



Background Paper for Proposed Ordinance

COUNCIL MEETING DATE: June 27, 2022

TO: President Heather Graham and Members of City Council
CC: Mayor Nicholas A. Gradisar
VIA: Marisa Stoller, City Clerk
FROM: Daniel C. Kogovsek, City Attorney
SUBJECT: AN ORDINANCE APPROVING AN AGREEMENT BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND THE PUEBLO DEVELOPMENT FOUNDATION, A COLORADO NONPROFIT CORPORATION, RELATING TO A JOB CREATING CAPITAL IMPROVEMENT PROJECT, AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT AND TRANSFERRING EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000) FROM THE 1992-2026 SALES AND USE TAX CAPITAL IMPROVEMENT PROJECTS FUND FOR PURPOSES THEREOF

SUMMARY:

Attached is an Ordinance approving and authorizing the Mayor to sign an Agreement with the Pueblo Development Foundation, a Colorado nonprofit corporation ("PDF") to construct a 70,000 square feet shell building in the Pueblo Memorial Airport Industrial Park.

PREVIOUS COUNCIL ACTION:

City Council approved similar agreements with PDF on July 27, 2015 by Resolution No. 13284 and on June 8, 2020 by Ordinance No. 9712.

BACKGROUND:

PDF was formed in 1964 as a Colorado nonprofit corporation to promote economic development within the City of Pueblo and the areas surrounding the City. For more than fifty years, PDF has helped start up businesses and assisted existing businesses in relocating to Pueblo County and thereby has acquired expertise in economic development.

The City has planned the development of three industrial parks, i.e. Pueblo Memorial Airport Industrial Park; Minnequa Industrial Park and the St. Charles Industrial Park which are currently available for economic development and the relocation of new businesses to the Pueblo area. Section 14-4-85.5 of the Pueblo Municipal Code ("Criteria Ordinance") provides that the City Council may authorize the expenditure of monies from the 1992-2026 Sales and Use Tax Capital Improvement Projects Fund ("Half-Cent Tax Fund") for the acquisition of land; the construction of so-called shell buildings and for infrastructure improvements within the industrial parks.

FINANCIAL IMPLICATIONS:

In the attached Agreement, the City has agreed to transfer up to \$8.5 million from the Half-Cent Tax Fund to PDF for the construction of a shell building within the Pueblo Memorial Airport Industrial Park. The shell building shall be approximately 70,000 square feet. PDF shall use the 70,000 square feet shell building plans and specifications already prepared by Nakai & Associates for the work contemplated by this Agreement. After construction of the shell building, PDF agrees to convey title to the City.

BOARD/COMMISSION RECOMMENDATION:

Not applicable to this Ordinance.

STAKEHOLDER PROCESS:

Not applicable to this Ordinance.

ALTERNATIVES:

If this Ordinance is not approved, future development in the City's Pueblo Memorial Airport Industrial Parks will be delayed.

RECOMMENDATION:

The Pueblo Economic Development Corporation recommends approval of this Ordinance.

Attachments:

Proposed Ordinance
Agreement

ORDINANCE NO. _____

AN ORDINANCE APPROVING AN AGREEMENT BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND THE PUEBLO DEVELOPMENT FOUNDATION, A COLORADO NONPROFIT CORPORATION, RELATING TO A JOB CREATING CAPITAL IMPROVEMENT PROJECT, AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT AND TRANSFERRING EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000) FROM THE 1992-2026 SALES AND USE TAX CAPITAL IMPROVEMENT PROJECTS FUND FOR PURPOSES THEREOF

BE IT ORDAINED BY THE CITY COUNCIL OF PUEBLO, that:

SECTION 1.

The City Council finds and determines that the expenditure of up to Eight Million Five Hundred Thousand Dollars (\$8,500,000) for the job creating capital improvement project by the Pueblo Development Foundation, a Colorado nonprofit corporation ("PDF") described in the attached Agreement, meets and complies with the criteria and standards established by Section 14-4-85.5 of the Pueblo Municipal Code and will create employment opportunities justifying the expenditure of public funds.

SECTION 2.

The Agreement dated July 11, 2022 ("Agreement") between the City of Pueblo, a Colorado municipal corporation and PDF, relating to a job creating capital improvement project, a copy of which is attached hereto, having been approved as to form by the City Attorney, is hereby approved. The Mayor is authorized to execute and deliver the Agreement in the name of the City and the City Clerk is authorized to affix the seal of the City thereto and to attest same.

SECTION 3.

Funds in the amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000.00) are hereby authorized to be transferred, expended and made available out of the 1992-2026 Sales and Use Tax Capital Improvement Projects Fund for the sole purpose of the job creating capital improvement project authorized herein and in the manner described in the attached Agreement. The funds hereby authorized to be transferred and expended, shall be released, disbursed and paid by the Director of Finance as specified in the attached Agreement.

SECTION 4.

The officers and staff of the City are authorized to perform any and all acts consistent with this Ordinance and the attached Agreement which are necessary or desirable to implement the transactions described therein.

SECTION 5.

This Ordinance shall become effective on the date of final action by the Mayor and City Council.

Action by City Council:

Introduced and initial adoption of Ordinance by City Council on _____.

Final adoption of Ordinance by City Council on _____.

President of City Council

Action by the Mayor:

Approved on _____.

Disapproved on _____ based on the following objections:

Mayor

Action by City Council After Disapproval by the Mayor:

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

Ordinance re-adopted on a vote of _____, on _____.

Council action on _____ failed to override the Mayor's veto.

President of City Council

ATTEST

City Clerk