

Southwest Downtown Special District Structure Summary

The Southwest Downtown project will require the utilization of special districts, along with the URA and other public entities, to assist in the funding of necessary public improvements. The proposed use of a business improvement district and multiple metropolitan districts is consistent with development of master planned, mixed use projects with residential densities and commercial development similar to SW Downtown; however, in this case the project is largely vertical instead of spread over several hundred acres.

It is envisioned that the mixed uses within the project will consist of ground floor retail with residential and office space uses on the upper floors of respective buildings. The structure proposed with the districts is that all commercial properties (office, hotel and retail) will be included in the business improvement district per statute. The residential uses (apartments or for-sale residential) will be in the metropolitan districts. Two metropolitan districts are proposed to allow for phasing of improvements and funding obligations between multiple buildings that may contain residential uses.

While unique to Colorado Springs, the idea of vertical separation of districts is being utilized in other Colorado communities. Examples include Aspen Village (ground floor commercial with residential above), Belmar (Lakewood – ground floor commercial with residential above), Southglenn (Centennial – ground floor commercial with residential above) and City Center (Aurora – ground floor commercial with residential above). There are also variations of the concept being used in the RINO and Union Station redevelopments in Denver. The fundamental concept is that so long as the Assessor can determine unique property descriptions (address or legal description) for the properties, the properties can be assigned to different districts differentiated by uses.

The initial boundaries of the proposed business improvement district and the metropolitan districts are identical and overlap initially. The boundaries will be moved as development plans are finalized and use areas are identified. Under no circumstances will any property be within multiple districts when the development is completed. Likewise, the City's policy of residential property mill levy cap not exceeding 30 mills will be observed. The preliminary financial plan for the districts also is based on the current zoning for the property so there is no reliance on future zoning changes to make the financing viable.

Additional graphics summarizing the general function of the districts are attached.