


BPPT Incentive Agreement Staff Report

DATE: OCTOBER 24, 2024
TO: DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS
THROUGH: DOUGLAS J. DEBORD, COUNTY MANAGER
FROM: TERENCE T. QUINN, AICP, DIRECTOR OF COMMUNITY DEVELOPMENT 
CC: DJ BECKWITH, PRINCIPAL PLANNER
LAUREN PULVER, PLANNING SUPERVISOR
KATI CARTER, AICP, ASSISTANT DIRECTOR OF PLANNING RESOURCES
SUBJECT: **BUSINESS PERSONAL PROPERTY TAX INCENTIVE AGREEMENT BETWEEN DOUGLAS COUNTY AND LAKEWOOD ELECTRIC COMPANY, INC**

PROJECT FILE: ED2024-001

BUSINESS:
LAKEWOOD ELECTRIC COMPANY, INC.
3593 TIMBER MILL PARKWAY, SUITE A
CASTLE ROCK, CO 80109

REPRESENTATIVE:
MIKE BARBOZA
3593 TIMBER MILL PARKWAY, SUITE A
CASTLE ROCK, CO 80109

BOARD OF COUNTY COMMISSIONERS MEETING: November 4, 2024 @ 1:30 p.m.

I. EXECUTIVE SUMMARY

Lakewood Electric Company, Inc. (Lakewood Electric) has requested the rebate of business personal property tax (BPPT) to support its location of a facility in Douglas County. The proposed agreement provides a 100% rebate of Douglas County's portion of BPPT over a 35-year period. The project qualifies for economic development incentives, including BPPT rebates, based on eligibility defined in Colorado Revised Statute (C.R.S.) Sections 30-11-123 and 39-30-105.1.

II. REQUEST

A. Request

This request is for the approval of a BPPT Incentive Agreement between Douglas County and Lakewood Electric.

B. Background

Lakewood Electric is an electrical contractor that has been in business since 1976 serving the Denver metro and mountain communities. On June 1, 2023, Lakewood Electric established a 16,000 square foot facility with a long term-lease in the northern part of Castle Rock.

The agreement will cover a 100% rebate of the County’s portion of BPPT for the period of 35 years, effective for business personal property assessed in 2024 for taxes payable in 2025. The estimated total rebate amount over the 35-year term is approximately \$41,000.

C. Location

The business is located at 3593 Timber Mill Parkway, Suite A in Castle Rock.

D. Project Description

Lakewood Electric’s services include new lighting installations, power installations, generator backup systems, electric vehicle charging stations, fire alarm installations, lightning protection systems, tenant improvements, and service and maintenance work. Lakewood Electric anticipates growing by 25 employees during the term of the agreement.

E. Process

The Board considers incentive requests based on C.R.S. Sections 30-11-123 and 39-30-105.1. C.R.S. Section 30-11-123 provides that the “health, safety, and welfare of the people of this state are dependent upon the attraction, creation, and retention of jobs,” and enables the County to use economic development incentives. C.R.S. Section 30-105.1 specifically provides defining characteristics of facilities eligible for BPPT rebate.

III. STAFF ASSESSMENT

Staff has evaluated the Incentive Agreement with both the County Attorney’s Office and the County Assessor’s Office to ensure compliance with statute. The Board may approve the Incentive Agreement.

ATTACHMENTS	PAGE
Incentive Request Letter	3
Letter of Support from Castle Rock EDC.....	4
Incentive Agreement.....	5



3533 Timber Mill Pkwy, Suite A, Castle Rock, CO 80109 | Phone: 303-783-0600 | Fax: 303-783-0618

September 25, 2024

Douglas County Department of Community Development
Community and Resource Services
100 Third Street
Castle Rock, CO 80104

Lakewood Electric Company, Inc. is an electrical contractor that has been in business since 1976 proudly serving the Denver metro and mountain communities. Our services include new lighting installations, power installations, generator backup systems, electric vehicle charging stations, fire alarm installations, lightning protection systems as well as tenant improvements and service and maintenance work.

Due to the growth of our business, we established a 16,000 square foot facility with a long-term lease in the northern part of Castle Rock located at 3533 Timber Mill Parkway, Suite A.

We are seeking a personal property tax rebate for as long as our business is in Douglas County subject to any maximum limit as determined by the Douglas County Board of County Commissioners.

I look forward to working with the Commissioners in the future and greatly appreciate your kind consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Aeschleman", followed by a long horizontal line extending to the right.

Doug Aeschleman
Chief Financial Officer
Lakewood Electric Company



October 9, 2024

Katherine Carter, AICP
Assistant Director of Planning Resources
Douglas County
100 Third Street
Castle Rock, CO 80104

RE: Letter of Support – Lakewood Electric Business Personal Property Tax Request

Mrs. Carter,

We are pleased to learn that Lakewood Electric is working with the Douglas County Commissioners to secure a business personal property tax rebate as part of their relocation and expansion to Douglas County. Lakewood Electric is an established company providing electrical services throughout the Denver Metro MSA for over 49 years. They currently employ over 80 full-time equivalent positions, 42 of which office at the new facility in Castle Rock. As part of the relocation and expansion, Lakewood Electric intends to hire additional office and field positions over the next several years.

Castle Rock EDC supports the use of the County’s Business Personal Property Tax Rebate to ensure that Lakewood Electric continues their expansion plans within the County and have extended Lakewood Electric a job creation incentive through the Town of Castle Rock. With increasing regional competition, it is important for Castle Rock and Douglas County to work together to create and maintain an exceptional business climate, specifically in the area of primary employment. The project aligns with several initiatives associated with the Town’s Economic Development Policies, which are focused on the attraction and growth of primary employment within the policy’s targeted industries. We believe these jobs match or exceed our policy’s criteria and will have a positive economic development impact on the community.

Please share this letter of support with the County Commissioners and feel free to contact us should you require any additional information.

Sincerely,

Marcus Notheisen

A handwritten signature in blue ink that reads 'Marcus Notheisen'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Marcus Notheisen
Executive Vice President
Castle Rock Economic Development Council
303.951.8851
Marcus@CastleRockEDC.com

**AGREEMENT BETWEEN DOUGLAS COUNTY AND LAKEWOOD ELECTRIC
COMPANY, INC. CONCERNING PERSONAL PROPERTY TAX INCENTIVE
PAYMENTS**

This Agreement concerning personal property tax incentive payments (the “Agreement”) is entered into this 18 day of October, 2024 between the Board of County Commissioners of the County of Douglas, Colorado (the “County”) and Lakewood Electric Company, Inc. (the “Company”).

WHEREAS, the welfare of the citizens of Douglas County is dependent, in part, upon the attraction of new businesses into the County and the expansion of existing businesses in the County; and

WHEREAS, tax incentives are sometimes necessary in order to attract new businesses; and

WHEREAS, such incentives stimulate economic development in the County and create new jobs and retain jobs; and

WHEREAS, Section 30-11-123, C.R.S., authorizes counties to negotiate for incentive payments for the County’s portion of any Business Personal Property Taxes (BPPT) for any taxpayer who establishes a new business facility or expands an existing facility in the County; and

WHEREAS, the County and the Company desire to enter into an agreement for incentive payments in accordance with the provisions of Section 30-11-123, C.R.S. granting specified incentives to the Company for the County’s portion of BPPT as otherwise detailed herein;

NOW, THEREFORE, for and in consideration of the mutual promises hereinafter set forth, the County and the Company agree as follows:

1. On or before June 1, 2023, the Company occupied a new business facility located at 3593 Timber Mill Parkway, Suite A the (“New Facility”). For the New Facility, the County will assign to the Company a new parcel identification number, which shall be used to report the personal property acquired by the Company in connection with the new investment (and treated as part of a new business facility under Section 30-11-123, C.R.S.).

2. Company represents, certifies, and warrants to the County that the New Facility qualifies as a new or expanded business facility under the provisions of Section 30-11-123(1)(b), C.R.S. and is eligible for business personal property tax incentives authorized by the County.

3. For each of thirty-five (35) consecutive tax years, beginning for taxes levied in the 2025 tax year, County agrees to rebate to the Company One Hundred (100) percent of the County’s portion of BPPT levied by the County and paid by the Company, as applicable, on taxable personal property acquired on or after January 1, 2025 and located at or within the New Facility and appearing on the personal property declaration schedules submitted by the Company to the County Assessor for the New Facility for the applicable tax year. The total amount rebated by the County

with respect to any tax year shall not exceed one hundred (100) percent of the County's portion of the BPPT levied by Douglas County upon the Company's taxable personal property located within the New Facility and used in connection with the operation of such New Facility for the applicable tax year. The term "tax year" as used herein shall mean the year in which said personal property is assessed for tax purposes. Such personal property must be located at the Company's facility as of January 1 of the tax year in question in order to be assessed. Personal property that is moved to or acquired at the Company's New Facility subsequent to the assessment date of January 1 becomes assessable in the following tax year. Personal property taxes become due and payable on January 1 of the year following the year in which they are levied.

4. The Company represents that it projects that the Company will meet specified performance measures as follows:

A. Company projects that it will add up to 25 jobs within Douglas County during the thirty-five years covered by this Agreement.

B. The Company is required to provide the County an annual report documenting the number of jobs added (net) during thirty-five (35) year period of this Agreement. Annual report shall include number of full-time equivalents (total and net created annually), position titles, and annual average wage. Annual report is due to county no later than March 31 of each year of this agreement. Notwithstanding anything to the contrary, the Company shall not be required to provide the County with employee names, social security numbers, or any other personal identifying information.

5. Said rebate payment shall be made to the Company by the County within sixty (60) days of the County Manager's receipt of evidence reasonably satisfactory to the County Manager of the full payment by the Company of all property taxes due and owing with respect to said personal property, and the Company's *written waiver (must be executed once a year upon payment of taxes)*, in a form provided by the County, of any rights to seek a refund of all or any part of said taxes. In the event the Company decides to seek an abatement or refund of all or any portion of the taxes levied on said personal property, no rebate payment shall be made by the County to the Company until such abatement or refund proceeding has been finally concluded and any personal property taxes found to be due are paid in full.

6. Such rebate payment shall be made only if the Company is eligible to receive this incentive payment under the provisions of Section 30-11-123, C.R.S., in each year for which a rebate payment is requested.

7. In the event of any dispute as to the amount of any rebate payment to be made to the Company hereunder, the Company and the County shall meet and confer in good faith to resolve such dispute. In the event the parties are unable for any reason to resolve such dispute within a period of 60 days after notice of a dispute has been given by one party hereunder to the other, the decision of the Board of County Commissioners shall be final and conclusive.

8. Acceptance by the Company of a rebate payment shall be full and final satisfaction of any obligation of the County to make said payment for the tax year for which the payment is made.

9. This Agreement is subject to and shall be interpreted under the laws of the State of Colorado. Court jurisdiction for any dispute concerning this Agreement shall be exclusively in the District Court in and for Douglas County, Colorado.

10. The County reserves the right for the Douglas County Assessor to perform an annual physical inspection of the facility to verify assets listed by the Company on the Commercial Personal Property Declaration Schedule filed by the Company for each New Facility for the applicable tax year. Written notice of the physical inspection will be provided.

11. All notices under this Agreement shall be effective when mailed by regular mail, postage prepaid, to the following addresses:

A. If intended for the Company:

Lakewood Electric Company, Inc.
Mike Barboza
3593 Timber Mill Parkway, Suite A
Castle Rock, CO 80109
Re: Economic Development Agreement

B. If intended for the County:

Douglas County
c/o County Manager
100 Third Street
Castle Rock, CO 80104
Re: Economic Development Agreement

Or to such other address as either party may hereafter from time to time designate by written notice to the other party given in accordance with this paragraph.

12. Any potential expenditure for this Agreement outside the current fiscal year is subject to future annual appropriation of funds for any such proposed expenditure, pursuant to section 29-1-110, C.R.S.

13. This Agreement, as to its subject matter, exclusively and completely states the rights, duties and obligations of the parties and supersedes all prior and contemporaneous representations, letters, proposals, discussions, and understandings by or between the parties. This Agreement may only be amended in writing and signed by both parties.

Executed and agreed to effective as of the date first set forth above.

**THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO**

BY: _____

Chair

Date: _____

ATTEST:

Deputy Clerk to the Board

Date: _____

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

Doug DeBord, County Manager

Date: _____

County Attorney

Date: _____

**APPROVED AS TO FISCAL
CONTENT:**

Andrew Copland, Director of Finance

Date: _____

