



Background Paper for Proposed Ordinance

COUNCIL MEETING DATE: September 12, 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 AND AUTHORIZING THE MAYOR TO SIGN A CONSTRUCTION MANAGEMENT AGREEMENT BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND THE PUEBLO DEVELOPMENT FOUNDATION, A COLORADO NONPROFIT CORPORATION, RELATING TO A CONSTRUCTION PROJECT AT 32501 WALT BASSETT AVENUE, PUEBLO, CO 81001

SUMMARY:

Attached is an Ordinance approving and authorizing the Mayor to sign a construction management agreement with the Pueblo Development Foundation, a Colorado nonprofit corporation ("PDF") relating to a hangar owned by the City located at 32501 Walt Bassett Avenue, Pueblo, CO 81001.

PREVIOUS COUNCIL ACTION:

Not applicable to this Ordinance.

BACKGROUND:

The City is the owner of a hangar containing approximately 22,500 rentable square feet located 32501 Walt Bassett Ave., Pueblo, CO 81001 (the "Property") Since approximately July 24, 2017, the Property has been leased to the Lockheed Martin Corporation, a Maryland Corporation ("Lockheed"). The City is simultaneously entering into an Amendment No. 2 to the lease between the City and Lockheed for the Property which extends the term of the lease by two years but also requires the City to install a new concrete floor in the front office area of the Property at the City's sole cost and expense. The City desires to engage PDF to provide construction management services in connection with the installation of the concrete floor.

FINANCIAL IMPLICATIONS:

PDF will oversee and manage the installation of a new concrete floor in the front office area of the Property for an amount not to exceed Seventy Thousand Dollars (\$70,000,000) including PDF's management fee. City shall pay PDF three percent (3%) of the total costs of renovating the Property to be retained by PDF as payment in full of PDF's construction management fee.

BOARD/COMMISSION RECOMMENDATION:

Not applicable to this Ordinance.

STAKEHOLDER PROCESS:

Not applicable to this Ordinance.

ALTERNATIVES:

City Council has three (3) options if it decides not to approve this ordinance:

1. Not to approve the Lockheed lease extension.
2. If Council agrees to the lease extension, it could decide not to install the new concrete floor at the City's expense.
3. If Council agrees to install the new concrete floor at City expense, Council could require that the City's Purchasing Department issue a request for bids for the project.

RECOMMENDATION:

Approve the Ordinance.

Attachments:

Proposed Ordinance

Proposed Construction Management Agreement

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND AUTHORIZING THE MAYOR TO SIGN A CONSTRUCTION MANAGEMENT AGREEMENT BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND THE PUEBLO DEVELOPMENT FOUNDATION, A COLORADO NONPROFIT CORPORATION, RELATING TO A CONSTRUCTION PROJECT AT 32501 WALT BASSET AVENUE, PUEBLO, CO 81001

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

SECTION 1.

The Construction Management Agreement (“Agreement”), dated September 26, 2022 between the City of Pueblo, a Colorado municipal corporation and the Pueblo Development Foundation, a Colorado nonprofit corporation, 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 2.

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 3.

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