

ORDINANCE NO. 15-_____

AN ORDINANCE AMENDING SECTION 201 (DEFINITIONS) AND ADDING A NEW SECTION 213 (ECONOMIC DEVELOPMENT AGREEMENTS) OF PART 2 (GENERAL PROVISIONS) OF ARTICLE 1 (MUNICIPAL AIRPORT) OF CHAPTER 14 (MUNICIPAL ENTERPRISES) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, AUTHORIZING ECONOMIC DEVELOPMENT AGREEMENTS WITH BUSINESSES PERFORMING COMMERCIAL AERONAUTICAL ACTIVITIES AT THE COLORADO SPRINGS MUNICIPAL AIRPORT

WHEREAS, the City of Colorado Springs ("City") has authority to levy and collect property, sales and use taxes within the City and to negotiate and offer incentive payments and credits of taxes paid by qualifying taxpayers; and

WHEREAS, to enhance and strengthen the City's economic vitality, promote job retention and creation and the City's business climate in general, encourage business spending and enhancing business transactions related to commercial aeronautical activities, attract new businesses to the City and allow existing businesses to expand within the City, City Council, by Ordinance No. 14-22, dated April 8, 2014, established the commercial aeronautical zone ("CAZ") within the City and adopted a sales and use tax exemption for certain commercial aeronautical activities within the CAZ; and

WHEREAS, the City controls, owns, operates and maintains the Colorado Springs Municipal Airport ("Municipal Airport"); and

WHEREAS, by Resolution No. 73-05, dated April 26, 2005, as amended by Resolution No. 22-15, dated March 10, 2015, City Council found that aviation and commercial development on the Municipal Airport property is an economic development activity; and

WHEREAS, City Council desires to authorize the negotiation and execution of economic development agreements with qualifying businesses performing commercial aeronautical activities at the Municipal Airport to encourage development and expansion of opportunities for employment in the private sector in the City and further complement the objectives of the CAZ; and

WHEREAS, City Council believes that approving economic development agreements as set forth in this ordinance will expedite and improve the City's responsiveness to businesses desiring to relocate to or expand within the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. Council finds that providing incentives as set forth in this ordinance serves an essential public and municipal purpose and will result in substantial public benefits to the City and its citizens and is in the best interests of the City and its citizens.

Section 2. Section 201 (Definitions) of Part 2 (General Provisions) of Article 1 (Municipal Airport) of Chapter 14 (Municipal Enterprises) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

14.1.201: DEFINITIONS:

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BUSINESS PERSONAL PROPERTY: Tangible personal property as that term is defined in section 2.7.104 of this Code.

BUSINESS PERSONAL PROPERTY TAX: The tax on business personal property as assessed and collected by the El Paso County Assessor and paid to the El Paso County Treasurer based upon a mill levy imposed by the City.

COMMERCIAL AERONAUTICAL ACTIVITY: Any activity engaged in for profit directly and substantially related to the sale, purchase, lease, rental, distribution, consumption, manufacture, maintenance, repair, overhaul, storage, or use of aircraft.

CONCESSION OR BUSINESS: The sale, offering for sale or the furnishing of any commodity, article, facility or service **or any person engaged in the sale, offering for sale or the furnishing of any commodity, article, facility or service.**

CONSTRUCTION MATERIALS: Construction materials as that term is defined in section 2.7.104 of this Code.

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INCENTIVE: The amount or amounts paid or credited by the City to a business pursuant to an economic development agreement executed in accord with section 14.1.213 of this Code.

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NEW BUSINESS FACILITY: A new or expanded business facility that is placed in use after the commencement date of an economic development agreement executed in accord with section 14.1.213 of this Code.

NEW JOBS: The number of jobs created and held by full-time employees of a business at a new business facility that exceeds the number of jobs held by employees of the business within the City immediately prior to the commencement date of an economic development agreement executed in accord with section 14.1.213 of this Code. For the purposes of this definition, full-time employee means an employee who works an average of not less than thirty-five (35) hours per week.

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PERSON: An individual, firm, corporation, business trust, estate, trust, partnership, association, company, organization, sole proprietorship or any other legal entity.

SALES TAX: Sales tax as that term is defined in section 2.7.103A of this Code.

USE TAX: Use tax as that term is defined in section 2.7.103B of this Code.

Section 3. Section 213 (Economic Development Agreements) of Part 2 (General Provisions) of Article 1 (Municipal Airport) of Chapter 14 (Municipal Enterprises) of the Code of the City of Colorado Springs 2001, as amended, is adopted to read as follows:

14.1.213: ECONOMIC DEVELOPMENT AGREEMENTS:

A. **Legislative Declaration:** City Council finds and declares that the health, safety and welfare of the citizens of the City are dependent on the continued encouragement, development and expansion of opportunities for employment in the private sector in the City and that aviation and commercial development on the Municipal Airport property is an economic development activity within the meaning of section 10-60 of the City Charter. City Council further finds and declares that offering tax incentives to qualifying businesses performing

commercial aeronautical activities on the Municipal Airport property will enhance and strengthen the City's economic vitality, promote job retention and creation and the City's business climate in general, encourage business spending and enhancing business transactions related to commercial aeronautical activities, attract new businesses to the City, allow existing businesses to expand within the City and further support this economic development activity. City Council also finds and declares that approving economic development agreements as set forth in this section will expedite and improve the City's responsiveness to those desiring to relocate to or expand within the City.

B. **Economic Development Agreements Authorized:** As set forth by City Council in this section, the Mayor is authorized to negotiate and execute one or more economic development agreements with any business that performs a commercial aeronautical activity at a new business facility on the Municipal Airport.

C. **Authorized Incentives:** An economic development agreement executed in accord with this section may include one or more of the following incentives so long as the agreement will result in a positive financial impact to the City:

1. Up to ninety percent (90%) of the City's general fund portion of the sales tax or use tax paid by or for the benefit of the business for the purchase or use of construction materials used in the establishment of the new business facility on the Municipal Airport.
2. Up to ninety percent (90%) of the business personal property tax paid by or for the benefit of the business for any business personal property with its situs at the new business facility on the Municipal Airport with actual value for purposes of assessment greater than \$500,000 (net of any credits or other set offs).

D. **No Incentive Less Than \$100:** No incentive less than one hundred dollars (\$100) for a year will be allowed.

E. **Term:** The term of an economic development agreement executed pursuant to this section shall be as follows:

New jobs	Term
5-9	4 years
10-49	Up to 10 years
50 or more	Up to 15 years

F. **Other Terms and Conditions:** The Mayor is authorized to negotiate all other terms and conditions of an economic development agreement that are not in conflict with this section.

G. **Notification Requirement:** The Mayor shall inform City Council upon the complete execution of any economic development agreement executed pursuant to this section.

Section 4. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter.

Section 5. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this ____ day of _____, 2015.

Finally passed: _____
Merv Bennett, Council President

Delivered to Mayor on _____.

Mayor's Action:

- Approved on _____.
- Disapproved on _____, based on the following objections:

John W. Suthers, Mayor

Council Action After Disapproval:

- Council did not act to override the Mayor's veto.

- Finally adopted on a vote of _____, on _____.
- Council action on _____ failed to override the Mayor's veto.

Merv Bennett, Council President

ATTEST:

Sarah B. Johnson, City Clerk