



## Legislation Text

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**File #:** 21-138, **Version:** 2

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Ordinance No. 21-35 Organizing the GSF Business Improvement District and Appointing an Initial Board of Directors.

(Legislative)

**Presenter:**

Carl Schueler, Planning Manager- Comprehensive Planning, Planning & Development Department  
Peter Wysocki, Director of Planning and Community Development

**Summary:**

This ordinance would create a GSF Business Improvement District (“District”) , appoint initial directors and approve an initial Operating Plan and Budget subject to annual review and approval. This BID would finance public improvements costs and provide services for the proposed redevelopment of the former Gazette and St. Francis Hospital properties located just east of Downtown along Pikes Peak Avenue. The petitioners propose to use a combination of this BID and two associated metropolitan districts to provide public financing and associated district services for this project area. Generally, commercial properties would be included within this BID with residential properties being included in one of the two metropolitan districts.

No deviations from the Special District Policy are being requested for this BID. Its initial Operating Plan and Budget conforms with the City’s standard form template for BIDs.

Staff and applicant PowerPoints summarizing both this request and the associated metropolitan districts service plan are included with the preceding agenda item.

This item was discussed by the City Council Budget Committee on March 2, 2021, and the item was introduced at Council Work Session on March 8, 2021.

**Background:**

This BID would provide property tax-based public improvements financing and services for the proposed redevelopment of this site. The overall proposed district boundary area encompasses about 23 acres initially, with exclusions of property expected to occur as horizontal or vertical properties are identified for inclusion in one of the metropolitan districts. The overall metropolitan district/BID structure would be similar to what is approved for the Southwest Downtown project, with at least the possibility of “vertical boundary segregation” of boundaries between floors of buildings. By state law, BIDs cannot assess residential properties for property taxes.

This Operating Plan and Budget allows a mill levy cap of up to 50.0 mills Gallagher-adjusted. The maximum Gallagher-adjusted operations and maintenance mill levies will be 10.0 mills. Additionally, this BID proposes to make use of public improvement fee (PIF) revenues as an additional source of revenue for bonding. The nature and amount of these PIFs is not specified at this time.

By State law, any future district inclusions or inclusions must be approved by City Council.

The board of directors, as initially appointed by City Council, would be comprised of 4 individuals associated with the developer of this property, with one vacant position. Beginning with the first election in May 2021, the four proposed directors would be elected, and there will also be an election on removing term limits. From that point forward, the structure of this BID will convert to elected governance. A TABOR election would be held in November,

The combined maximum debt authorization for all three districts is proposed to be \$83,100,000, based on about \$58,000,000 in initially estimated public improvements costs for the entire project (about \$64,000,000 including site remediation costs). This Initial Operating Plan and Budget includes a provision whereby the overall debt authorization for the two associated metropolitan districts and this BID, would be all capped at no more than the \$83,000,000.

An initial improvements cost summary has been provided and is attached. In addition to the typical categories such as streets, streetscapes, stormwater, pedestrian facilities, two parking structures are also proposed, and there is a significant allocation for public art. As noted above, the specific allocations of costs among this BID and the two metropolitan district districts has yet to be determined.

Included as attachments are a draft ordinance creating this BID, clean and redline copies of the initial Operating Plan and Budget, and project cost estimates. Additional exhibits are to be provided.

This property is currently included in the boundaries of the Downtown Development Authority (DDA). The DDA mill levy is 5.0 mills, but it is also entitled to Tax Increment Financing (TIF) revenues as authorized and applicable. When BIDs are created to overlap DDA property, customarily there is an agreement with the DDA such that the BID tax revenues remain with that district. The DDA may also choose to credit all or a part of its mill levy to this property. The petitioner may also seek urban renewal designation in the future.

This item was discussed by the Budget Committee at a special March 2, 2021 meeting. A summary of discussion from this meeting will be provide at this Work Session.

**Previous Council Action:**

This would be a new BID for this area and property. City Council has previously approved inclusion of these properties into the DDA. The City has not recently approved any development plans for these properties.

**Financial Implications:**

There are no direct implications to general City taxpayers and ratepayers outside of the boundaries of this Districts.

**Board/Commission Recommendation:**

**Stakeholder Process:**

The staff-level Special District Committee has been provided with the materials associated with this request. Comments or concerns from the Committee have been addressed in these documents.

**Alternatives:**

- Approve the ordinance as presented
- Approve the ordinance with modifications to the operating and budget plan
- Deny the ordinance

**Proposed Motion:**

Move to approve an ordinance creating the GSF Business Improvement District and appointing an Initial Board of Directors.

An ordinance creating the GSF Business Improvement District and appointing an initial Board of Directors.