

## ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**.

***\*All fields must be completed.\****

*Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 11/14/16

Please mark one:  Bill Request or  Resolution Request

**1. Has your agency submitted this request in the last 12 months?**

Yes  No

**If yes, please explain:**

**2. Title:** (Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.) Amends Section 53-545 of the Denver Revised Municipal Code regarding the review and sunset of the Business Investment Program (BIP), originally passed in 2013 for a four-year period, and extends the program an additional five years through 2022.

**3. Requesting Agency:** Office of Economic Development

**4. Contact Person:** (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Turid Nagel-Casebolt
- **Phone:** 720-913-1623
- **Email:** turid.nagel-casebolt@denvergov.org

**5. Contact Person:** (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)

- **Name:** Susan Liehe
- **Phone:** 720-913-1689
- **Email:** susan.liehe@denvergov.org

**6. General description of proposed ordinance including contract scope of work if applicable:**

Amends Section 53-545 of the Denver Revised Municipal Code regarding the review and sunset of the Business Investment Program (BIP), originally passed in 2013 for a four-year period, and extends the program an additional five years through 2022. By granting eligible Denver businesses an annual tax credit for making certain qualifying investments in business personal property including machinery, equipment, and furniture as well as other business-related operations, the BIP is an economic development incentive tool designed to stimulate business growth and create jobs while helping Denver maintain its edge in a highly competitive employer recruitment and retention climate.

**\*\*Please complete the following fields:** (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)

- a. **Contract Control Number:** N/A
- b. **Duration:** 5 years
- c. **Location:** Citywide
- d. **Affected Council District:** All
- e. **Benefits:** Business recruitment and retention
- f. **Costs:**

**7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain**

None known

*To be completed by Mayor's Legislative Team:*

SIRE Tracking Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_

## Executive Summary

In Spring 2013, Denver created the voter-approved Business Investment Program (BIP), which was part of ballot Measure 2A, to support Denver's business climate, increase economic opportunity and boost Denver's economic viability. The program was designed to:

- Encourage and reward business investments in the local economy,
- Support job growth and expanded business operations,
- Broaden the commercial tax base; and
- Keep the city regionally and nationally competitive in terms of its business retention, expansion, and recruitments efforts.

The program offers a tax credit for a period of four tax years to new and expanding local firms that make qualifying investments in business personal property, including machinery, equipment, furniture, and other items related to commercial or industrial operations. These are property taxes that would otherwise be collected but are credited back, reducing the firm's overall tax liability.

The program initially was established for a five-year program period (2012 through 2016). With the sunset of the program currently slated in 2017, the Office of Economic Development (OED), and the Department of Finance (DOF) recommend that the proven successful BIP program be extended for a second five-year term, to be reviewed and/or concluded in 2022.

Since its launch, 77 firms of all sizes and industries participated in the BIP, collectively creating 2,234 net new jobs and investing \$203 million in qualifying business personal property. Overall, 13,438 jobs were impacted (created or retained) due in part to the BIP. The program has been utilized by companies of all sizes and types. In fact, 64% of program participants were small businesses.

The program has increased Denver's competitiveness and greatly contributed to a business' decision to relocate, expand and invest in our community vs. competing locations. It is a broadly applicable direct financial incentive tool, i.e., not districted to enterprise zones or targeted neighborhoods.

Program details:

Each year, businesses can apply for this tax credit in the amount of the Denver General Fund portion, representing roughly 14%, of their taxes on business personal property for up to four years, starting when the property is placed in service. Businesses must meet at least one of these growth requirements in order to claim this tax credit:

- Being new to Denver; or
- An increased investment of at least \$1 million in business expansion; or
- An increased investment of at least 100% over its prior business capital level; or
- An increase by at least 10 employees over the preceding 12-month average; or
- An increase by at least 10 percent in employment over the preceding 12-month average.

---

*To be completed by Mayor's Legislative Team:*

SIRE Tracking Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_