

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 10/29/2013

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. **Title:** Amends an ordinance authorizing a sales and use tax of 3.62% in the City and County of Denver by phasing out the applicability of the tax to transportation utilities (airlines and rail) with a full exemption for these products by 2015.

3. **Requesting Agency:** Department of Aviation/Department of Finance

4. **Contact Person:** (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Amy Raaz
- **Phone:** (303) 342-2201
- **Email:** Amy.Raaz@flydenver.com

5. **Contact Person:** (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor Council and who will be available for first and second reading, if necessary.)

- **Name:** Patrick Heck
- **Phone:** (303) 342-2207
- **Email:** patrick.heck@flydenver.com

6. **General description of proposed ordinance including contract scope of work if applicable:** The amendment to the ordinance provides a sales and/or use tax exemption for aircraft parts. The exemption will be phased in over time. In 2014 the tax will be capped at the lesser of half of what was paid in 2013 or half of the total tax bill accumulated throughout the year. In 2015 the aircraft tax parts will be 100% exempt going forward.

***Please complete the following fields: (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

a. **Contract Control Number:** N/A

b. **Duration:**

c. **Location:** DIA

d. **Affected Council District:** 11

e. **Benefits:** Reduced tax burden for carriers at DIA will provide more reason for additional flights and allow them to do more maintenance work at DIA. The additional maintenance work could lead to more jobs in the region and help with development in the region surrounding DIA.

f. **Costs:** The General Fund will experience a loss of \$1.5M to revenues in 2014 and \$3M each year thereafter until the sunset in 2040.

| <i>Current Contract Amount</i> | <i>Additional Funds</i> | <i>Total Contract Amount</i> |
|--------------------------------|-------------------------|------------------------------|
| <i>(A)</i> | <i>(B)</i> | <i>(A+B)</i> |
| N/A | N/A | N/A |

| <i>Current Contract Term</i> | <i>Added Time</i> | <i>New Ending Date</i> |
|------------------------------|-------------------|------------------------|
|------------------------------|-------------------|------------------------|

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date: _____

| | | |
|-----|-----|-----|
| N/A | N/A | N/A |
|-----|-----|-----|

g. Date Goals Assigned: N/A

h. Goals: N/A

7. Is there any controversy surrounding this ordinance? (*Groups or individuals who may have concerns about it?*) **Please explain.**

This will benefit the airlines and any railroads currently paying the tax exclusively to help provide more economic benefit to the region. Other businesses in the region subject to the tax may believe it is inequitable to exempt these transportation utilities. Additionally, the loss of the revenue to the General Fund could be perceived as limiting the services the City is able to provide to its citizens. However, these costs make Denver non-competitive with other hub cities and therefore the carriers are less likely to add service to Denver. Eliminating these costs helps facilitate more air service and could bring more jobs to the City.

To be completed by Mayor's Legislative Team:

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Key Contract Terms

Vendor/Contractor Name: N/A

Contract control number: N/A

City's contract manager: N/A

Was this contractor selected by competitive process? Was it the low bid? N/A

Term/Duration of contract/project:

Renewal terms: N/A

Purpose: Reduced tax burden for carriers at DIA will provide more reason for additional flights and allow them to do more maintenance work at DIA. The additional maintenance work could lead to more jobs in the region and help with development in the region surrounding DIA.

Scope of services to be provided with performance bench marks: N/A

Cost/value: The General Fund will experience a loss of \$1.5M to revenues in 2014 and \$3M each year thereafter until the sunset in 2040.

Source of funds: N/A

Benefit: N/A

Termination provision for City and for contractor: N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts):
Who are the subcontractors to this contract? N/A

Location: N/A

Affected Council District: 11

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