

ORDINANCE NO. 16-\_\_\_\_\_

AN ORDINANCE AMENDING SECTION 201 (DEFINITIONS) AND 213 (ECONOMIC DEVELOPMENT AGREEMENTS) OF PART 2 (GENERAL PROVISIONS) OF ARTICLE 1 (MUNICIPAL AIRPORT ADVISORY COMMISSION) 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 ACTIVITIES AT THE COLORADO SPRINGS 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 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.

WHEREAS, the previously adopted commercial aeronautical zone has surpassed its original projections

WHEREAS, the City desires to respond to emerging marketplace demand in relation to the recruitment of firms and job creation

WHEREAS, the amended ordinances will enhance the existing commercial aeronautical zone, providing for greater job creation potential

WHEREAS, these amended ordinances will further streamline the EDA process to follow marketplace realities.

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

Section 1. Section 201 (Definitions) of Part 2 (General Provisions) of Article 1 (Municipal Airport Advisory Commission) 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:

\* \* \*

**COMMERCIAL ACTIVITY: Any lawful activity undertaken as part of a commercial enterprise or conduct or regular course of conduct that is of a commercial character.**

~~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.~~

\* \* \*

**NEW BUSINESS FACILITY: A new-~~er~~, expanded or renovated** business facility that is placed in use after the commencement date of an economic development agreement executed in accordance with this article.

\* \* \*

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

14.1.213: 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 activities** ~~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 **and subject to the authorized incentives**, the Mayor is authorized to negotiate and execute one or more economic development agreements with any business that performs a **commercial activity in support of the Airport becoming as financially self-sustaining as possible**.~~commercial aeronautical activity at a new business facility on the Municipal Airport.~~ **The Airport Director or his or her designee shall inform the Airport Advisory Commission and the City Council within sixty (60) days of the execution of any Economic Develop Agreement executed pursuant to this Part 2.**

C. \* \* \*

1. Up to ~~ninetyone~~ **one hundred** percent (~~9100~~**100**%) 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~~**one hundred** percent (~~9~~**100**%) 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 five hundred thousand dollars (\$500,000.00) (net of any credits or other setoffs).

**3. As used herein, the phrase “by or for the benefit of the business” includes sales and use tax payments by any construction contractor engaged by the qualified business to construct and/or equip the new business facility.**

\* \* \*

Section 3. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter.

Section 4. 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 \_\_\_\_\_, 2016.

**Finally passed:** \_\_\_\_\_  
Council President

**Mayor's Action:**

- Approved on \_\_\_\_\_.
- Disapproved on \_\_\_\_\_, based on the following objections:

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\_\_\_\_\_  
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.

\_\_\_\_\_  
Council President

ATTEST:

\_\_\_\_\_  
Sarah B. Johnson, City Clerk