



## Legislation Text

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**File #:** 20-312, **Version:** 2

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Approval of the Proposed 2021 Operating Plan and Budget for the Barnes & Powers South Business Improvement District

**Presenter:**

Carl Schueler, Comprehensive Planning Manager

**Summary:**

The Barnes & Powers South 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 2021 Operating Plan and Budget for the BID.

This BID anticipates no significant activities in 2021 other than servicing its remaining debt.

This BID provided a revised version of their 2021 Operating Plan to update paragraph 8.3 which clarifies that the actual mill levy certified for collection in 2020 was less than what was submitted in their 2020 operating plan.

**Background:**

The boundaries of this development-specific BID were established pursuant to an election in 2004. This BID has an elected board comprised of individuals associated with Nor'wood Development Group. The board currently has one vacancy which the District has noted may be filled with an appointment in 2021. The District is authorized to provide the acquisition of improvements, construction of improvements, operation and maintenance of parking facilities, roadways, lighting, driveways, public utilities, and landscaping. With the exception of the small parcel included in 2014, the balance of this District is owned by a single retail use (Costco). The District does not anticipate additional infrastructure work for commercial development in 2021. Barnes & Power North Business Improvement District provides maintenance and operation services on behalf of the District.

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

This BID does not anticipate any major changes or new activities in the coming year.

**Previous Council Action:**

City Council approved creation of this BID in 2004 (Ordinance No. 04-50) and has approved the BID's Operating Plan and Budget annually since its formation. In 2007, City Council approved issuance of \$835,000 in bonds by this BID. A limited additional issuance of \$73,549 was also approved in 2011. In 2014, via Ordinance No. 14-3, Council approved a very small inclusion of property (which was first excluded from the Barnes & Powers North BID), all with the intent of maintaining a property interest of the current board and thereby allowing it to continue administering

this BID.

This item was introduced in a City Council Work Session on October 12, 2020. At the Work Session Council noted that the 2020 budgeted mill levy as was presented in the District's 2020 Operating Plan was actually 21.000 mills, however, the 2020 budget presented in the 2021 Operating Plan indicates 15.000 mills. The District Operating Plan has clarified that when the mill levy was actually certified for collection in 2020, it was certified at the lower amount of 15.000 mills, and therefore the budget document reflects the lower amount.

**Financial Implications:**

The District issued \$835,000 in privately placed Limited Tax General Obligation Bonds, Series 2007 to complete capital improvements in an area that was built by the developer as outlined in the 2007 Operating Plan. These bonds have an interest rate of 6.5% and are currently scheduled to be paid off in approximately 2026. The District also issued its Taxable Subordinate Limited Tax General Obligation Bond, Series 2011 in the aggregate amount of \$73,549. This second issue has been paid off in its entirety. The proposed mill levy for the BID in 2021 is 15.000 mills (1.000 mill for general expenses and 14.000 mills for debt service), this is unchanged from the mill levy certified for 2020. Although it is noted that the mill levy certified for 2020 is different than what was presented in the 2020 operating plan and budget which indicated a mill levy of 21.000 mills for 2020.

The District does not currently have any outstanding developer advances.

The 2021 Operating Plan and Budget project adequate revenues to meet the financial obligations of this BID and to maintain a positive fund balance. As a separate legal entity, the financial activities of the BID are separate from those of the City, and its indebtedness is a responsibility of the property within the BID.

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

The BID Board of Directors recommends City Council's approval of the 2021 Operating Plan and Budget.

**Stakeholder Process:**

N/A

**Alternatives:**

N/A

**Proposed Motion:**

Move to approve the proposed 2021 Operating Plan and Budget for the Barnes & Powers South Business Improvement District.

N/A