



Legislation Text

File #: 20-322, **Version:** 2

Approval of the Proposed 2021 Operating Plan and Budget for the Interquest Town Center Business Improvement District

Presenter:

Carl Schueler, Comprehensive Planning Manager

Summary:

The Interquest Town Center 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 issuance of previously authorized debt either late this year or in 2021, along with continuing work on District-funded public improvements.

This BID provided a revised version of their 2021 Operating Plan to clarify/update the following; paragraph 1.D, property and major assets owned by the District; paragraph 6.2, the District's source of City Council authorized indebtedness; paragraph 6.3, the actual mill levy certified for collection in 2020 was less than what was submitted in their 2020 operating plan; and paragraph 6.7, outstanding developer advance balance.

Background:

The initial boundaries of this public improvement BID were established when this BID was created in 2017. The BID includes approximately 19 acres. No additional inclusion or exclusion requests are expected in 2021. Under State statute, any such inclusions must be approved by separate City Council ordinance.

The BID has a 5-member elected board of directors. The District will be primarily concerned with the provision of public improvements and services within the boundaries of the District. The District is authorized to exercise all the powers, functions, and duties specified in the Business Improvement District Act. The District's operating plan indicates District does not currently own any real property.

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

The District anticipates funding the design, installation, or acquisition of additional public improvements during 2021, including street improvements, water and wastewater improvements, and transportation projects.

Previous Council Action:

City Council originally approved formation of this BID in 2017 (Ordinance No. 17-105). On June 14,

2020 Council authorized issuance of Series 2020 bonds by this BID (Resolution 54-20).

This item was introduced in a City Council Work Session on October 12, 2020. At the Work Session Council noted that the 2020 budgeted mill levy as was presented in the District's 2020 Operating Plan was actually 55.000 mills, however, the 2020 budget presented in the 2021 Operating Plan indicates 45.000 mills. The District Operating Plan has clarified that when the mill levy was actually certified for collection in 2020, it was certified at the lower amount of 45.000 mills, and therefore the budget document reflects that.

Financial Implications:

The District has been authorized to issue \$2,860,000 in Limited Tax Supported and Special Revenue Bonds, Series 2020 to fund public improvements, which they anticipate issuing by the end of 2020. The District certified a mill levy for the first time in 2019 for collection in 2020. The proposed total mill levy for the BID in 2021 is 45.000 mills (5.000 mills for operational expenses and 40.000 for debt service). There is no change in the mill levy as compared to what was actually certified in 2020, however, the 2020 budget anticipated a total mill levy of 55.000 mills to be collected in 2020. This BID also levies a public improvement fee (PIF) of 1.5% on the sale of goods and services. For 2021, \$15,500 in PIF revenues are projected.

The District has an outstanding developer advance balance of \$71,382.50, which accrues interest at a rate of 8%. As of December 31, 2019 the accrued interest on the developer advance balance was \$171. The 2021 budget includes a \$55,817 developer advance to fund operating expenditures.

As a separate legal entity, the financial activities of the BID are separate from those of the City. Its financial obligations are specific to the properties included in the BID and do not constitute an obligation of the City.

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 Interquest Town Center Business Improvement District.

N/A