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Title: Introduction of the Downtown Development Authority (DDA) Budget, and Business Improvement District (BID) Operating Plans and Budgets for 2016

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Attachments: 1. BID-DDA Introduction for 10 12 15, 2. DDA 2016 Preliminary Budget_10 12 15, 3. Downtown BID Op Plan-Budget_10 12 15, 4. 10 12 15 Downtown Council slides, 5. Interquest North BID 2016 Operating Plan and Budget_10 12 15, 6. Interquest South BID 2016 Operating Plan and Budget (revised), 7. First & Main BID 2016 Operating Plan and Budget_10 12 15, 8. First & Main 2 BID 2016 Operating Plan and Budget_10 12 15, 9. First & Main North BID 2016 Operating Plan and Budget_10 12 15, 10. Briargate Center BID 2016 Operating Plan and Budget_10 12 15, 11. Barnes & Powers North BID 2016 Operating Plan and Budget_10 12 15, 12. Barnes & Powers South BID 2016 Operating Plan and Budget_10 12 15, 13. Powers & Woodmen Commercial BID 2016 Operating Plan and Budget_10 12 15

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Introduction of the Downtown Development Authority (DDA) Budget, and Business Improvement District (BID) Operating Plans and Budgets for 2016

From:

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

Summary:

This briefing introduces the submitted budget for the DDA as well as the operating plans and budgets for the City's ten (10) BIDs, as required by Colorado Revised Statutes. Separate memos will be presented for action on each of these agenda items as part of the Regular meeting agenda for October 27, 2015. It should be noted that this summary staff report has been prepared prior to complete review of some these documents. Therefore, verbal updates may be provided in association with this Work Session, and these will be documented as part of the October 27, 2015 agenda.

Previous Council Action:

Council approves these operating plans and budgets for BIDs and the budget for the DDA annually. In August 2014, Council adopted a standard form template for BID plans. After first authorizing their creation, Council periodically takes actions concerning these entities related to activities such as debt

issuance, governance changes, and boundary adjustments.

Background:

The eleven (11) referenced documents are attached for review by City Council.

- Colorado Springs Downtown Development Authority
- Greater Downtown BID
- Interquest North BID
- Interquest South BID
- First and Main BID
- First and Main No. 2 BID
- First and Main North BID
- Briargate Center BID
- Barnes and Powers North BID
- Barnes and Powers South BID
- Powers and Woodmen Commercial BID

Highlights for 2016:

Governance - The DDA and the Downtown BID have City Council-appointed boards of directors with categories of representation identified in their authorizing ordinances. The other nine BIDs are development specific, and have elected boards. In 2015, City Council made interim appointments to the Interquest South BID Board. However, that BID is expected to return to elected board status following the May 2016 election. None of the 2016 BID Operating Plans and Budgets anticipate further governance changes. In most cases, term limits for these districts have been removed.

2016 Mill Levies and Fees - In most cases, these entities intend to certify the same property tax mill levies as they did for 2015.

- The Barnes and Powers North BID intends to increase its debt service mill levy from 46.0 to 49.0 mills in order to meet debt service requirements. This represents a further increase from the two (2) additional mills certified last year. Continuing commercial vacancies in this district have reduced expected assessed valuations. This debt service mill levy will remain below the capped maximum of 50.0 mills.

- The Briargate Center BID intends to reallocate its levy of 45.0 mills by increasing its operational levy from 8.0 to 16.0 mills and correspondingly reducing its debt service mill levy. Only 29.0 mills are needed to meet current debt obligations. A temporarily increased operational levy would allow flexibility to shift these revenues to planned future subordinate debt. Any unneeded revenues would be available for additional subordinate debt. Certification of an operational levy of more than 10.0 mills has implications with respect to City Council's Special District Policy.

- The First and Main North BID intends to decrease its debt service mill levy from 39.0 to 34.0 mills as required by its 2005 bond covenants.

- The Powers and Woodmen BID proposes to temporarily increase its debt service mill levy from 26.9 to 29.248 to address a prior abatement.

Boundary Changes - The Greater Downtown BID continues to request approval of a small inclusion

of property on South Tejon Street. As first noted in 2015, the Interquest North BID may request exclusion of a parcel if it converts from commercial to residential zoning.

Issuance of Debt - The following entities have stated and intent to issue or refinance formal debt in 2016:

- The Briargate Center BID intends to issue approximately \$1.2 million in subordinate bonded indebtedness in order to allow at least partial reimbursement of expenses associated with a 2015 capital project that includes substantial site work and the installation of a new traffic signal.

Some of these BIDs are accruing developer advances or reimbursement agreements. These do not constitute formal debt for the purposes of TABOR.

Colorado Springs Downtown Development Authority - As noted in the accompanying PowerPoint presentation, the DDA continues to accumulate a considerable fund balance from property tax and tax increment financing (TIF) revenues and proposes to budget these for a variety of programs. Ms. Susan Edmondson of the Downtown Partnership should be available to describe the nature of and approach to these programs in more detail.

Public Improvement Fees (PIFs) - Two of these entities (First and Main No. 2 BID and Interquest North BID) currently have PIFs in place and have issued debt to be repaid with these revenues. The Interquest South BID has an existing PIF covenant in place. They may request use of this PIF in association with this BID, at a later time.

Financial Implications:

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

Board/Commission Recommendation:

The boards of each of these entities recommend approval of their respective operating plans and/or budgets.

Stakeholder Process:

N/A

Alternatives:

NA/

Proposed Motion:

To be provided with separate agenda items for October 27, 2015.

N/A