



INCENTIVE REPORT 2024

Prepared by Littleton Economic
Development Department



Littleton
Economic Development

Incentive Report 2024 – Littleton Economic Development

Executive Summary

On March 5, 2024, Littleton City Council unanimously approved the Littleton Comprehensive Economic Development Strategy (CEDS). The CEDS included the need to complete an Incentive Gap Assessment and Audit to update the city's incentive package as an action step under "Pillar One: Business Vitality and Adaptability." Following that audit, Littleton Economic Development staff began work on a new Economic Partnership Incentive Policy.

Staff researched incentive policies for best practices within the state of Colorado and nationally, had discussions with experts within the development sector to better understand the needs for larger projects, and listened to feedback on city council's desires for this policy. Staff presented a draft of the new policy to council on July 23, which was then unanimously approved on August 6.

The Economic Partnership Incentive Policy allows four different incentive programs: a retail development incentive program, a primary employment incentive program, a revitalization incentive grant program, and an enterprise zone tax benefit program. The policy also includes a list of five incentive types that are performance-based: a retail sales tax reimbursement, a use tax reimbursement, a building/construction use tax reimbursement, a land development impact fee discounts or waivers, and a cash incentive grant.

The goal of these programs is to provide a clear structure for incentives and to foster a true partnership between business owners and the city. By incentivizing developments, the city is able to strengthen its tax base, allowing for further investments in city infrastructure, public services, and city programs, and bring new retailers to the city, enhancing residents' quality of life.

Each incentive request must demonstrate and address in detail how a proposal satisfies the evaluation criteria outlined in the incentive policy. The proposed project or business must meet or exceed the specific performance measures identified in the policy.

2024 Approved Incentives

Number 38

On August 23, 2023, the entertainment/restaurant concept named Number 38 requested an economic development financial partnership agreement through the 2016 Economic Incentives Policy, prior to the adoption of the city's current Economic Partnership Incentive Policy. The business proposed an expansion of their current Denver restaurant and bar concept featuring Colorado-branded beverages and cuisine to a vacant parcel of land at Littleton Village.



Project Analysis:

- This project aligns with the goals outlined in Envision Littleton and is consistent with the land use designation outlined in the Future Land Use and Character Map.
- This type of quality commercial use is anticipated to catalyze further interest in private investment.
- City expenditures for city services have been estimated at approximately \$7,000 per year.

Approved Incentive:

- The incentive will allow for a 50% tax rebate on annual sales tax generated over \$30,000, with a maximum rebate of \$400,000.
 - The \$30,000 base tax receipt well exceeds the city costs for services.
- The city will receive 100% of use and property tax.
- Maximum length is five years. The deal will expire with either the maximum rebate or five-year term, whichever occurs first.

Fiscal Impact:

- No negative impact to the General Fund. Rebate only realized if earned by taxpayer, and no expenditures are associated with the agreement.
- Estimated sales tax revenues, prior to rebate: in the range of \$191,746 to \$207,552 per year.
- Positive net fiscal impact each year after rebate: ranging from an estimate of \$162,743 in Year 1 to \$198,848 in Year 5.
- Return on investment from 2.0 times the investment in Year 1 to 3.1 times in Year 5.

On March 5, 2024, Littleton City Council unanimously approved Resolution 23-2024, approving a financial partnership agreement with Number 38.

Mineral Place

On August 23, 2024, RIG Mineral LLC requested a retail sales tax reimbursement incentive in accordance with the current Economic Partnership Incentive Policy. The developer proposed redevelopment of a vacant industrial property located at 700 W Mineral Ave, consisting of a Costco retail store, a second anchor tenant, and approximately 10 additional retail lots.



Project Analysis:

- After thorough analysis by two different economic consultants, it was determined the developer's request for \$29.5 million in sales tax rebates was justified based on high land acquisition and site work costs.
- The development is anticipated to generate sales tax revenues to the city ranging from \$2.8 million in Year 1 to \$9.2 million in Year 10.
- The three most common alternative uses for the property – industrial, office, and multifamily residential – would result in a negative net fiscal impact for the city.
- According to a finding from the 2023 Retail and Mixed-Use Market Analysis conducted by Economic & Planning Systems, Inc., the proposed Mineral Place development offers a significant opportunity to recapture a portion of the retail leakage, especially in the General Merchandise category.

Approved Incentive:

- The incentive will allow for a 50% rebate on collected sales tax, with a maximum of \$29,500,000 sales tax share back.
- The city will receive 100% of use tax, property tax, and impact fees.
- Maximum length is 10 years. The deal will expire with either the maximum rebate or ten-year term, whichever occurs first.

Fiscal Impact – Mineral Place:

- Estimated taxable sales from entire development of \$193 million in Year 1, growing to \$300 million or more in Year 10.
- City expenditures for city services are estimated at approximately \$166,000 per year, averaged across 10 years.
- Positive net fiscal impact each year: ranging from \$2,800,000 in Year 1 to \$9,100,000 in Year 10.

On October 1, 2024, Littleton City Council unanimously approved Resolution 103-2024, approving a financial partnership with RIG Mineral, LLC.

2024 Revitalization Incentive Grant Program

The goal of the Revitalization Incentive Grant Program is to encourage private property investment and improvements while making creative and beneficial revitalization efforts affordable. In 2023, Littleton City Council approved \$100,000 in funding for the 2024 Revitalization Incentive Grant to be administered by the Economic Development Department. The department was also allocated an additional \$50,000 in American Rescue Plan Act (ARPA) funds for this program. The program offers up to 50% in matching funds to business tenants and property owners within the City of Littleton proposing projects that improve the appearance of existing buildings. In 2024, the program successfully leveraged \$150,000 to encourage over \$900,000 of private investment, as either estimated at time of application or reported upon project completion.

Eligible Improvements:

- Architectural and engineering design costs
- Building façade and/or additions
- Landscaping
- Parking area hard surface when combined with other improvements, e.g. landscaping
- Exterior lighting
- Americans with Disabilities Act (ADA) exterior improvements
- Signage when proposed with other improvements, e.g. landscaping

2024 Awarded Projects:

ORGANIZATION	PROJECT TYPE	AWARD	PROJECT COST EST.	DISTRICT
VIBE FOODS	Building façade and/or additions, Signage+	\$4,000	\$8,000	IV
GIBRALTOR REALTY	Parking area hard surface +, Landscaping	\$15,000	\$40,500	II
ROOTS COLORADO (DBA DIRT)	Architectural/engineering design costs, Landscaping, Exterior ADA compliance	\$12,000	\$261,476	I

LOS PORTALES MEXICAN RESTAURANT	Building façade and/or additions	\$5,500	\$15,000	I
ACTIVE ATHLETICS	Building façade and/or additions	\$10,000	\$79,980	III
MURPHY'S VARIETY LLC	Architectural/engineering design costs, Building façade and/or additions	\$20,000	\$2,000,000	I
DML HOLDINGS, LLC	Building façade and/or additions, Exterior lighting	\$4,000	\$9,346	I
HUMANE SOCIETY OF THE SOUTH PLATTE VALLEY	Building façade and/or additions	\$2,795	\$16,859	I
MECCA MARKET	Signage +, Building facade and/or additions	\$5,000	\$22,396	II
COLUMBINE SHOPPING	Landscaping, Parking area hard surface +, Exterior lighting	\$10,000	\$53,455	I
SOUTH METRO HOUSING OPTIONS	Building façade and/or additions	\$8,000	\$33,030	I
HONNIBROOK LLC	Architectural/engineering design costs, Building façade and/or additions, Landscaping, Exterior ADA Compliance	\$11,705	\$75,000	I

COPPER DOOR COFFEE	Landscaping	\$10,000	\$18,937	IV
SNARF'S ON SANTA FE LLC	Architectural/engineering design costs, Building façade and/or additions	\$20,000	\$165,634	I
LITTLE MAN ICE CREAM	Architectural/engineering design costs, Signage +	\$12,000	\$41,922	I

Project Examples:

Snarf's on Santa Fe

EXISTING CONDITIONS



CONCEPT



Murphy's Variety

EXISTING CONDITIONS



CONCEPT



Copper Door Coffee Roasters

BEFORE



AFTER



COVID Recovery Grant for Historic Building Improvement Program

In 2023, the City administered a COVID Recovery Fund to support small businesses in our Downtown Historic District as they continued to adapt to and recover from the COVID-19 pandemic. These funds were allocated to the Downtown Historic District to support internal and external building structure improvements. This fund was separate from the annual Downtown Historic District Fund and required a separate application.

All commercial properties within the Downtown Historic District boundaries were eligible to apply for the COVID Recovery Fund for Historic Building Improvements. Both owners of the property and tenants of the property could apply, with the owner's consent.

Eligible Improvements:

- Interior improvements for an existing property
- Building modifications to accommodate new uses to fill vacancies
- Physical changes to exterior sitework
- Other *(Must explain why the project should be considered eligible, but not fall under one of the three categories above)*

2024 Awarded Projects:

ORGANIZATION	PROJECT TYPE	AWARD	PROJECT COST EST.
BIG C LLC	Interior improvements for an existing property	\$78,580	\$100,746
ROOTS COLORADO	Building modifications to accommodate new uses to fill vacancies, Physical	\$56,285	\$169,875+

	changes to exterior sitework		
GRAHAM TOO LLC	Interior improvements for an existing property, Building modifications to accommodate new uses to fill vacancies	\$61,285	\$250,000+
DENVER BEER COMPANY LITTLETON	Interior improvements for an existing property, Building modifications to accommodate new uses to fill vacancies, Physical changes to exterior sitework	\$61,285	\$1,000,000+
CREATIVE LITTLETON (ALAMO)	Interior improvements for an existing property, Building modifications to accommodate new uses to fill vacancies, Physical changes to exterior sitework	\$50,000	\$80,587
CREATIVE LITTLETON (CURTIS)	Interior improvements for an existing	\$56,285	\$886,354+

	property, Building modifications to accommodate new uses to fill vacancies, Physical changes to exterior sitework		
URBAN TEXTURE LLC	Interior improvements for an existing property	\$24,120	\$30,151
BORN2BAKE LLC	Interior improvements for an existing property	\$13,448	\$16,810
FAST FARM CONCEPTS LLC	Physical changes to exterior sitework	\$37,260	\$46,575

Project Examples:

Denver Beer Company

BEFORE



AFTER



Creative Littleton

BEFORE



AFTER

