



Legislation Details (With Text)

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Title: Approval of the Proposed 2022 Operating Plan and Budget for the First and Main Business Improvement District

Presenter:
Carl Schueler, Comprehensive Planning Manager

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2022 Operating Plan and Budget - First & Main BID(6212425.1)

Date	Ver.	Action By	Action	Result
10/26/2021	2	City Council	approved	Pass
10/11/2021	1	Council Work Session	referred	

Approval of the Proposed 2022 Operating Plan and Budget for the First and Main Business Improvement District

Presenter:

Carl Schueler, Comprehensive Planning Manager

Summary:

The First and Main 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 2022 Operating Plan and Budget for the BID.

The Operating Plan and Budget for this BID includes no significant anticipated activities or changes other than continuing servicing of outstanding bonds.

Background:

The boundaries of this development-specific BID were established pursuant to an election in 2003 and were modified in 2009. This District's elected board is comprised of individuals associated with Nor'wood Development Group. The board currently has one vacancy which the District has noted may be filled with an appointment in 2022. 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 a format consistent with the standard template approved by Council in August 2014 for these documents.

Previous Council Action:

City Council approved formation of this BID in 2003 (Ordinance No. 03-37) and has approved the BID Operating Plan and Budget annually since its formation. City Council also approved the BID's issuance of its 2009 and 2011 bonds (see below), as well as a boundary modification associated with formation of the First and Main Business Improvement District No. 2 in 2008. 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.

This item was introduced in a City Council Work Session on October 11, 2021. Council had no comments or questions that were uniquely pertinent to this Operating Plan and Budget. This is one of the BIDs that has outstanding debt with an interest rate greater than 7.0%, and for which Council requested additional language pertaining to call dates and consideration of refinancing.

Financial Implications:

The BID issued \$1,650,000 in Limited Tax General Obligation Bonds, Series 2009 for infrastructure improvements. The 2009 bonds carry an interest rate of 8.5% and are subject to optional redemption beginning December 1, 2012 and mandatory redemption on December 1st of each year. As described in the 2021 Operating Plan, the District will annually review the interest rates on its bonds regarding market interest rate and evaluate possibilities to refund such bonds to the extent allowed, pursuant to the bond documents. In 2011, the BID issued a small \$55,816 special revenue bond that has been paid off. The proposed mill levy for the BID in 2022 is 51.000 mills (1.000 mill for general expenses and 50.000 mills for debt service). This mill levy is unchanged from 2021. Fund balances and projected revenues are adequate to meet this District's current financial obligations.

The District does not currently have any outstanding developer advance obligations.

As a separate legal entity, the financial activities of the BID are separate from those of the City and the obligations of the BID are limited to the properties within its boundaries.

City Council Appointed Board/Commission/Committee Recommendation:

The BID Board of Directors recommends City Council's approval of the 2022 Operating Plan and Budget.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move to approve the proposed 2022 Operating Plan and Budget for the First and Main Business Improvement District.

N/A