



Legislation Text

File #: 16-00006, **Version:** 3

Ordinance No. 16-18 organizing the Creekwalk Marketplace Business Improvement District and providing for the Election of the Board of Directors.

Presenter:

Carl Schueler, Comprehensive Planning Manager, Planning and Community Development

Summary:

This introduces a request to create a new BID to support redevelopment in the South Nevada area of the City. Formal City Council action on this item would occur beginning on January 26, 2016.

Previous Council Action:

No previous City Council action specific to the formation or consideration of the BID. However, in late 2015 Council approved an urban renewal plan and a municipal sales tax cooperation agreement for the urban renewal area.

Background:

BIDs are created under Colorado Statute and City Policy to finance and/or maintain certain public improvements in non-residential areas, primarily utilizing a property tax mill levy as the revenue source. By law, properties assessed as residential cannot be taxed for BID purposes.

These districts are separate legal entities from the City. However, their formation requires Council approval, and City Council must then annually approve their Operating Plan and Budget. These processes provide an opportunity for City Council to establish limits and parameters for operation to the districts beyond those included in State Statutes. City Council adopted a Special District Policy ("Policy") in 2006. It establishes recommended limits regarding districts including metropolitan districts, BIDs and general improvement districts (GIDs) including mill levy caps. In 2014, Council adopted a standard template for BID operating plans and budgets. Together with state statutes, these documents are used as the standard with which to review new BIDs. It should be noted that the City has not created a new BID since 2008.

Legal publication of this hearing will be required along with mailed notice to any potentially included properties not part of the petition.

Among the powers of BIDs are the powers to enter into contracts, own property, levy property taxes and fees and incur debt (subject to Tabor provisions).

The petitioners desire to create this BID as a mechanism to allow additional options for financing and maintenance of public improvements in the redeveloping South Nevada corridor. The petitioners have identified a 4.13 acre area as their initial boundaries, but have an expectation of including a number of additional properties to the north as these are purchased for redevelopment. These future inclusions are subject to subsequent approval by City Council by ordinance. The initial and potential future BID boundaries are all included in the pending South Nevada Urban Renewal Area, such that

financing plans will be interrelated.

Options for governance for BIDs include City Council serving as the ex officio board of directors, or a Council- appointed board, or an elected board. The petitioners are proposing to have an elected board. This is consistent with the governance structure used for 9 of the 10 existing BIDs in the City. The current exception is the Greater Downtown BID which has a Council appointed board.

Although the petitioners have met the requirement for ownership of 50% or more of both the property and the AV (assessed valuation) within their initial boundaries, there is one proposed included property that is not part of this petition. This is the McDonalds parcel immediately adjacent to Nevada Avenue (1824 South Nevada Avenue). Although this owner has been contacted by the petitioner, as of the date of this staff report, there has been no indication of their interest or position.

The petitioners have provided an Initial 2016 Operating Plan and Budget using the City's adopted model. It stipulates a maximum debt service mill levy cap of 50.0 mills which is allowable by the 2006 Special District Policy for commercial districts. Following the January 11, City Council Work Session regarding this BID, the petitioners have reduced the proposed maximum operational levy from 15.0 mil 10.0 mills, making it consistent with Council's 2006 Special District Policy. To date, the exact nature and extent of improvements to be financed or maintained by this BID has not been specified. If this BID is ultimately created, it would have the option of requesting an increase in their operational mill levy in conjunction with future annual approvals of their Operating Plan and Budget.

Although it will likely be simple and straightforward to include additional properties owned by this developer into this district, it is likely to be more complicated to address equity and other concerns associated with redeveloping property located outside of this BID but potentially benefitting from its financed improvements and maintenance.

This item supports the City's strategic goal relating to building community and collaborative relationships by supporting the public/private partnership steps necessary to achieve the desired reinvestment in the South Nevada corridor.

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. However, the intention of this BID is to have associated agreements with the overlapping urban renewal area allowing it to use its share of future tax increment that would otherwise go to urban renewal.

Board/Commission Recommendation:

The City's staff-level Special District Committee has been provided copies of these materials. All comments received have been in support and/or stated no concerns.

Stakeholder Process:

N/A

Alternatives:

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

Proposed Motion:

Move to approve an Ordinance organizing the Creekwalk Marketplace Business Improvement District and providing for the Election of the Board of Directors.

Approval of an Ordinance Organizing the Creekwalk Marketplace Business Improvement District and Providing for the Election of the Board of Directors.