



Legislation Details (With Text)

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Title: Approval of the Proposed 2018 Operating Plan and Budget for the Interquest North Business Improvement District

Presenter:
Carl Schueler, Comprehensive Planning Manager

Sponsors:

Indexes: BID, Operating Plan & Budget

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Attachments: 1. 2018 Operating Plan and Budget- Interquest 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 Interquest North Business Improvement District

Presenter:
Carl Schueler, Comprehensive Planning Manager

Summary:
The Interquest 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. 04-237), along with its 2010 bond issuance (Resolution No. 185-10), and has approved the BID's Budget and Operating Plan annually since its formation.

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

Background:
The BID boundaries were established pursuant to an election in 2004, with an additional property inclusion approved by City Council in 2007. The District's elected board is comprised of individuals associated with Nor'wood Development Group. The District is authorized to provide the acquisition and financing of improvements, construction of improvements, operation and maintenance of parking

facilities, roadways, lighting, driveways, public utilities, and landscaping.

The BID's Operating Plan and Budget project adequate revenues to service the BID's obligations and maintain positive fund balances. The developers also continue to contemplate exclusion of a parcel within this BID that is anticipated to convert from commercial to multifamily uses.

The Operating Plan for this BID proposes a significant change related to an increase in maximum authorized indebtedness from \$13,000,000 to \$25,000,000. When this item was introduced on October 9, 2017, Council asked for justification for the increase and a description of improvements. The following response has been provided:

"Per the submittal documents, the need for the increase arises from the next phase of development commencing. The original \$9.9 million (amended to \$13m) was used to provide the public improvements for the first phase of the project (approx. 50 acres). The \$12m being sought is to provide for the funding of public improvements for the next phase of approx. 50 acres. The need to have this increase is occasioned by the economic reality that the developers need assurance that the public improvement costs will be reimbursed by the BID in order to reasonably proceed with the next phase of development. Absent the increase, the cost of the public improvements will significantly impact the financial viability of proceeding. As per City policy, prior to any actual debt issuances, the District will seek Council review for compliance with policy and the Operating Plan. At that time specific improvements financed will be provided. Generally, the improvements will consist of streets, safety/traffic control, water, sewer, drainage, landscaping and signage as allowed by the BID Act."

With the exception of this change, this BID does not anticipate any major changes or new activities in the coming year.

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 \$6,500,000 in Limited Tax General Obligation Bonds, Series 2010 for public improvements. In 2016, this BID issued an additional \$4,765,000 in Limited Tax General Obligation Bonds. The proposed total mill levy for the BID in 2018 is 51.000 mills (1.000 mill for general expenses, 50.000 mills for debt service). This will effectively reduce the overall mill levy because 6.089 mills were levied in the prior year related to a one-time abatement). The District anticipates receiving \$816,900 in Public Improvement Fees (PIF) during 2018. The amount of this PIF is 1.25% on all retail purchases. These fees are pledged revenue to be used toward the repayment of the Series 2010 Bonds. As a separate legal entity, the financial activities of the BID are separate from those of the City, and its indebtedness is an obligation of the property in the BID and not 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 Interquest North Business Improvement District.

N/A