



## Legislation Text

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**File #:** 20-323, **Version:** 2

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Approval of the Proposed 2021 Operating Plan and Budget for the MW Retail Business Improvement District

**Presenter:**

Carl Schueler, Planning Manager - Comprehensive Planning

**Summary:**

The MW Retail 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.

The Operating Plan and Budget for this BID anticipates a potential issuance of debt in 2021, along with inclusion of a small property.

This BID provided a revised version of their 2021 Operating Plan to update/clarify the following; paragraph 6.2, the District's source of City Council authorized indebtedness; and paragraph 6.6, additional language to clarify a portion of PIF revenue will be pledged for debt repayment and that no debt mill levy will be certified. This BID also revised their 2021 Budget to include a decrease to the bond issuance revenue which aligns the budgeted revenue with the City Council authorized debt for this District.

**Background:**

This District's initial boundaries were established when this BID was created in 2019. This BID is set within the overlying existing Woodmen Heights Metropolitan District No. 3. The BID includes approximately 35 acres, with an additional 1.57-acre parcel proposed for inclusion in the near future. Under State statute, any such inclusions must be approved by separate City Council ordinance.

This BID has a 5-member elected board comprised of individuals associated with this redevelopment project. The board currently has one vacancy which the District has noted may be filled with an appointment in 2021. This BID is responsible for maintenance of the internal improvement associated with the retail center and the Woodmen Heights Metropolitan District No. 3 is responsible for landscaping along Woodmen and Marksheffel Roads. In addition to general administration, ongoing activities of this BID are expected to include covenant enforcement and construction of public improvements in 2021. The District is authorized to exercise all the powers, functions, and duties specified in the Business Improvement District Act.

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

**Previous Council Action:**

City Council originally approved formation of this BID in 2019 (Ordinance No. 19-62).

This item was introduced in a City Council Work Session on October 12, 2020. At the Work Session Council requested clarification on the lack of a planned debt service mill levy for this District. This question was answered during the Work Session, where it was clarified that because the District is overlapped by the Woodmen Heights Metropolitan District No. 3 so they cannot certify a debt mill levy, therefore, the primary source of pledged revenues for the bond issue is expected to be public improvement fee (PIF) revenues.

**Financial Implications:**

Pursuant to the Policy and the initial Operating Plan and Budget, the debt and financial obligations of BIDs do not constitute a financial obligation of the City. The District does not anticipate any debt issuance for the remainder of 2020 but does contemplate a possible issuance in 2021. The District does not plan on certifying a mill levy for 2020 to be collected in 2021.

The District does not currently have any outstanding developer advance balances. The 2021 budget includes \$50,000 in developer advances to fund operation of the BID, and \$10,000,000 for public improvements that is currently budgeted to be repaid in 2021 with bond proceeds. Because this BID is constrained from having a debt service mill levy due to its overlap with the Woodmen Heights Metropolitan District No. 3, the primary source of pledged revenues for any year or subsequent bond issue is expected to be public improvement fee (PIF) revenues. The submitted budget indicates that PIF revenues are not anticipated through the 2021 budget year.

**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 MW Retail Business Improvement District.

N/A