



## Legislation Text

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**File #:** 21-403, **Version:** 2

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Approval of the Proposed 2022 Operating Plan and Budget for the MW Retail Business Improvement District

**Presenter:**

Carl Schueler, Planning Manager - Comprehensive Planning

**Summary:**

The MW Retail 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 2022 Operating Plan and Budget for the BID.

The Operating Plan and Budget for this BID anticipates a potential issuance of debt in 2022, the certification of a mill levy of 1.000 mill, and the potential exclusion of a substantial portion of the property that is expected to be developed as multi-family residential.

**Background:**

This District's initial boundaries were established when this BID was created in 2019. This BID is located within the overlying existing Woodmen Heights Metropolitan District No. 3. The BID includes approximately 35 acres; however, a new ownership group is now in place for this project, and development plans are being modified. It is now anticipated that a portion of the property located within the District will be developed as multi-family residential and will therefore be excluded from the District's boundaries. Under State statute, any such exclusions must be approved by separate City Council ordinance.

This BID is structured to have a 5-member elected board comprised of individuals associated with this redevelopment project. The board currently has two vacancies which the District has noted may be filled in 2022. This BID is responsible for maintenance of the internal improvement associated with the retail center. The Woodmen Heights Metropolitan District No. 3 is responsible for landscaping along Woodmen and Marksheffel Roads. In addition to general administration, the BID will continue to be engaged in early development activities in 2022. The District is authorized to exercise all the powers, functions, and duties specified in the Business Improvement District Act.

This Operating Plan and Budget is provided in a format consistent with the standard template approved by Council in August 2014 for these documents.

**Previous Council Action:**

City Council originally approved formation of this BID in 2019 (Ordinance No. 19-62).

This item was introduced in a City Council Work Session on October 11, 2021.

**Financial Implications:**

Pursuant to the Policy and the initial Operating Plan and Budget, the debt and financial obligations of BIDs do not constitute a financial obligation of the City. The District does not anticipate any debt issuance for the remainder of 2021 but does contemplate a possible issuance in 2022. The proposed operational mill levy for the BID in 2022 is 1.000 mills for operating expenses. This is the first time the District will certify a mill levy.

The District anticipates that at the end of 2021 they will have outstanding developer advances totaling \$52,000 in principal and interest, which accrues interest at a rate of 8% per annum. The 2022 budget includes \$70,000 in developer advances to fund operation of the BID, and \$8,600,000 for public improvements that is currently budgeted to be partially repaid in 2022 with bond proceeds. Because this BID is constrained from having a debt service mill levy due to its overlap with the Woodmen Heights Metropolitan District No. 3, the primary source of pledged revenues for any year or subsequent bond issue is expected to be public improvement fee (PIF) revenues. The submitted budget indicates that PIF revenues are not anticipated through the 2022 budget year.

**City Council Appointed Board/Commission/Committee Recommendation:**

The BID Board of Directors recommends City Council's approval of the 2022 Operating Plan and Budget.

**Stakeholder Process:**

N/A

**Alternatives:**

N/A

**Proposed Motion:**

Move to approve the proposed 2022 Operating Plan and Budget for the MW Retail Business Improvement District.

N/A