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Title: Overview of 2016 annual Council actions concerning the Downtown Development Authority budget, Business Improvement District (BID) operating plans and budgets, General Improvement District (GID) budgets, Special Improvement Maintenance District (SIMD) budgets, and related matters

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

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Attachments: 1. List of Districts within City 2016

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Overview of 2016 annual Council actions concerning the Downtown Development Authority budget, Business Improvement District (BID) operating plans and budgets, General Improvement District (GID) budgets, Special Improvement Maintenance District (SIMD) budgets, and related matters

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Summary:

This briefing provides background on the upcoming annual actions City Council must take regarding the 2017 operating plans, 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. 10th

- BIDs (11): 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. 11th

- GIDs (3): 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. 25th

- BIDs (11): At the second meeting in October, BID operating plans and budgets 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).

Council Work Session - Nov. 7

- SIMDs (7): At the first Council work session in November, the resolutions to set the mill levies for each SIMD are introduced to Council and then submitted at the second Council meeting for approval.

Regular Council Meeting - Nov. 22nd

- GIDs (3): At the second meeting in November (Public Hearing) - Council sitting as GID Boards: (1) holds a Public Hearing; (2) sets the mill levies (by resolution); and (3) adopts the budgets and appropriates funding (by resolution).
- DDA (1): At the second meeting in November, Council (1) approves a resolution to set the mill levy and (2) approves a resolution appropriating funds.
- 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 three remaining 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 restructured its debt in October 2014. The Cottonwood GID made its final payment in December 2015, and has now been 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. The majority of the DDA budget is allocated to grants and programs, and its budget is structured to allow maximum flexibility. On October 12th Ms. Susan Edmondson, Executive Director of the DDA will be available to address their budgeting approach and provide additional detail.

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: Ten of the eleven 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