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**Title:** Introduction of the Downtown Development Authority (DDA) Budget, and Business Improvement District (BID) Operating Plans and Budgets for 2017

**Presenter:**  
 Carl Schueler, Planning Manager - Comprehensive Planning  
 Kara Skinner, Chief Financial Officer  
 Peter Wysocki, Planning and Development Director

**Sponsors:**

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**Attachments:** 1. Barnes-Powers North Operating Plan 2017, 2. Barnes-Powers South Operating Plan 2017, 3. Briargate Center Operating Plan 2017, 4. Downtown Development Authority 2017 Budget, 5. Creekwalk Marketplace Operating Plan 2017, 6. First and Main Operating Plan 2017, 7. First and Main 2 Operating Plan 2017, 8. First and Main North Operating Plan 2017, 9. Greater Downtown Operating Plan 2017, 10. Interquest North BID Operating Plan 2017, 11. Interquest South BID Operating Plan 2017, 12. Powers and Woodmen Commercial Operating Plan 2017

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Introduction of the Downtown Development Authority (DDA) Budget, and Business Improvement District (BID) Operating Plans and Budgets for 2017

**Presenter:**

Carl Schueler, Planning Manager - Comprehensive Planning  
 Kara Skinner, Chief Financial Officer  
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**Summary:**

This briefing introduces the submitted budget for the DDA as well as the operating plans and budgets for the City’s eleven (11) BIDs, as required by Colorado Revised Statutes. Separate memos will be presented for action on each of these agenda items as part of the Regular meeting agenda for October 25, 2016. It should be noted that this summary staff report has been prepared prior to complete review of some these documents. Therefore, verbal updates are expected to be provided in association with this Work Session, and these will be documented as part of the October 25, 2016 agenda.

**Previous Council Action:**

Council approves these operating plans and budgets for BIDs and the budget for the DDA annually.

In August 2014, Council adopted a standard form template for BID plans. After first authorizing their creation, Council periodically takes actions concerning these entities related to activities such as debt issuance, governance changes, and boundary adjustments.

**Background:**

The twelve (12) referenced documents are attached for review by City Council.

- Barnes and Powers North BID
- Barnes and Powers South BID
- Briargate Center BID
- Colorado Springs Downtown Development Authority
- Creekwalk Marketplace BID
- First and Main BID
- First and Main No. 2 BID
- First and Main North BID
- Greater Downtown BID
- Interquest North BID
- Interquest South BID
- Powers and Woodmen Commercial BID

Highlights for 2017:

Governance - The DDA and the Downtown BID have City Council-appointed boards of directors with categories of representation identified in their authorizing ordinances. The other ten BIDs are development specific, and have elected boards.

2017 Mill Levies and Fees - In most cases, these entities intend to certify the same property tax mill levies as they did for 2016.

- The Barnes and Powers North BID intends to maintain its debt service mill levy of 49.0 mills in order to meet debt service requirements. This BID has increased its debt service mill levy by 5.0 mills in the past few years. Continuing commercial vacancies in this district have reduced expected assessed valuations. This debt service mill levy will remain below the capped maximum of 50.0 mills.
- Last year, the Briargate Center BID reallocated its levy of 45.0 mills by increasing its operational levy from 8.0 to 16.0 mills and correspondingly reducing its debt service mill levy. Only 29.0 mills were needed to meet current debt obligations. Certification of an operational levy of more than 10.0 mills has implications with respect to City Council's Special District Policy. For 2017, this BID intends to reduce its operational mill levy to 10.0 mills and certify 29.0 mills for debt (for a total of 39.0 mills, as compared with 45.0 this year).
- The Powers and Woodmen BID proposes to decrease its debt service mill levy from 29.261 back to 26.0, having had a one-year increase in 2016 to address a prior abatement.

Boundary Changes - The Greater Downtown BID continues to request approval of a small inclusion of property on South Tejon Street. As first noted in 2015, the Interquest North BID may request exclusion of a parcel if it converts from commercial to residential zoning. The newly created Creekwalk Marketplace BID anticipates inclusion of additional parcels owned or under contract by the developer, as contemplated in the 2016 approval of this BID.

Issuance of Debt - The following entities have stated and intent to issue or refinance formal debt in 2017:

- The Briargate Center BID continues to plan on issuing approximately \$1.2 million in subordinate bonded indebtedness in order to allow at least partial reimbursement of expenses associated with a 2015 capital project that includes substantial site work and the installation of a new traffic signal.

Some of these BIDs are accruing developer advances or reimbursement agreements. These do not constitute formal debt for the purposes of TABOR.

Colorado Springs Downtown Development Authority - The DDA continues to accumulate considerable funds from property tax and tax increment financing (TIF) revenues and proposes to budget these for a variety of programs. Ms. Susan Edmondson of the Downtown Partnership should be available to describe the nature of and approach to these programs in more detail.

Public Improvement Fees (PIFs) - Two of these entities (First and Main No. 2 BID and Interquest North BID) currently have PIFs in place and have issued debt to be repaid with these revenues. The Interquest South BID developers have an existing PIF covenant in place. They may request use of this PIF in association with this BID, at a later time. The newly created Creekwalk Marketplace BID is proposing to use a PIF in conjunction with its anticipated revenue and financing plans

**Financial Implications:**

As separately managed entities and/or budget funds, there are no direct financial implications to general City taxpayers/ratepayers. The benefits/ costs and tax obligations of these entities are applicable to defined areas within their boundaries.

**Board/Commission Recommendation:**

The boards of each of these entities recommend approval of their respective operating plans and/or budgets.

**Stakeholder Process:**

N/A

**Alternatives:**

N/A

**Proposed Motion:**

To be provided with separate agenda items for October 25, 2016.

N/A