



Legislation Text

File #: 19-396, **Version:** 1

A resolution approving a service plan allowing for the creation of the Stadium Metropolitan District.

(Legislative)

Presenter:

Peter Wysocki, Director of Planning and Community Development

Carl Schueler, Planning Manager- Comprehensive Planning, Planning & Development Department

Summary:

This service plan would allow the formation of a Stadium Metropolitan District (“District”) to own, operate and assist with the public financing of a proposed Downtown stadium.

This District will own operate the stadium facility, and directly appurtenant commercial uses. The multifamily residential development that is anticipated as part of this larger mixed use project, will not be included in this District.

This item was discussed by the City Council Budget Committee on August 13 and August 19, 2019, and was introduced to Council at a Work Session on September 9, 2019 with these discussions summarized below.

Background:

This proposed metropolitan district would own and operate the stadium portion of the larger overall mixed-use project that is proposed for this site. The stadium use itself and associated public improvements would not be taxable. However, the ancillary uses (e.g. restaurant and other concessions) would be taxable and potentially subject to a public improvement fee (PIF). The future multi-family and potential other phases of the project may have one or more separate districts proposed for them.

The service plan allows a debt service mill levy cap of up to 50.0 mills (because the uses in this district will be limited to public and commercial activities). The maximum debt authorization for this District would be \$50,000,000. Included in the service plan is a statement that about \$22.5 Million in public improvements (facility) costs are anticipated. The overall costs of the project are anticipated to be approximately \$28,000,000 inclusive of land costs. However not all these costs would be reimbursable, and at this time, the petitioners do not anticipate issuing any debt for initial public improvements. The District would exist primarily as the entity that would own and operate the facility. Further in the future, the District might choose to bond for the developer’s contribution to this project or for capitalized maintenance/refurbishment costs. The initial project costs are expected to be funded by a designated portion of Regional Tourism Act (C4C) dollars combined with a contribution from the participating developer- Weidner Communities. The proportion of project costs funded by Weidner could also be reimbursable by this BID, if revenues were to become available in the future.

The maximum operations and maintenance mill levy will be 15.0 mills, which would be higher than the typical cap as allowed for in the Special District Policy. The petitioners have stated that the potential projected costs of operating and maintaining the facility may require this level of taxation, noting that much of the value of the overall property will not be taxable.

The district will encompass about 5 acres including only the stadium portion of the site.

Pursuant to the Special District Policy, all future district inclusions must be identified and presented with the initial petition and illustrated on Exhibit C-2 to the service plan. The petitioners have not identified any future inclusions and these would appear unlikely given the unique nature and purpose of this District, combined with the stated intention of the petitioners to create separate districts in the future for the mixed use residential development proposed, for the remainder of this site and potentially for other properties in the immediate area,

This service plan contemplates the District providing ongoing operations and maintenance functions including, operating the stadium and appurtenant facilities, parking, maintaining landscaping and common areas, streetscapes, parks and public art. The district also proposes to do covenant enforcement. These operational activities are included in Exhibit D to the service plan.

The elected Board of Directors for this metropolitan district is expected to be comprised of members of the Switchbacks soccer organization.

This property is currently included within the boundaries of the Colorado Springs Downtown Development Authority and would continue to be subject to its capped levy of 5.0 mills. The DDA property tax increment from this property has been effectively transferred to the existing Citygate Urban Renewal Area which has been in existence since 2007 and overlaps the larger site. Urban renewal designation for this parcel would continue until the “25 year clock” runs out. In the future the petitioners may seek to designate a new urban renewal area for the remainder of the property in order to reset the clock for that area.

The property falls outside the boundaries of the Greater Downtown BID.

Included as attachments are a clean copy of the most recent version of the service plan including exhibits, along with a “redline” showing insertions into the Model Service Plan.

Included in the Model Service Plan are findings from Section 32-1-203(2), Colorado Revised Statutes that need to be made in conjunction with approval of the Service Plan. In the case of this petition, a specific case could be made by the petitioners that, in the absence of these districts, the ongoing operations and maintenance of the project would be more challenging, and all of the contemplated public improvement amenities and services would not be provided or available. Although a detailed plan of development has not yet been approved for this site, the proposed uses are generally consistent with the Experience Downtown Master Plan, and are allowable as conditional use in the Downtown Form Based Code.

A draft City Council resolution is included. Also attached are cash flow and revenue projections as requested by the Budget Committee, along with a PowerPoint presentation provided at the August 19, 2019 Budget Committee.

This item was discussed at the August 13 and August 19, 2019 City Council Budget Committee meetings. At the earlier meeting, there was a request to provide additional information on the overall sources and uses of funded for the project. On August 19th, the petitioner provided additional information related to overall costs and revenue projections from various sources. The Budget Committee also asked questions concerning precedents for a District ownership model.

At the September 9, 2019 Work Session where this item was introduced, questions were raised by at least one Council member about the proposed maximum debt authorization of \$50,000,000 in view of his recollection of prior representations to the effect that debt would likely be limited to capital renewal well in the future.

There was also discussion by one Council member that his understanding had been that there would be no public funding for this project. Chief of Staff Greene clarified that the project at this time was being provided no direct General Fund funding.

Previous Council Action:

This would be a new metropolitan district for this area and property. City Council has previously designated this property as part of an urban renewal area, and has entered into agreements related to the Colorado Regional Tourism Act funding that is applicable to this project. Council has also taken prior actions pertaining to the Colorado Springs Downtown Development Authority which also overlies this property. The Greater Downtown BID does not include this property. Council has also previously approved form based zoning for this area, which generally accommodates the anticipated use and improvements, subject to the need for pending conditional zoning approval, approval of right-of-way vacation and FBZ warrants,

This item is expected to be heard by Council at the September 24, 2019 meeting.

Financial Implications:

There are no direct implications to general City taxpayers and ratepayers outside of the boundaries of this District. In this case, the District would be expected to only include one property in public ownership (with potential leases).

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.

The Colorado Springs Downtown Development Authority and the Urban Renewal Authority are aware of this petition.

Alternatives:

City Council has the options of approving or denying this service plan. Council could also approve the service plan with changes.

Proposed Motion: (for September 24, 2019)

Move to approve a resolution of the City of Colorado Springs approving a service plan for the

Stadium Metropolitan District with a maximum debt authorization of \$50,000,000.

N/A