



Legislation Details (With Text)

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Title: Approval of the Proposed 2018 Operating Plan and Budget for the First and Main Business Improvement District 2

Presenter:
Carl Schueler, Comprehensive Planning Manager

Sponsors:

Indexes: BID, Operating Plan & Budget

Code sections:

Attachments: 1. 2018 Operating Plan and Budget- First and Main BID No. 2

| Date | Ver. | Action By | Action | Result |
|------------|------|----------------------|----------|--------|
| 10/24/2017 | 1 | City Council | approved | Pass |
| 10/9/2017 | 1 | Council Work Session | referred | |

Approval of the Proposed 2018 Operating Plan and Budget for the First and Main Business Improvement District 2

Presenter:
Carl Schueler, Comprehensive Planning Manager

Summary:
The First and Main Business Improvement District (BID) No. 2 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 2018 Operating Plan and Budget for the BID.

Previous Council Action:
City Council approved creation of this BID in 2008 from within the original boundaries of the First and Main Business Improvement District (Ordinance No. 08-144) and has approved the BID Operating Plan and Budget annually since its formation. Council also approved issuance of the BID's 2009 and 2010 bonds (see below), as well as a minor property inclusion in 2012. In 2014, Council approved an ordinance authorizing this BID to convert from a Council-appointed to an elected board of directors. (This conversion was subsequently formalized via a May 2014 election.) In April 2015, Council authorized this BID to issue an additional \$3,475,000 in privately placed bonds to be used to reimburse the developers of this project for completed public improvements costs, using a combination of property tax and public improvement fee (PIF) revenues.

This item was introduced in a City Council Work Session on October 9, 2017.

Background:

The boundaries of this development-specific BID were established pursuant to an election in 2008. This District's elected board is comprised of individuals associated with Nor'wood Development Group. The District is authorized to provide the acquisition of improvements, construction of improvements, operation and maintenance of parking facilities, roadways, lighting, driveways, public utilities, and landscaping.

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

This BID does not anticipate any major changes or new activities in the coming year.

Financial Implications:

The District issued \$2,400,000 in Limited Tax General Obligation Bonds, Series 2009 to pay for debt services and general operating expenses of the District. In 2010, the BID issued \$2,000,000 in Series 2010 Public Improvement Fee (PIF) Revenue Bonds. Both bonds carry an interest rate of 8.5%. The combined \$3,475,000 in Series 2015 PIF and Limited Tax General Obligation bonds carry an interest rate of 6.75%. The proposed mill levy for the BID in 2018 is 51.000 mills (1.000 mill for general expenses and 50.000 mills for debt service). This will be unchanged from 2017. This BID also levies a public improvement fee (PIF) of \$0.0075 on each \$1.00 of retail transactions. For 2018, \$475,000 in PIF revenues are projected. In 2016 a developer advance of \$10,014,285 was made to this BID. This is associated with the value of prior public improvements.

The budget for this BID projects adequate fund balances and revenues to meet these combined debt service obligations. As a separate legal entity, the financial activities of the BID are separate from those of the City. Any financial obligations are specifically associated with the properties within the BID boundaries and do not constitute an obligation of the City.

Board/Commission Recommendation:

The BID Board of Directors recommends City Council's approval of the 2018 Operating Plan and Budget.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move to approve the proposed 2018 Operating Plan and Budget for the First and Main Business Improvement District No. 2.

N/A