



Legislation Text

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Ordinance No. 15-20 amending Ordinance No. 07-15 to redescribe the Colorado Springs Downtown Development Authority so as to include certain additional property.

(Legislative Matter)

From:

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Summary:

This introduces an agenda item to approve a request for inclusion of certain property into the Colorado Springs Downtown Development Authority (“CSDDA”). The property consists of approximately 14 parcels adjacent to the existing CSDDA boundary and located north and south of Pikes Peak Avenue, east of Shook’s Run Park.

Previous Council Action:

The CSDDA was originally established in 2007, following approval by Council of an establishing Ordinance No. 07-15 and November 2006 election. In 2007 City Council adopted the City’s Imagine Downtown Plan as the plan for the CSDDA. City Council annually adopts the budget for the CSDDA and periodically makes appointments to its governing board.

Background:

Downtown Development Authorities (“DDA”) are created and operate under unique statutory authority (C.R.S. § 31-25-801 et seq.) to perform certain activities within the “central business districts” of municipalities. There can only be one DDA in a city. DDAs are authorized to certify a property tax mill levy of no greater than 5.0 mills and to receive tax increment financing (TIF) revenues, if available. DDAs can issue indebtedness if authorized by the municipality. DDAs are separate legal entities from the cities in which they are located; however, budgets and board appointments of DDAs are subject to approval of the governing body of the municipality that created the DDA.

The existing CSDDA covers much of the traditional downtown area as depicted in the attached PowerPoint. The proposed boundary expansion would encompass several additional properties along East Pikes Peak Avenue east of Shook’s Run Park. These properties are controlled by two groups of owners (Nor’wood Development and the Dunn Family, and their affiliates), all of whom have petitioned for their properties to be included in the CSDDA boundary. Properties include the sites of the former Gazette building, the former St. Francis Hospital, and a large vacant property north of Pikes Peak Avenue.

The process of inclusion is codified at C.R.S. § 31-25-822. Under C.R.S. § 31-25-822, the proceedings for inclusion must be initiated by petition to the DDA board signed by the owners of each parcel of land adjacent to the existing DDA boundary. Such petitions were submitted by the landowners to the CSDDA board in November 2014. If the board approves the petitions the board

must submit the petitions to City Council for approval. The CSDDA board approved the petitions by Resolution 01141501 dated January 13, 2015. If City Council approves the petitions it must redescribe the CSDDA boundaries to include the additional properties by amending the ordinance creating the boundary. From the effective date of the amendment, the additional properties are included in the DDA. City Council has the authority to amend a Council ordinance under City Charter section 3-100.

The rationale for inclusion conforms with the purposes enumerated in C.R.S. § 31-25-801 and will be more thoroughly described at the Work Session, but includes the relationship of these properties with downtown and their redevelopment potential, the anticipated integration between these properties and the innovation center being developed just to the west (within the existing CSDDA), as well as the particular importance of the public market being planned for this area.

One aspect to consider is the fact that the adopted plan for the CSDDA is the Imagine Downtown Plan and these properties are not included in that plan. In the future, City Council may want to consider incorporating these properties into the Imagine Downtown Plan in some fashion.

Financial Implications:

The CSDDA currently has no issued debt and none is anticipated at this time. It operates with revenues from its property tax mill levy (5.0 mills) along with tax increment financing (TIF) revenues within its boundaries. In the event development or redevelopment of the subject parcels is successful, substantial but as-yet-undetermined additional TIF revenues could be generated for use within the overall CSDDA for eligible purposes. As “new” tax revenue calculated above the current property tax base, this would not reduce the current tax revenues of the impacted taxing entities (including the general City) but would effectively provide added tax revenue for exclusive use within the CSDDA.

Board/Commission Recommendation:

Approved by the Board of Directors of the CSDDA

Stakeholder Process:

The CSDDA board represents a cross section of downtown stakeholders. They took action by resolution (Resolution 011415-01) to approve the inclusion on January 13, 2015. Prior to its resolution, CSDDA convened meetings of interested stakeholders in late 2014, provided notice all owners of record in the existing CSDDA boundaries, and reached out to selected properties north of the Nor’wood site. As represented by the CSDDA, to date there has been no opposition to this request.

Alternatives:

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

Proposed Motion:

Move approval of the Ordinance amending Ordinance 07-15 to re-describe the boundaries of the Colorado Springs Downtown Development Authority to include the additional properties.

An ordinance amending Ordinance 07-15 to redescribe the boundaries of the Colorado Springs Downtown Development Authority to include additional property.