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Title: A Public Hearing on the Budget for the Colorado Springs Briargate General Improvement District, Colorado Springs, Colorado, for the Calendar Year Beginning on the First Day of January 2020 and Ending on the Last Day of December 2020

Presenter:
Charae McDaniel, Chief Financial Officer

Sponsors:

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Attachments: 1. Briargate GID 2020 Budget, 2. CITYOFCSBRIARGATEGID-Tax-Map

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A Public Hearing on the Budget for the Colorado Springs Briargate General Improvement District, Colorado Springs, Colorado, for the Calendar Year Beginning on the First Day of January 2020 and Ending on the Last Day of December 2020

Presenter:

Charae McDaniel, Chief Financial Officer

Summary:

Council sits as the Board of Directors of the Colorado Springs Briargate General Improvement District (GID). In accordance with State statute, it is necessary for the Board of Directors of the Briargate General Improvement District (GID) to conduct a public hearing and, at its conclusion, to pass resolutions to set and certify the 2019 mill levy, adopt the proposed 2020 budget, and appropriate the funds for the 2020 budget year. Each resolution will be presented separately for a motion by Council as the Board. A copy of the proposed 2020 budget was provided to the Board of Directors on October 8, 2019. A boundary map of this GID is attached for reference.

The attached budget proposes a total appropriation of \$1,631,616 for required debt service payments and related expenditures. This includes an additional principal payment on the bonds of \$1,000,000, for a total principal payment in 2020 of \$1,485,000. This additional payment of \$1,000,000 and the \$2,000,000 additional principal payment made in 2019 will result in a reduction of interest paid for the remainder of the term of approximately \$810,000, with final payment made four years early in December 2026. Sources of funds for the District are property taxes of \$1,393,362, specific ownership taxes of \$163,394, interest income of \$15,000, and an estimated beginning fund balance of \$1,075,336. Property tax revenue is based upon a mill levy of 12.000 mills and preliminary

assessed valuation of \$119,704,610. The 2019 levy of 12.000 mills for taxes payable in 2020 was unchanged from the 2019 budget.

Previous Council Action:

City Council created this GID in 2000 (Ordinance No. 00-127). In 2003, acting as the Board, Council approved the \$8,800,000 in bonds issued for this GID (Ordinance No. 03-214). On October 14, 2014, City Council, acting as the Board, approved the issuance of \$8,960,000 in refunding bonds (Ordinance No. 91-14).

City Council Ordinance No. 91-14 was approved on October 14, 2014 authorizing the issuance of General Obligation Refunding Bonds, Series 2014 (Series 2014 Bonds) in a principal amount of \$8,960,000. The Series 2014 bonds refunded the remaining General Obligation Bonds, Series 2003 (Series 2003 Bonds) in the amount of \$8,640,000, the fund accrued interest on the Series 2003 Bonds from the June 15 interest payment date to the closing date of approximately \$225,120, and funded the costs of issuance.

The Board annually sets and certifies the mill levy, and then adopts the budget and appropriates the funding for the District.

Background:

City Council sits as the Board of Directors for each of the General Improvement Districts and is required to conduct a public hearing, set and certify the mill levy, adopt an annual budget, and appropriate the funding for the district. The date of the public hearing was established by the Board on October 8, 2019, and legal notice was published on November 16, 2019.

The remaining principal balance of the bonds as of December 31, 2020 is projected to be \$3,225,000. Due to the additional principal payment made in 2019 of \$2,000,000 and the additional \$1,000,000 principal payment planned in 2020, the bonds for this District are scheduled to be paid off in December 2026, which is four years earlier than originally anticipated.

Financial Implications:

Since the Colorado Springs Briargate GID is a separate entity, and its indebtedness is not an obligation of the City, there are no direct financial implications for the City of Colorado Springs.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

N/A

N/A