



Legislation Text

File #: 16-00007, **Version:** 3

Ordinance No. 16-12 excluding certain property from the Interquest North Business Improvement District. (Legislative)

Presenter:

Carl Schueler, Comprehensive Planning Manager, Planning and Community Development

Summary:

This introduces a request for exclusion of approximately 4.3 acres of property from the boundaries of the Interquest North Business Improvement District (the "BID"). The property is being excluded because it is in the process of being converted to residential (multifamily) uses, and by law BIDs can only include and tax non-residential properties. State Statute (Section 31-25-1220, C.R.S.) requires that any exclusions of property from BIDs be approved by the City, by ordinance. In accordance with the statutory section cited above, the petition for inclusion has been verified and arrangements made with the City for legal publication.

Previous Council Action:

The BID was established pursuant to Ordinance 04-237 adopted by Council on October 26, 2004, which approved the initial operating plan and budget ("Operating Plan") for the BID. Additional property was included in this BID in 2007 (Ordinance 07-147) In 2010 City Council approved Resolution 185-10 which authorized issuance of \$6,500,000 in privately placed bonded debt. The BID's Operating Plan has been approved annually in accordance with Section 31-25-1211, C.R.S., and most recently in October 2015. Council has not approved issuance of any debt by this BID.

Background:

BIDs are created under Colorado Statute and City Policy to finance and/or maintain certain public improvements in non-residential areas, utilizing a property tax mill levy as the revenue source. BIDs are a separate legal entity from the City, but their budgets and operating plans must be approved annually by the City.

This BID is partially developed and active. It has outstanding debt in the form of its 2010 bond which carries an interest rate of 8.5%. The BID certifies its maximum allowable debt service mill levy of 50.0 mills which is pledged toward the BIDs outstanding debt, along with the proceeds of a 1.25% public improvement fee (PIF). The BID also certifies a levy of 1.0 mill for operational/administrative purposes.

The petitioners are requesting exclusion of these properties on the basis that the planned conversion of residential uses makes these properties ineligible for continued inclusion. The property proposed to be excluded is currently vacant. Changing the boundaries of a BID by exclusion of property is governed by C.R.S. 31-25-1220, which requires the property owner to petition the governing body of the municipality in which the BID is located. Upon receipt of a petition for exclusion, notice of the

petition must be given in accordance with C.R.S. 31-25-1220. The notice must inform all persons having objections to the exclusion to appear at a hearing to show cause why the petition should not be granted. If the governing body (City Council) determines that changing the boundaries of the BID as requested by the petition does not adversely affect the BID, the governing body may grant the petition by ordinance. A certified copy of the ordinance is then filed with the County Clerk and Recorder and the property is then excluded from the boundaries of the BID.

Legal notice of the required City Council hearings is being published as required by Statute.

This item supports the City's strategic goal relating to investing in infrastructure by allowing this existing BID to continue to operate effectively consistent with State statutes.

Financial Implications:

There should be no direct financial implications to the City from this action. As represented by the BID, the exclusion of this property will have no adverse effect on the financial capability of the BID to meet its financing obligations. This is a relatively small part of the overall BID, and is located on the opposite side of a major roadway from the balance of the BID property.

Board/Commission Recommendation:

The City's staff-level Special District Committee has been provided copies of these materials. All comments received have been in support and/or stated no concerns.

Stakeholder Process:

N/A

Alternatives:

City Council could choose to approve, not approve or modify the proposed ordinance.

Proposed Motion:

Move to approve an ordinance excluding certain property from the boundaries of the Interquest North Business Improvement District.

An ordinance excluding certain property from the Interquest North Business Improvement District