



Legislation Text

File #: 17-1255, **Version:** 2

Ordinance No. 17-105 organizing the Interquest Town Center Business Improvement District and appointing an initial Board of Directors. (Legislative Item)

Presenter:

Conrad Olmedo, Comprehensive Planner II, Planning and Community Development
Carl Schueler, Comprehensive Planning Manager, Planning & Community Development

Summary:

This is a request to create a new Interquest Town Center Business Improvement District ("District") to finance improvements within its boundaries to benefit retail and commercial business therein and appoint an initial Board of Directors.

This item will be presented for action at the October 24th, 2017 City Council meeting.

This agenda item was presented on October 24, 2017, at which time only a redline version of the Operating Plan and Budget was available as part of the agenda. A clean blackline version has now been provided with this agenda. It includes a copy of the proposed 2017-2018 budget for this BID.

Previous Council Action:

Certain properties in this area were either previously excluded from the Interquest South Business Improvement District or are currently being proposed for exclusion. Council has approved various Planned Unit Development zoning applications for portions of this proposed District area.

On October 9, 2017, this item was introduced to City Council during the Work Session.

On October 24, 2017, City Council postponed this item to November 14 in order to allow consideration of the correct version of the Operating Plan and Budget for this BID.

On November 14, 2017, this Ordinance organizing the Interquest Town Center Business Improvement District was approved on first reading. The motion passed by a vote of 9-0-0-0.

Background:

BIDs are created under Colorado Statutes and City Policy to finance and/or maintain certain public improvements in non-residential areas, primarily utilizing a property tax mill levy as the revenue source. By Colorado Statutes, properties assessed as residential use cannot be levied a BID tax.

BIDs are separate legal entities from the City. However, their formation requires Council approval, and City Council must then annually approve their Operating Plans and Budgets. These processes provide an opportunity for City Council to establish limits and parameters for operation to the BIDs beyond those included in State Statues. City Council adopted a Special District Policy ("Policy") in 2006. It establishes recommended limits regarding districts including metropolitan districts, BIDs and general improvement districts (GIDs) including mill levy caps. In 2014, Council adopted a standard

template for BID operating plans and budgets. Together with state statutes, these documents are used as the standard with which to review new BIDs.

The petitioners desire to create the District as a mechanism to allow for additional options for financing and maintenance of public improvements and services both within and outside of their boundary. There are other existing BIDs in the area including the Interquest South BID which has adjacent property. However, these property owners are requesting a BID specific to their public improvement financing needs. The District's total size will be 19 acres and consist of 4 separate legal lots. Any future inclusions will be subject to subsequent approval by City Council by ordinance.

Options for governance for BIDs include City Council serving as the ex officio board of directors, or a Council-appointed board, or an elected board. The petitioners are proposing to have an initially City-appointed board of directors after which the positions on the board will be elected starting with an election on May 8, 2018. Having an elected board is consistent with the governance structure used for 10 of the 11 existing BIDs in the City. The current exception is the Greater Downtown BID which has a Council-appointed board.

The petitioners have provided an Initial 2017-2018 Operating Plan and Budget using the City's adopted model. It stipulates a maximum debt service mill levy cap of 50.0 mills and up to 5 mills for general operations and administrative expenses, which are allowable under the 2006 Special District Policy for commercial districts.

The City's standard-form BID Operating Plan and Budget template requires petitioner to seek prior approval for use of a Public Improvement Fee (PIF) in conjunction with BID debt issuance. Under current law the City otherwise has no authority over whether a property owner chooses to record a PIF covenant on their property. In this case the petitioners have drafted their initial Operating Plan and Budget to allow full authority to use a PIF in conjunction with their BID.

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 2017 or in 2018. Initial funding will be provided by the developer and thereafter be derived from property taxation and their proposed PIF. The District will have an initial maximum debt authorization of \$4,000,000. Among the powers of BIDs are the powers to enter into contracts, own property, levy property taxes and fees and incur debt (subject to TABOR provisions).

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:

Legal publication of this hearing will be required along with mailed notice to any potentially included properties not part of the petition.

Alternatives:

City Council could choose to approve, deny or modify the proposed ordinance.

Proposed Motion: (for October 24, 2017)

Move to approve an Ordinance organizing the Interquest Town Center Business Improvement

District.

Approval of an ordinance organizing the Interquest Town Center Business Improvement District and an appointment of the initial Board of Directors.