



Legislation Text

File #: 21-741, **Version:** 1

A resolution of the City of Colorado Springs approving a Service Plan for the One Place Metropolitan District Nos. 1, 2, and 3 within Downtown Colorado Springs

(Legislative)

Presenter:

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Summary:

This service plan would allow the formation of the One Place Metropolitan District Nos. 1, 2, and 3 (“Districts”). The primary purpose of the Districts will be to finance the construction of public improvements, and to provide ongoing operations and maintenance services for landscaping, stormwater, recreational, and parking facilities for a proposed Downtown high rise development located at the southwest corner of Vermijo Street and Cascade Avenues.

This development contains both a residential and commercial component, and the three-district structure contains an administrative district (District No. 1), a residential district (District No. 2), and a commercial district (District No. 3).

No deviations from the Special District Policy and model service plan are being requested, although limiting language is being proposed for the Council resolution in order to address the status of the approved development plan for the property, as defined in the service plan.

This item was discussed by the City Council Budget Committee on November 23, 2021. The meeting opened with a general presentation on the southwest downtown development context followed by presentations from City Planning staff and the applicant. Budget Committee discussions are summarized below. The item was then introduced at a Council Work Session on December 13, 2021. There were no requests for additional information or follow-up.

The proposed districts are located within City Council District 3.

Background:

These proposed metropolitan districts would provide public improvements financing and services for the proposed redevelopment known as One Place located in Downtown Colorado Springs east of the U.S. Olympic and Paralympic Museum. The overall proposed district area encompasses about 1.85 acres initially with no designated future inclusion areas identified in this service plan. This would be a consolidated service plan with three districts created—an administrative district (District No. 1), a residential district (District No. 2), and a commercial district (District No. 3). Included as attachments are a clean copy of the service plan including exhibits, along with a “redline” showing insertions into the Model Service Plan.

For the anticipated commercial districts, the service plan allows a Gallagher-adjusted service mill levy cap of up to 50.0 mills, and for the anticipated residential district, the service plan allows a Gallagher-adjusted service mill levy cap of up to 30.0 mills. The maximum Gallagher-adjusted operations and maintenance mill levies for both the commercial and residential districts will be 10.0 mills.

The combined maximum debt authorization for these Districts is proposed to be \$47,000,000 for all three districts. An improvements cost summary has been provided (attached) which estimates that public improvements cost approximately \$35,019,775. In addition to the typical categories such as streets, streetscapes, stormwater, pedestrian facilities, one or more parking structures are also proposed, with the majority of the public improvement's costs associated with the parking facilities. Exhibit D of the service plan authorizes the Districts to perform ongoing operations and maintenance functions for these improvements as well as covenant enforcement. At this point the applicants anticipate that one of the Districts will own and operate most of the parking facilities.

The Special District Policy limits the issuance of debt in the absence of an approved development plan as defined by the service plan. City Planning staff are anticipating the submittal of a Form-Based Zone Development Plan and Final Subdivision Plat either late 2021 or early 2022. At this time, it is anticipated the future application to City Planning staff would illustrate 310 apartments in the southwest structure and 150,000 square feet of office and retail in the northeast structure. The anticipated applications would be reviewed and decided upon administratively. To address City policy and the current lack of an approved development plan, the proposed resolution contains language limiting the taxing and borrowing authority of the Districts until an approved development plan is in place for the proposal. However, it should be noted that the land uses and associated improvements contemplated for these districts are recommended by staff as consistent with PlanCOS, the Experience Downtown Master Plan and the overall intent of the existing FBZ zoning.

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. No future inclusions are identified in this service plan.

Language prohibiting the adoption of an ordinance, resolution, rule, or other regulation that restricts an authorized permittee from carrying a concealed handgun in a building under the control of the Districts has been included.

Colorado State Statutes (Section 32-1-203(2)) require new metropolitan districts and their proposed service plans meet a set of four required criteria. The four required criteria are as follows:

- *There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;*
- *The existing service in the area to be served by the Districts is inadequate for present and projected needs;*
- *The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and*
- *The area to be included in the Districts does have, and will have, the financial ability to*

discharge the proposed indebtedness on a reasonable basis.

Justification for the creation of these metropolitan districts is provided by the petitioners in their submittal letter (attached).

This property is currently included in the boundaries of the Downtown Development Authority (DDA). The DDA mill levy is 5.0 mills. The DDA is also entitled to tax increment financing (TIF) revenues as authorized and applicable. All or a portion of the DDA property tax can be shared back with this project at the discretion of the DDA. When metropolitan districts are created to overlap DDA property, customarily there is an agreement with the DDA such that the metropolitan district tax revenues remain with those districts. In addition to the DDA, the proposed commercial districts are also within the Museum and Park Urban Renewal Authority (URA) area and the Southwest Downtown URA area, whereas the residential district only overlaps with the Southwest Downtown URA area (illustration attached). Cooperation agreements with the Urban Renewal Authority are anticipated following creation of these Districts

These properties are also adjacent to but not included the boundaries of both the Greater Downtown BID, the Park Union BID, and Park Union Metropolitan District Nos. 1 & 2.

This item was discussed by the Budget Committee at the November 23, 2021, meeting, at which time there were also presentations by the City's Economic Development Officer and the applicant. The Budget Committee inquired about the proposed parking facilities-whether the parking facilities would meet the demand and be available for public use. The applicant confirmed the facilities would be available for public use but mentioned the required number of parking stalls was yet to be reviewed by the City Planning Department through a development plan application. There was also discussion on the breakdown of public improvement costs, which will be further clarified for the upcoming Work Session meeting. The Committee inquired about the role and purpose for the administrative District (District No. 1). There was also discussion of an anticipated proposal to remove the residential portion of this property from the Southwest Downtown Colorado Urban Renewal Area and create a new urban renewal area resetting the URA's clock for that part of the project. Lastly, there was a discussion of the impact of the development on public services such as Police and Fire response. Mr. Bob Cope responded stating a fiscal impact analysis would be conducted at a future stage, and that previous fiscal impact reports have projected a positive cumulative cash flow to the city.

Previous Council Action:

These would be new metropolitan districts for this area and property.

Financial Implications:

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

Board/Commission Recommendation:

N/A

Stakeholder Process:

The staff-level Special District Committee has been provided with the materials associated with this

request.

Alternatives:

- Approve the resolution as presented
- Deny the resolution
- Approve the resolution with changes to the service plan

Proposed Motion:

Move to approve a resolution approving a service plan allowing for the creation of the One Place Metropolitan District Nos. 1, 2, and 3.

N/A