

# **SOUTHWEST COLORADO RURAL ENTERPRISE ZONE DESIGNATION AND ADMINISTRATION OF AN ENTERPRISE ZONE QUALIFIED PROJECT**

**Updated 2/17**

## **1. Request for Enterprise Zone Development Project Designation**

A request for designation to qualify contributions for State Income tax credits shall be submitted to the Southwest Enterprise Zone Administrator, the Region 9 Economic Development District of Southwest Colorado. A representative of the project wishing to seek Enterprise Zone Development Project designation should contact the Enterprise Zone administration staff to discuss the project, requirements, the local Community Development Action Plan, and the guidelines of the Southwest Colorado Economic Development Commission. The initial request for designation shall include the following:

A. The project must complete a **“Summary of Proposed Enterprise Zone Project, Program or Organization”** (application).

### **B. Letter of support from the Local Political Jurisdiction**

An EZ project shall be supported by the local jurisdictions where the project is located and evidenced by a letter of support from the City and County or Indian Reservation. The purpose of the letter is to ensure that the project is supported by the local jurisdictions and is consistent with local economic development goals and objectives. A representative of the sponsoring local government should present the request for designation to the Region 9 EDD Board of Directors.

## **2. Review by Enterprise Zone Administrators**

All projects are submitted to the area EZ Administrators for input on how the application can be strengthened or whether to move forward.

## **3. Approval by the Southwest Colorado Enterprise Zone Administrator**

Each request and supporting letters will be submitted to the Board of Directors for the Region 9 Economic Development District for approval. The purpose of this approval will be to ensure that the project is within the guidelines of the regional Comprehensive Economic Development Strategy (CEDS). If the District does not approve the project, the project cannot be designated.

## **4. Colorado Economic Development Commission**

After approval at the local level, the application will be submitted to the Colorado Economic Development Commission. The Colorado Economic Development Commission will review projects on at least a quarterly basis. In addition, the Colorado Economic Development Commission retains the right for all projects to be reviewed on an annual basis.

## **5. Memorandum of Understanding between SW Enterprise Zone and Sub- Grantee**

After approval by the SW Enterprise Zone and the Colorado Economic Development Commission, a Memorandum of Understanding will be executed by the SW Enterprise Zone Administrator and an authorized representative of the sub-grantee organization. Prior to executing the Memorandum of Understanding, the sub-grantee will submit the following information and other documentation requested by the SW Enterprise Zone Administrator.

- A. Statement explaining ownership of sub-grantee organization if other than a corporation
- B. Articles of Incorporation
- C. Bylaws

- D. Recent (within one year) Certificate of Good Standing
- E. Tax Status information such as Tax Identification number (W-9), Federal Letter of IRS Designation
- F. Corporation Resolution to enter into Memorandum of Understanding.

**6. Certification of Sub-Grantee Organization to Receive Contributions Directly**

The policy of the SW Enterprise Zone Administrator will be to certify project contributions directly, and the SW Enterprise Zone Administrator will retain the signatory authority on all certifications.

**7. Processing Certifications**

Contributions shall be made directly to qualified projects. It is recommended that each sub-grantee make up master **Certification of Qualified Enterprise Zone Contribution (DR 0075)** with the name of the organization (sub-grantee) receiving the contribution, the tax identification number for the organization (sub-grantee) receiving the contribution, the sub-grantee phone number and the Zone administrator approved use (item#3). Using these master certifications forms, the local project coordinator will complete the remaining blocks of the EZ certification form (DR 0075) for the donation by filing the name and address of contributor, the tax identification number for the contributor, the contributor's phone number, and in the appropriate space, the date and amount of the donation.

The sub-grantee will forward the completed certifications forms to the SW Enterprise Zone Administrator, Region 9 Economic Development District, along with a copy of the check or back documentation of in-kind contributions. The SW Enterprise Zone Administrator will sign the certification forms, make a copy, and return the signed forms to the local project coordinator who will return the signed certification forms to the contributor. This process may take up to 2 weeks.

In-kind contributions are eligible for one-half (1/2) the percentage of the tax credit for cash contributions (12.5%). In the case of in-kind contributions, the local project coordinator shall require the donor to submit a description of the in-kind contribution and a statement of value for the in-kind contribution and how this contribution will benefit the project. Per IRS regulation, the donor will be required to provide a "qualified appraisal" for in-kind contributions in excess of \$5,000. The minimum value of in-kind donations accepted will be \$250. Donated stock certificates, securities etc. are considered by the Colorado Department of Revenue as in in-kind donations.

**8. Administrative Fee**

The SW Enterprise Zone Administrator shall be entitled to receive a three percent (3%) administrative fee on the value of all cash contributions for overhead and administrative costs. There will be a Five Hundred (\$500) Dollar maximum administrative fee on any one donation. The Region 9 Economic Development Board of Directors, acting as SW Enterprise Zone Administrator shall be entitled to negotiate each administrative fee on a case-by-case basis. The SW Enterprise Zone Administrator will invoice each project on a quarterly basis for the administrative fee. Failure of a project to pay the quarterly administrative fee within thirty days may result in the SW Enterprise Zone Administrator declining to certify contributions from that project until the administrative fee is current.

**9. Criteria for Evaluation of Qualifying Project**

Eligible Projects include:

- Job Assistance for the homeless: assist homeless shelters to provide job training, placement and employee-related support services to the homeless.
- Implement the economic development plan of the enterprise zone -- must be directly related to job creation or job preservation;

- Business Assistance (Management Training and Counseling, Incubator, Small Business Finance Funds, Feasibility Studies, etc.)
- Rural Health Care Facilities
- Infrastructure Projects (water, sewer, transportation, telecommunications, etc.)
- Job Training
- Marketing (for business economic, and business district development)
- Community Development projects
- Housing

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