



Legislation Details (With Text)

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Title: A Resolution of the City Council of Colorado Springs, Colorado Approving the Proposed 2023 Operating Plan and Budget for the GSF Business Improvement District

Presenter:
 Carl Schueler, Comprehensive Planning Manager
 Michael Tassi, Assistant Director, Planning and Community Development

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2023 Operating Plan and Budget- GSF BID, 2. Res. GSF BID 2023 approval without Exhibit E, 3. Signed Resolution No. 164-22

Date	Ver.	Action By	Action	Result
10/25/2022	1	City Council	adopted	Pass
10/10/2022	1	Council Work Session	referred	

A Resolution of the City Council of Colorado Springs, Colorado Approving the Proposed 2023 Operating Plan and Budget for the GSF Business Improvement District

Presenter:

Carl Schueler, Comprehensive Planning Manager
 Michael Tassi, Assistant Director, Planning and Community Development

Summary:

The GSF Business Improvement District (BID) is a legal entity separate from the City of Colorado Springs. However, as required by State statute, it is necessary for City Council to review and approve the proposed 2023 Operating Plan and Budget for the BID.

The Operating Plan and Budget for this BID anticipates the District will primarily be engaged in early development and public improvement planning activities in 2023 and does not plan on certifying a mill levy for collection in 2023.

Background:

The District was organized in 2021, a special election for the District, consisting of debt and related issues and questions was held on November 2, 2021. The District is governed by a five-member elected Board of Directors. The boundaries of this BID encompass about 23 acres initially, with exclusions of property expected to occur at some point in the future as horizontal or vertical properties are identified for inclusion in one of the metropolitan districts. By State law, any future district inclusions or inclusions must be approved by City Council. The overall metropolitan district/BID

structure is similar to the Southwest Downtown (aka Park Union) project, with at least the possibility of “vertical boundary segregation” of boundaries between floors of buildings. By state law, BIDs cannot assess residential properties for property taxes.

This Operating Plan and Budget allows for a mill levy cap of up to 50.000 mills for debt service and up to 10.000 Mills for general operations and administrative expense. However, the District does not anticipate certifying a mill levy in 2023. Additionally, this BID proposes to make use of public improvement fee (PIF) revenues as an additional source of revenue for bonding. The nature and amount of these PIFs is not specified at this time and is not budgeted at this time.

It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation, and maintenance of public improvements. The District entered into an Inter-District Intergovernmental Agreement with GSF Metropolitan District Nos. 1 & 2 on May 21, 2021, whereby the District is responsible for financing, constructing, maintaining, and operating the public improvements and the GSF Metropolitan District Nos. 1 & 2 shall assign revenues to the District to offset the expenses of the construction of the public improvements and the District’s costs of operating and maintaining such public improvements.

This BID is currently included in the boundaries of the Downtown Development Authority (DDA). The DDA mill levy is 5.0 mills, but it is also entitled to Tax Increment Financing (TIF) revenues as authorized and applicable. When BIDs are created to overlap DDA property, customarily there is an agreement with the DDA such that the BID tax revenues remain with that district. The DDA may also choose to credit all or a part of its Tax Increment Financing (TIF) revenues related to this property. The petitioner also indicated an intent to seek urban renewal designation for this property.

This Operating Plan and Budget is provided in a format consistent with the standard template approved by Council in August 2022 for these documents.

Previous Council Action:

City Council approved creation of this BID in April 2021 (Ordinance No. 21-35).

This item was introduced in a City Council Work Session on October 10, 2022. Council had no comments or questions that were uniquely pertinent to this Operating Plan and Budget.

Financial Implications:

The District does not have any existing debt and does not anticipate issuing debt in 2023. The combined maximum debt authorization for this BID and the GSF Metropolitan Districts 1 & 2 is \$83,100,000. As noted in the Districts 2023 Operating plan and Budget the total amount of the cost of the proposed Public Improvements will be allocated between the 3 Districts as appropriate.

The District anticipates developer funding for initial revenue sources and thereafter revenue derived from property tax and public improvement fees. The District’s Operating Plan Budget anticipates Developer Advances totaling \$65,909 at the end of 2022 and is budgeting advances totaling \$51,500 in the 2023 budget. The Operating Plan indicates the Developer Advances will incur an interest rate of 8%.

The District has budgeted for intergovernmental revenue from the GSF Metropolitan District No. 1 in the amount of \$6,500. This revenue is from property taxes generated from the 10.000 mills levied by the Metropolitan District for operations and maintenance and will be transferred to the BID which

pays for all administrative expenses of the Metropolitan District.

The District will not certify a mill levy for collection in 2023. As a separate legal entity, the financial activities of the BID are separate from those of the City. Its financial obligations are specific to the properties included in the BID and do not constitute an obligation of the City.

City Council Appointed Board/Commission/Committee Recommendation:

The BID Board of Directors recommends City Council's approval of the 2023 Operating Plan and Budget.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move to approve the Resolution approving the proposed 2023 Operating Plan and Budget for the GSF Business Improvement District.

N/A