

**ORDINANCE/RESOLUTION REQUEST**

Please email requests to the Mayor’s Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by NOON on Wednesday.

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

Date of Request: March 14, 2011

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:** *(Include a concise, one sentence description - include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)*

Request to accept a \$12,500 Denver Enterprise Zone Marketing Grant from the State of Colorado Office of Economic Development to support marketing of activities, organizations and projects in the Denver Enterprise Zone.

Contract Control #: TBD

**3. Requesting Agency:** Office of Economic Development

**4. Contact Person:** *(with actual knowledge of proposed ordinance)*

- **Name:** Katherine O'Connor
- **Phone:** 720-913-1528
- **Email:** Katherine.O'Connor@denvergov.org

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

- **Name:** Seneca Holmes
- **Phone:** 720-913-1533
- **Email:** seneca.holmes@denvergov.org

**6. General description of proposed ordinance including contract scope of work if applicable:**

The Enterprise Zone (EZ) is a State of Colorado tax credit program that allows businesses located within specific geographic areas to receive tax credits against their state tax liability. The City of Denver contains over 30 square miles of Enterprise Zones in Council Districts 1,3,5,7,8,9,10,11. The State of Colorado makes available grant funds (\$12,500 FY10) for marketing activities, organizations, and projects in EZs that promote business development, job creation and community development. These grant funds require a 1:1 match. Denver’s matching contribution comes from administrative fees collected by the Denver Enterprise Zone Contribution Project, described in more detail in the Executive Summary .

***Please include the following:***

- a. Duration:** Januray 1, 2011 - December 31, 2011
- b. Location:** Denver
- c. Affected Council District:** 1,3,8,9
- d. Benefits:** To promote job creation and business and community development in Denver Enetrprise Zones
- e. Costs:** \$12,500 in Denver Enterprise Zone Contrinution Projects fees for a 1:1 match

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

no

EXECUTIVE SUMMARY (if applicable)

Denver Enterprise Zone Marketing Grant Acceptance Ordinance  
Executive Summary

Fund/Org Number: 11301/0114101  
Grant Number (if known): Unknown  
Grantor: State of Colorado Office of Economic Development  
Grant Amount: \$12,500.00  
Start/End Dates: 1/1/2011 to 12/31/2011  
CFDA Number:  
Contract Control Number: GC01004

Grant Objectives:

The Denver Enterprise Zone Marketing Grant will support efforts to promote economic development and market the Denver Enterprise Zone, which includes over thirty square miles of Denver's commercially zoned real estate. The Enterprise Zone is a State of Colorado tax credit program that allows businesses located within a specific geographic area to receive tax credits against their state tax liability. Businesses that move to or expand in the Denver Enterprise Zone have the potential to save on their Colorado business income taxes each year. There are nine state tax credits available to businesses within the Zone and one state tax credit available to any taxpayer with a state tax liability. The Enterprise Zone program also includes a tax credit for contributions to approved non-profit organizations located in the Denver Enterprise Zone. Any taxpayer who makes a monetary or in-kind contribution to a certified Denver Enterprise Zone Contribution Project may take a tax credit of up to \$100,000 per tax year for cash contributions and a credit up to \$50,000 for in-kind contributions. The total credit is limited to 25% for cash contributions and 12.5% for in-kind contributions. An administrative fee charged to the non-profit projects covers the cost of administering the Contributions Projects component of the Denver EZ program. This one percent fee also generates revenue that is used for matching funds for the State marketing grant, which supports the marketing of activities, organizations and projects in the EZ that promote business development, job creation and community development. Taxpayers are not charged a fee on their contribution, and receive the Contribution Tax Credit on their full donation.

Matching Dollar Amounts: \$12,500.00

Match Funding Source: Denver Enterprise Zone Contribution Projects fees generate revenue that are used as matching funds for the State marketing grant

Staffing Requirements: The Denver Enterprise Zone administrator and administrative support functions are provided as part of additional responsibilities of two full-time staff members of the Denver Office of Economic Development. The Contribution Projects administrative function is outsourced to Mile High United Way.

Evaluation Component:

Projects that reach \$1,000,000 in cumulative tax credits undergo a critical review of what has been accomplished. The State Economic Development Commission (EDC) will either request a report or request that a representative of the project attend an EDC meeting to present on project accomplishments. During a critical review, a project can make a request to continue as a Contribution Project, and based on project performance and future plans, the EDC can approve or deny this request.

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Contributions certified for EZ contributions are reported to the local zone administrator promptly, and zone administrators must report all contributions to State EZ staff within 90 days or less. Zone administrators are required to submit to EDC staff by November 1 of each year a list of all projects proposed to be re-certified for contributions in the coming calendar year. Organizations with approved contribution projects must submit an annual recertification application to their local zone administrators, including another required performance reporting, prior to this deadline.

A project must have as one of its main purposes creating or preserving an environment which will help attract, expand, or retain employers in the enterprise zone. Direct employment of the sponsoring non-profit organization will not be used to qualify a project, nor will project construction employment.

If a project operates both within and outside of Enterprise Zone boundaries, the sponsoring organization should be able to show that EZ contributions are used to cover those expenditures which it can reasonably allocate to the zone geography, and that other sources of funding are available to cover non-zone related activities. An eligible homeless organization's housing or employment support services must be located within a zone.

Organizations that serve multiple purposes in addition to an approved project must maintain a separate accounting system to assure that zone-contribution funds are used only for the approved functions.

Projects (or modifications of existing projects) must be approved by a designated local Enterprise Zone Administrator. If approved, projects shall be submitted by the local Enterprise Zone Administrator to the State for approval from the EDC. Organizations seeking approval for a project, program or organization for the Enterprise Zone Contribution Tax Credit agree to abide by all applicable reporting and procedural requirements of the EDC and Department of Revenue. Eligibility to provide the Enterprise Zone Contribution Tax Credit to donors may be suspended at any time if a project ceases to comply with the requirements of the statute or EDC policies.

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