



Legislation Details (With Text)

File #: 17-1091 **Version:** 1 **Name:** First and Main North
Type: Resolution **Status:** Passed
File created: 6/20/2017 **In control:** City Council
On agenda: 10/24/2017 **Final action:** 10/24/2017
Title: Approval of the Proposed 2018 Operating Plan and Budget for the First and Main North Business Improvement District

Presenter:
Carl Schueler, Comprehensive Planning Manager

Sponsors:

Indexes: BID, Operating Plan & Budget

Code sections:

Attachments: 1. 2018 Operating Plan and Budget- First and Main North BID

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 North Business Improvement District

Presenter:
Carl Schueler, Comprehensive Planning Manager

Summary:
The First and Main North 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 2018 Operating Plan and Budget for the BID.

Previous Council Action:
City Council approved formation of this BID in 2004 (Ordinance No. 04-51) and has approved the BID's Operating Plan and Budget annually since its formation.

Background:
The boundaries of this development-specific BID were established pursuant to an election in 2004. This BID has an elected board, which 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.

The Operating Plan and Budget propose a significant change to the mill levy for this BID in 2018 (see

below).

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

Financial Implications:

The District issued \$1,927,000 in Limited Tax General Obligation Bonds, Series 2005 for infrastructure improvements. The bonds financed public improvements which included streets, parking, water lines, and sewer lines, and carry an interest rate of 6.0%. These bonds are privately placed with this developer. Additionally, the developer associated with this BID advanced \$105,000 to the District related to additional public improvements costs.

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 represents an increase of 11.000 mills from the prior year. The BID has indicated that the 2005 bond resolution (which had limited the debt service mill levy to 35.0 mills) has now been revised to allow for the debt service mill levy to increase to and remain at 50.0 mills. The proposed debt service mill levy increase will allow the BID to accelerate current bond payments and accumulate revenues to finance a parking lot reconstruction project (see response from the District below).

“The increase of the mill levy is consistent with City district policy (50 mills for commercial) and will allow the BID to repay its bonds sooner. In addition, the increase will allow the district to fund a major parking lot replacement project that will benefit the business owners/taxpayers of the district.”

As a separate legal entity, the financial activities of the BID are separate from those of the City. Any financial obligations of the BID are specific to the property within its boundaries and do not constitute an obligation of the City. As a separate legal entity, the financial activities of the BID are separate from those of the City. Any financial obligations of the BID are specific to the property within its 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 North Business Improvement District.

N/A