

O-2026-13

AN ORDINANCE

AMENDING LAKEWOOD MUNICIPAL CODE 3.26 TO UPDATE DEFINITIONS
AND CLARIFY THE TYPES OF PUBLIC BENEFITS THAT MAY BE
SUPPORTED THROUGH THE ECONOMIC DEVELOPMENT FUND

WHEREAS, the City of Lakewood, Colorado, the “City,” adopted Chapter 3.26 of the Lakewood Municipal Code in 1985, establishing an Economic Development Incentive Fund for the purpose of providing financial assistance for public improvements that further the economic development goals of the City;

WHEREAS, the City in 1989 authorized a tax for the purpose of funding the Economic Development Incentive Fund, the “Fund”, with such tax levied on businesses that provide hotel/motel accommodations within the City;

WHEREAS, the City has periodically revised provisions of Chapter 3.26 relating to permissible expenditures from the Fund;

WHEREAS, the City desires to clarify and define permissible expenditures from the Fund to include activities that further the economic development goals of the City but were previously undefined;

WHEREAS, the proposed amendments describe public benefits consistent with the economic development goals of the City and clarify the purpose and intent of the Fund;

WHEREAS, the proposed amendments to 3.26 do not create a new tax, expand the scope of the tax, increase the tax rate, or in any way change the revenues that may be collected from the tax;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lakewood, Colorado, that:

Section 1. Amendments Authorized. Chapter 3.26 of the Lakewood Municipal Code shall be amended as follows:

CHAPTER 3.26 ECONOMIC DEVELOPMENT

3.26.010 Purpose.

~~The granting of financial assistance is determined to be a public purpose. Specifically, such assistance protects the public welfare by promoting and fostering the growth of the city's economic base which in turn has positive effects by generating jobs, increasing the tax base, services and products produced by the private sector, encouraging and providing for the vitality of residential areas and of commercial and industrial businesses within the city, as well as providing increased opportunities for~~

~~employment for the residents of the city and enabling the city to carry forward its functions in the preservation of the health, safety and welfare of the citizens and residents of the city, all of which have a net positive impact on city revenues, and, in general, improve the quality of life in the city.~~

The Economic Development Department partners with businesses, community-based groups, and non-profits to further the economic development goals of the City. Economic Development funds shall be used to further the goals stated herein or as approved by vote of the City Council. The City of Lakewood is committed to public investment that encourages conscious economic growth and fosters safe, thriving neighborhoods. The quality of life in the city can be improved by generating jobs, expanding business opportunities, investing in neighborhoods and businesses within the city, and advancing economic mobility, including increasing access to employment opportunities, workforce advancement, business ownership, asset building, and participation in the local economy, in a manner that strengthens neighborhoods, supports businesses, and improves overall quality of life.

3.26.020 Definitions.

~~For the purpose of~~ In this chapter the following words and terms shall be defined as follows:

~~City Manager means the City Manager, or designee.~~

Economic Development Department means the department of the city created to assist the City Council and the City Manager to develop and implement programs for the promotions of economic development in the city.

Fund means the economic development fund created herein.

Economic mobility means the ability of individuals or households to improve their economic position through participation in the local economy, including access to employment, workforce advancement, business ownership, entrepreneurship, asset building, and income growth, as supported through economic development strategies that strengthen businesses, expand job opportunities, and increase long-term earning potential. Economic mobility, for purposes of this chapter, does not include the provision of general social or human services unrelated to economic development activities.

3.26.030 Economic development fund established; funding.

A. *Fund*

- ~~There is established~~ The City shall maintain a special fund ~~to be known as the economic development fund. The purpose of said fund shall be to provide funds from the city to further the economic development goals of the city by providing financial assistance to projects attracting enterprises that City Council determines will further the accomplishment of the city's economic goals~~ City. The

economic development goals of the program include efforts to ~~expand the city's tax base,~~ promote residential and business development that will ~~enhance the physical and economic environment of the city, provide permanent jobs and skilled labor availability, services, and products within the city thereby improving employment opportunities~~ produce public benefits for the City and its residents of the City of Lakewood, foster revitalization of physically deteriorating areas, ~~promote development that will have a net positive impact on city revenues, and produce a positive impact upon the community as a whole.~~

2. The City Council specifically finds and determines that ~~creation of the economic development fund is~~ and the goals of this ordinance are consistent with the City's powers as a home rule municipal corporation and that exercise of said powers in the manner set forth herein is in furtherance of the public health, safety and welfare. Notwithstanding any provisions hereof, the city shall never be a joint venture in any private entity or activity which participates in the economic development fund, and the city shall never be liable or responsible for any debt or obligation of any participant ~~in receiving funds from~~ the economic development fund. The City Council finds, determines, and declares that this ordinance is promulgated under the general police power of the City of Lakewood, ~~that it is promulgated for to ensure~~ the health, safety, and welfare of the public, and ~~that~~ the ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The City Council further determines that the ordinance bears a rational relation to the proper legislative object sought to be attained.

B. *Funding.*

1. The ~~fund~~ source of funds shall be ~~funded by via~~ transfer of revenues derived from ~~the tax levied on hotel and motel accommodations within the city.~~
2. The fund may also be supplemented by City Council at its discretion.

3.26.040 Authorized expenditures.

- A. ~~Money~~ The City grants authority to expend funds from the fund shall be used to Economic Development Fund as stated herein. The City may either provide financial assistance with other entities to business enterprises located or to be located within effectuate the corporate limits purpose of the this ordinance or it may fund City of Lakewood, whose proposals programs with this fund. City Staff shall establish and maintain guidelines for financial assistance have been approved expenditures of Economic Development Fund dollars, consistent with the economic development goals of the City as defined herein and determined by the City Council Manager or designee.

1. Expenditure of funds is authorized for any action which provides a public benefit and is reasonably designed to:

- a. Develop new business activity, retain existing business activity, improve existing economic activities, expand the tax base, or otherwise contribute to the City's economic vitality; or
 - b. Advance economic mobility for residents of the City by supporting workforce development, skills training, career advancement, entrepreneurship, access to capital, and other strategies reasonably designed to increase household stability, earning potential, and long-term participation in the City's economy. Programs authorized under this subsection shall be directly related to economic participation and shall not constitute general social services unrelated to economic development.
2. Expenditure of funds is authorized for public improvements, as defined herein.
- B. Such Financial assistance shall be granted under such terms and conditions as may be authorized by the City Council, pursuant to procedures described in Section 3.26.050 herein.
 - C. For expenditures which involve the purchase or sale of real property, the City may take any action consistent with fee simple ownership, including but not limited to the purchase, demolition, sale, transfer, or other disposition of property. All purchases and sales of real property shall be approved by the City Council.
 - D. For projects which involve the construction of physical public improvements, the amount of financial assistance shall be related to the costs of constructing public improvements as determined necessary pursuant to Chapter 14.13 of the Lakewood Municipal Code, to support the development project the applicant is undertaking. The city may pay for all, or only a portion, of said public improvements, at its complete discretion. The maximum amount of financial assistance, however, shall be less than or equal to the estimate of the actual cost of public improvements, said estimate which costs shall be demonstrated to be provided by a professional engineer registered in the satisfaction of the State Chief Financial Officer of Colorado, retained by the applicant and satisfactory to the City Engineer of Lakewood or their designee.
 - ~~DE.~~ For projects which involve the revitalizations or removal of physically deteriorating areas or structures, the amount of financial assistance shall be related to the actual costs of renovation and enhancement revitalization or removal. The city may provide financial assistance for some or all of said costs at its complete discretion. The maximum amount of financial assistance, however, shall be less than or equal to the estimate of such actual costs, said estimate which costs shall be demonstrated to be provided by a professional engineer registered in the satisfaction of the State Chief Financial Officer of Colorado, retained by the applicant and satisfactory to the City Engineer of Lakewood or their designee.
 - ~~EF.~~ For projects described in Sections 3.26.040(C) and (D), moneys from the fund shall be strictly limited to uses which are public or public-related in nature. For purposes of the fund, public or public-related purposes shall mean this code public improvements, including shall include but not be limited to streets, sidewalks, curbs, gutters, pedestrian malls, street lights, drainage facilities, landscaping, decorative structures, statuaries, fountains, identification signs, traffic safety devices, bicycle paths, off-

street parking facilities, benches, restrooms, information booths, public meeting facilities, and all necessary, incidental, and appurtenant structures and improvements, together with the relocation and improvement of existing utility lines, and any other improvements of a similar nature which are specifically approved by the City Council upon the City Council's finding that said improvements are public or public-related improvements.

- ~~F. For projects which involve the creation of new jobs for the residents of the city through relocation of new businesses or industries or the expansion of existing firms, the amount of financial assistance shall be related to the specific action costs of job-specific, start up training programs necessary to provide job applicants with the specific job skills appropriate to the newly created employment opportunities. The city may provide financial assistance for some or all of said costs at its complete discretion. The maximum amount of financial assistance, however, shall be less than or equal to the verification of such actual costs, said verification to be determined by guidelines promulgated by the City Manager.~~
- G. Money from the fund shall be used to support operations and staff salaries for the Economic Development Department under an operational budget and guidelines promulgated by the City Manager and approved by the City Council in the manner for budgetary approval provided in the Municipal Code.
- ~~H. The City Council may authorize expenditures from the fund for the promotion of tourism and other services or programs related to attracting visitors to the City of Lakewood.~~
- H. The City Council may, in its discretion, accomplish the purposes outlined in this chapter in cooperation with other local, state, or federal entities or agencies through ~~direct or participatory~~ funding mechanisms approved by the City Council.
- J. In addition to the projects specifically identified in this chapter, the City Council may authorize expenditures from the fund for projects which in its judgment advance the economic development goals of the city. Such projects may include but are not limited to, financial assistance programs, business finance education, funding for organizations that address social issues such as homelessness, affordable housing and environmental economic studies, engineering studies, studies concerning the design and construction of public and public-related improvements and studies and activities related to the promotion of tourism and attraction of new businesses and industries into the city.

3.26.050 Procedural rules and regulations.

- A. ~~Economic Development~~ Direct Assistance. Except as otherwise set forth herein, the following procedure shall govern requests for direct financial assistance from the fund:
 1. The City Manager or designee shall ~~analyze~~ evaluate the request for conformance with the criteria established pursuant to this chapter and the City's guidelines.

2. ~~The~~ If a request is deemed consistent with this chapter and the City's guidelines, the City Manager or designee shall forward the request to the City Council together with a recommendation regarding financial assistance for the project, which shall include suggested terms of participation.
3. The City Council may subsequently direct the City Manager to ~~develop~~ execute an agreement between the applicant and the city or a cooperating local, state, or federal entity or agency, which agreement embodies such terms and conditions as the city Council deems appropriate for the disbursement of moneys from the fund.
4. The City Council may by resolution authorize the City Manager to execute such agreement on behalf of the city. Purchase of land must be via ordinance.
5. The City Manager is authorized to promulgate administrative regulations to implement provisions contained herein applicable to the economic development fund.
6. This procedure shall not be applicable if the city Council has previously budgeted and appropriated funds for programs or expenditures for the purposes described in this chapter 3.26, nor shall it be applicable to the grant of assistance or refunds in accordance with subsection (B) hereof or the waiver or reduction of fees in accordance with Section 14.02.040A.3 of the Lakewood Municipal Code.

B. *Tax Rebates.*

1. Tax rebates are intended to facilitate business expansion and relocation to the city. Incentive agreements are entirely discretionary and are considered on a case-by-case basis. Priorities for incentive agreements shall be to grow the local economy, provide quality jobs opportunities for Lakewood's residents and provide affordable housing to residents.
2. Tax Rebates are performance based. The business shall meet or exceed the specific performance measures identified in the Incentive Agreement before any tax rebate may be given. Specific performance measures may include, but are not limited to: adding jobs, increasing wages, revenue generation, and capital investment.
3. Upon application to the City Manager, the City Manager may rebate an amount not to exceed 75 percent of the sales and use tax actually paid on the construction permit to the City of Lakewood by the applicant in the construction or renovation of one or more buildings within the city if such rebate, based on findings by the City Manager, will further the economic development goals of the city as set forth in Section 3.26.010 of the Lakewood Municipal Code. Said findings shall be made in writing.
4. Upon application to the City Manager, the City Manager may rebate an amount not to exceed 30 percent of the sales and use tax on tangible personal property actually paid to the city by the applicant for a period not to exceed six years if

such rebate, based on findings by the City Manager, will further the economic goals of the city as set forth in Section 3.26.010 of the Lakewood Municipal Code. Said findings shall be made in writing.

5. Upon application to the City Manager, the City Manager may forgo permit and plan review fees due to the City on the construction permit to the City of Lakewood by the applicant in the construction or renovation of one or more buildings within the city.

3.26.060 Criteria.

In addition to criteria established elsewhere in this chapter, all requests for assistance from the fund shall be evaluated according to criteria related to the city's economic development goals as promulgated by the City Manager or designee.

SECTION 2. This ordinance shall take effect thirty (30) days after adoption by the City Council and final publication by title, including any amendment to such ordinance made by the City Council which shall be included in the full publication of the ordinance to the City's website, all in accordance with Lakewood City Charter §7.4.

SECTION 3. If any provision of this Ordinance should be found by a court of competent jurisdiction to be invalid, such invalidity shall not affect the remaining portions or applications of this Ordinance that can be given effect without the invalid portion, provided that such remaining portions or application of this Ordinance are not determined by the court to be inoperable.

I hereby attest and certify that the within and foregoing ordinance was introduced and read on first reading at a hybrid regular meeting of the Lakewood City Council on the 13th day of April 2026; published by title in the Denver Post and in full on the City of Lakewood's website at www.lakewood.org on the 16th day of April, 2026; set for public hearing to be held on the 27th day of April, 2026; read, finally passed and adopted by the City Council on the 27th day of April, 2026; and signed by the Mayor on the 28th day of April, 2026.



Wendi Strom

Wendi Strom, Mayor

ATTEST:

Jay Robb

Jay Robb, City Clerk

Approved as to form:

Alison McKenney Brown

Alison McKenney Brown, City Attorney