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Overview of 2015 annual Council actions concerning the Downtown Development Authority budget, Business Improvement District (BID) budgets and operating plans, General Improvement District (GID) budgets, Special Improvement Maintenance District (SIMD) budgets, and related matters

From:

Kara Skinner, Chief Financial Officer
Peter Wysocki, Planning and Development Director
Carl Schueler, Planning Manager - Comprehensive Planning

Summary:

This briefing provides background on the upcoming annual actions City Council must take regarding the budgets and related matters for various City-related districts and authorities.

Previous Council Action:

In October and November of prior years, Council has approved the operating plans and budgets for Business Improvement Districts (BIDs), the budget for the Colorado Springs Downtown Development Authority (DDA), and budgets and mill levies for its General Improvement Districts (GIDs) and Special Improvement Maintenance Districts (SIMDs). In August 2014, Council adopted a standard template for BID operating plans and budgets.

Background:

Each year City Council must undertake a variety of primarily budget-related actions concerning the districts it either controls or has a statutory role in. These actions and anticipated dates include the following:

Council Work Session - Oct. 13th

BIDs (10): At the first work session in October, BID operating plans and budgets and DDA budget are initially provided to City Council and summarized.

Regular Council Meeting - Oct. 14th

GIDs (4): At the first meeting in October, City Council (as the GID Boards) sets the Public Hearings for the second meeting in November (preliminary budgets are submitted). As the GID Boards, the requests to set the Public Hearings are approved by motion (no resolution or ordinance).

Regular Council Meeting - Oct. 28th

BIDs (10): At the second meeting in October, BID budgets and operating plans are presented to City Council for approval (by memo and motion - no resolution or ordinance).

DDA (1): At the second meeting in October, the DDA budget is presented to City Council for approval (by memo and motion - no resolution or ordinance).

Regular Council Meeting - Nov. 25th

GIDs (4): At the second meeting in November (Public Hearing) - Council sitting as GID Boards: (1) adopts the budgets (by resolution); (2) appropriates funding (by resolution); and (3) sets the mill levies (by resolution).

DDA (1): At the second meeting in November, Council (1) approves resolution appropriating funds and (2) approves resolution to set the mill levy.

SIMDs (7): At the second meeting in November, Council approves resolutions for each SIMD to set the mill levies.

The above-referenced schedule is driven by a combination of Statutory and budgeting requirements, and therefore has very limited flexibility. If there are any questions or concerns, it is recommended that they be expressed well prior to these hearing dates.

For metropolitan districts within the City, Council has no formal annual role with respect to their budgets or any other activities of those districts. Council does require an Annual Report from these districts. These reports are due by August 1st for the prior year; however, under current procedures, this information is not formally communicated to Council.

GID Actions: As the board for its four GIDs, Council's budgetary discretion will be limited. Each of these GIDs has issued debt, and essentially the entire budget from their fixed mill levy is pledged toward those required bond payments. The Briargate GID bonds are currently in process of being refunded, with final City Council action expected on October 14, 2014. If approved, this debt restructuring will be completed on October 24, 2014. The Cottonwood GID debt is scheduled for final payment in December 2015, after which the GID will be dissolved.

DDA Action: The DDA budget is recommended by the Board of the DDA, which is Council-appointed and has a Council person (Jill Gaebler) as a member.

SIMD Actions: SIMD property tax (and in one case, assessment) revenues are managed as separate funds for each district as part of the City budget and allocated for the next year's maintenance activities by Parks Department staff with input from the Council-appointed advisory committees for each SIMD. SIMD revenues are fixed with a capped mill levy, and SIMDs have no debt.

BID Actions: Nine of the ten City BIDs are development-specific with the exception being the Greater Downtown BID. All except the Downtown BID have independently elected boards. Statute requires annual City Council approval of the Operating Plans and Budgets for these BIDs. Council has considerable discretion over the contents of these plans and the recommended budgets. However, if a BID has issued debt (and several have), pledged revenues must be budgeted to service that debt. One of the purposes of this annual process is to apprise City staff and City Council of any major expected changes for the next year (e.g. planned issuance of debt or boundary changes).

Financial Implications:

As separately managed entities and/or budget funds, there are no direct financial implications to general City taxpayers/ratepayers. The benefits/ costs of these entities, including tax obligations are applicable to defined areas within their boundaries. The entities provide for one or more of the following:

- financing for public improvements either necessary to meet City requirements or in addition to minimum requirements
- ongoing maintenance of public facilities which may be of a higher level than citywide standards
- other unique services not ordinarily provided by the City (e.g., marketing)

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

N/A

N/A