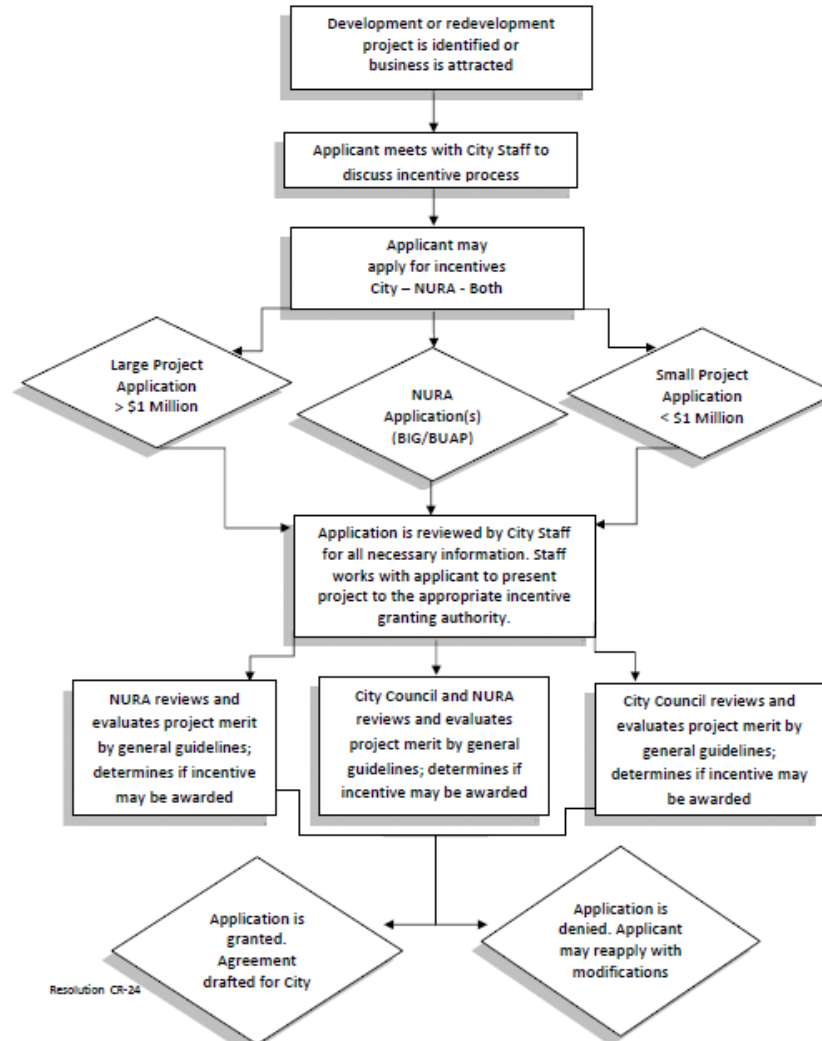
INCENTIVES/BUSINESS ASSISTANCE TOOLS



INCENTIVE FLOW CHART



Business and Development Assistance & Incentives Policy



INCENTIVES & BUSINESS ASSISTANCE PROGRAMS

- ESTIP – Shared Sales Tax
- BIZ – Waive/Abatements of Fees & Use Tax
- PIF – Public Improvement Fees
- Purchase/Sell & Buy-Down/Donate Property
- Business Assistance Programs
 - Streamlined Dev. & Entitlements
 - DABS
 - Wayfinding
 - Technical Support



NURA

INCENTIVES & BUSINESS ASSISTANCE PROGRAMS

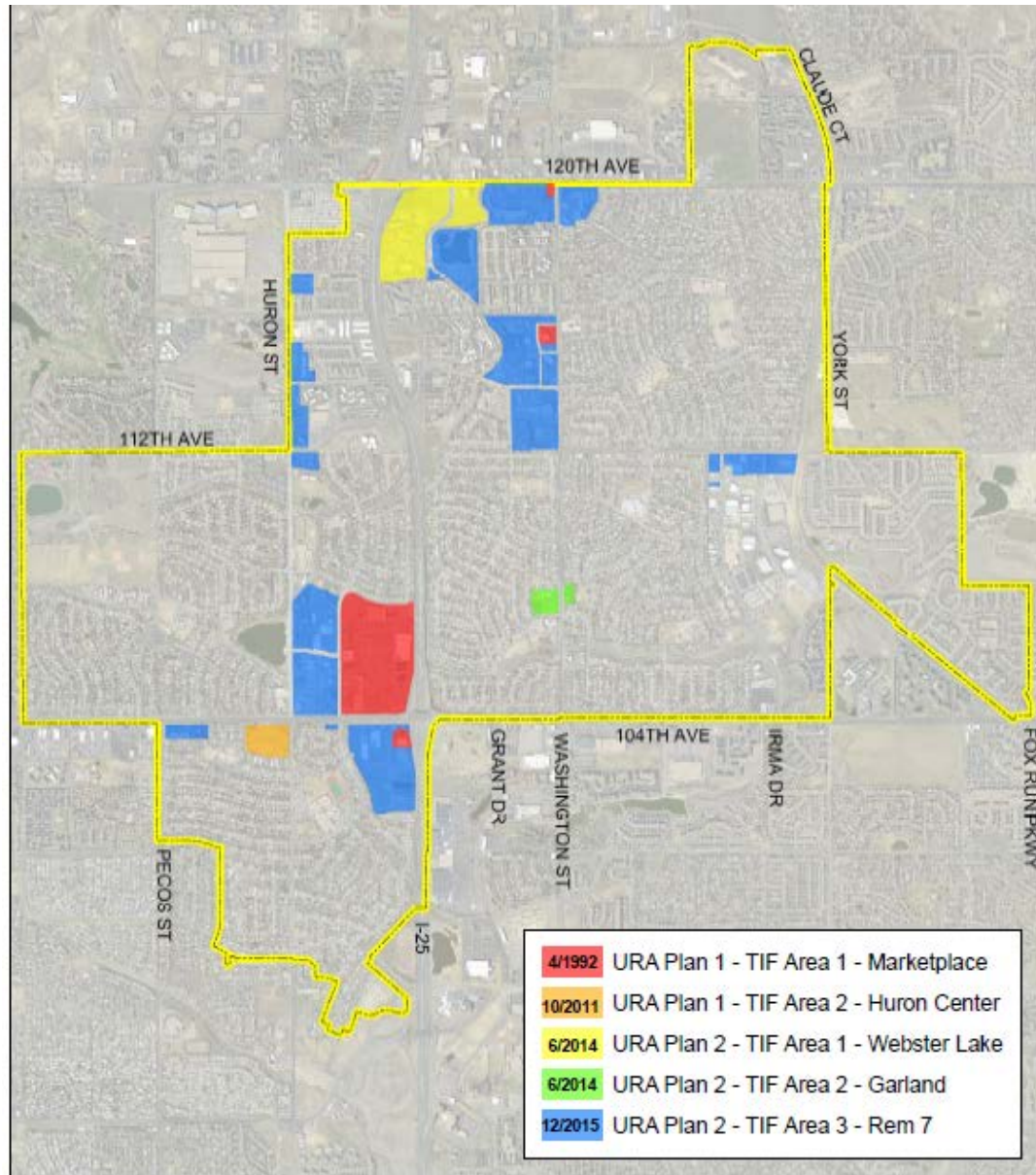
- TIF – Tax Increment Financing
 - Infrastructure/Public Improvements
 - Demo/New Construction/Property Prep & Improvements
 - Environmental Remediation
 - Consulting & Professional Services
 - Purchase/ Sell & Buy-Down/Donate Property
 - And More...
- Bonding
- Grants
 - BIG – Business Improvement Grant
 - BUAG – Business Utility Assistance Grant
- Business Assistance Programs (same as city)





WHERE CAN NURA REINVEST?

85% of
Commercial
Property is
Located in URA



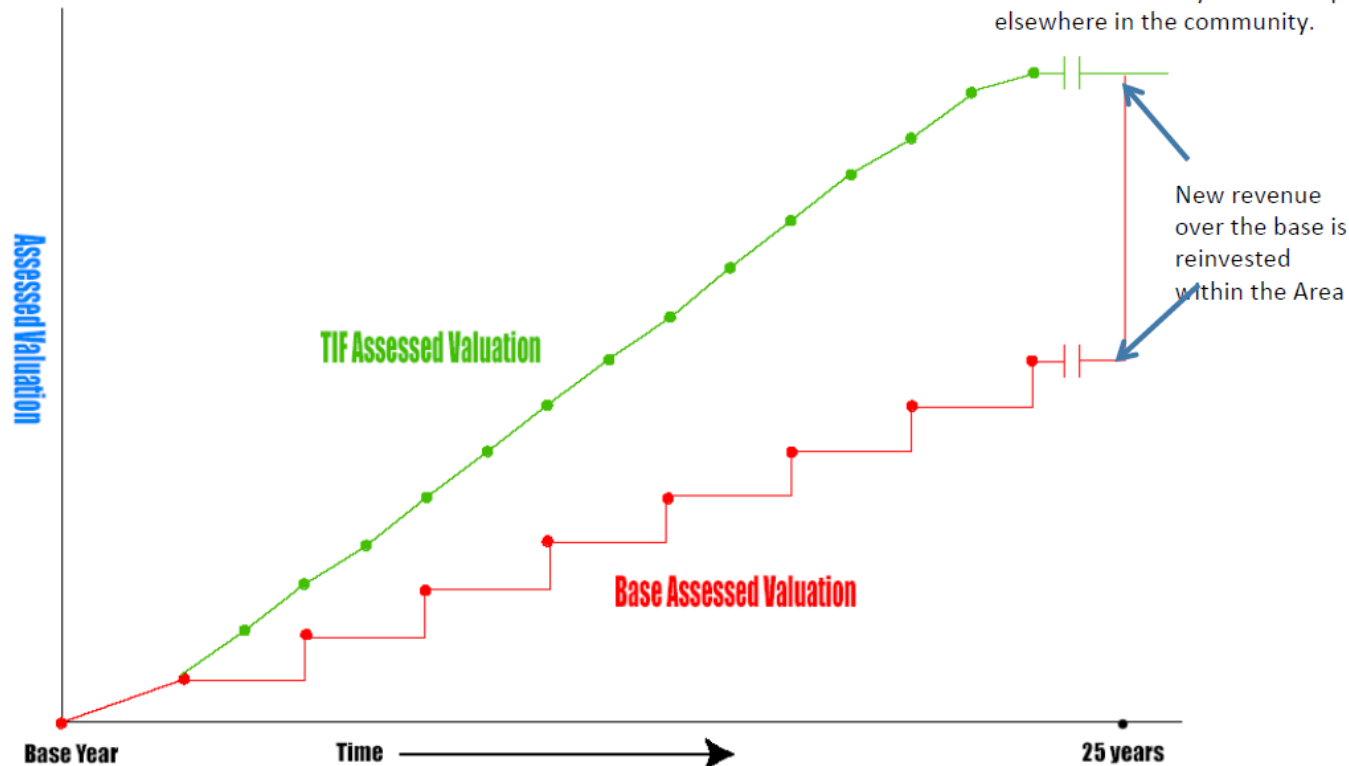
HOW TIF IS CALCULATED

How is TIF calculated?

Note: If the base value declines, the Authority may not collect any increment until it returns to its original base.

TIF CHART

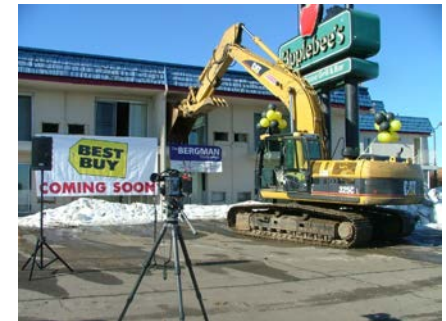
Council will decide if some or all of the sales tax collected in the Area is reinvested in the Area or retained by the municipality for use elsewhere in the community.



Note: NURA is not subject to HB 15-1348



HOW DOES NURA REINVEST?



NORTHGLENN URBAN RENEWAL AUTHORITY

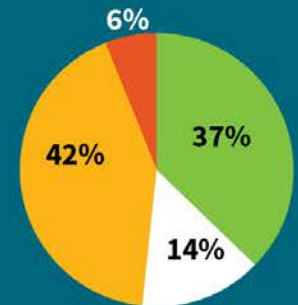
In 2018, NURA issued 16 business grants and incentives totaling \$1,705,517. This leveraged \$12.4 million in private commercial property improvements.

Since 2005, 129 business grants and incentives have been awarded for a total amount of \$17.3 million.

Reinvestment by Project Category 1995-2018

Property Preparation & Land Acquisition	15,339,067	■
Infrastructure Improvements	\$5,845,383	■
Business Incentives	\$17,322,141	■
Consulting & Studies	\$2,478,270	■

Total \$40,984,861





COUNTY & STATE FINANCING TOOLS

County

- **Adams County & ACED Incentives** (primary employers)
 - 100% Property Tax Rebate for up to 10 years/Local Match Required
- **Adams County Micro Loan** – Up to \$50,000

State

- **Colorado Enterprise Zone**
- Colorado Enterprise Fund – Up to \$1 Million
- **Colorado FIRST** – Job Training \$800 per employee
- Colorado Block Dev. Grant (CBDG) Business Loan Funds
- Colorado Capital Access & Colo. Housing Finance Authority



FEDERAL FINANCING TOOLS

- Economic Development Administration (EDA)
- **Small Business Development Administration (SBA & SBDC's)**
- **Environmental Protection Agency (EPA)**
- Housing & Urban Development (HUD)
- Department of Agriculture (USDA)
- Community Development Financial Institutions Fund (CDFI)
- Industrial Development Bonds (IDBs)
- Other



DEALS TAKE **VISION**, **PATIENCE** & **TAKING RISK**



EVERY DEAL IS DIFFERENT!



EVALUATING A DEAL

Evaluation Tools

- Public/Private Partnership
- Leverage Private \$'s to Fill Gap
- Pro-Forma's
- Technical & Construction Documents
- Market Analysis
- Gap Analysis
- Studies
- Evaluate ROI
- Other

Measuring Success

- **Performance Based**
- Job Creation
- Capital Investment
- Increase Tax Base
- Eliminate Blight
- Retention & Attraction of Businesses
- Meet Community Needs
- Improved Infrastructure
- Other ED Spin-Off Benefits
- ROI
- Other

CITY/NURA/DEVELOPER DEALS





CITY/NURA/DEVELOPER MARKETPLACE #1 DEAL

INCENTIVES

- City advanced **\$2.21 M** to NURA to acquire Sears
- ESTIP - **\$11.789 M** (50%-10 years)
- NURA **\$5.1 M Improvements**

ROI

- **\$19.191 M** Developer Investment
- **\$31.4 M** TIF Revenue
- **\$78.4 M** Retail Taxes (2000-2018)
- Increased Use & Property Taxes
- New Jobs, Services, Retailers, Restaurants
- Spin-Off Development
- Elimination of Blight





CITY/NURA/DEVELOPER

WEBSTER LAKE DEAL

INCENTIVES

- Buy-Down on Land (NURA/City) – **\$3 M**
- ESTIP – **\$1.4 M** for 7 Years (50%)
(Paid in Full in 3 Years and 3 Mo. - Instead of 7 Years)
- NURA – **\$3.2 M** for Infrastructure
& Roadway Improvements

ROI:

- **\$20 M** Developer Investment
- New Jobs, Taxes, TIF, Capital Investment & Tenants
- Elimination of Blight
- Spin-Offs – SCL & Carrick Bend
- Elimination of Blight



NURA/DEVELOPER DEALS





NURA/DEVELOPER GARLAND CENTER DEAL

INCENTIVES

- Assembled Property **(\$1.75 M)**
- Property Buy-Down **(\$1.5 M)**
- Environmental Clean-Up **(\$100K)**

ROI

- **\$2.8 M** Developer Investment
- New TIF & Tax Revenues
- New Jobs
- New Services, Grocer & Pharmacy
- Spin-Off Development
- Elimination of Blight





NURA/DEVELOPER

HURON CENTER DEAL

INCENTIVES

- NURA Purchase Property **\$1.6M**
- Sold Property **(\$82K)**
- NURA Investment **\$3.35 M**



ROI:

- **\$13.5 M** Investment
- New TIF \$ & Taxes
- New Stores/Restaurant
- Capital Investment
- Improved Infrastructure
- Retention of Tenants & New Jobs
- Elimination of Blight





NURA/DEVELOPER

MARKETPLACE #2 DEAL

INCENTIVES

- **\$8 M** – NURA Incentive
- 4 Years

ROI

- **\$75 M Investment**
- New Taxes
 - Sales, Use, Property & Admission (No New TIF \$'s)
- New Capital Investment
- Retention of Tenants & Jobs
- New Tenants & Jobs
- Elimination of Blight





QUESTIONS?



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