



Legislation Details (With Text)

File #: 21-404 **Version:** 2 **Name:**
Type: Resolution **Status:** Passed
File created: 6/30/2021 **In control:** City Council
On agenda: 10/26/2021 **Final action:** 10/26/2021
Title: Approval of the Proposed 2022 Operating Plan and Budget for the Powers & Woodmen Commercial Business Improvement District

Presenter:
Carl Schueler, Comprehensive Planning Manager

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2022 Operating Plan and Budget - Powers and Woodmen Commercial BID(6212334.1) Rev 10.6.21

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 Powers & Woodmen Commercial Business Improvement District

Presenter:

Carl Schueler, Comprehensive Planning Manager

Summary:

The Powers & Woodmen Commercial 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 anticipates no changes or major activities for 2022, other than servicing existing debt and an exclusion of property that is currently being developed with multi-family residential uses.

Staff notes that this BID is accumulating significant developer advances, in comparison to outstanding formally issued debt.

This BID provided a revised version of their 2022 Operating Plan to update the date in paragraph 1.C Purposes, to reflect the correct year of 2022.

Background:

The boundaries of this development-specific BID were established pursuant to an election in 2003. The Operating Plan for this BID indicates an expected exclusion of property in that would occur prior

to May 2022 due to the conversion of the property from commercial to multi-family residential. The District anticipates that the property owner will petition to exclude the property from the District as required by statute. Under State statute, any such exclusions must be approved by separate City Council ordinance. This BID has an elected board, comprised of individuals associated with the Nor'wood Development Group. The board currently has one vacancy which the District has noted may be filled with an appointment in 2022. The BID 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 2004 (Ordinance No. 04-52) and has approved the Operating Plan and Budget annually since its formation. City Council also approved the BID's 2010 bond issuance (see below). In 2013, City Council excluded a property from this district based on its conversion to multifamily uses (Ordinance No. 13-15). State statute does not allow BIDs to tax non-commercial property.

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 \$1,850,000 in Limited Tax General Obligation Bonds, Series 2010 for public improvements. These bonds have an interest rate of 8.5% and are subject to optional redemption beginning December 1, 2011. As described in the 2022 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. The proposed mill levy for the BID in 2022 is 26.000 mills (1.000 mill for general expenses and 25.000 mills for debt service). This remains unchanged from the prior year. This BID does not have an associated public improvement fee (PIF) at this time.

The District estimates an outstanding developer advance balance of \$2,204,161 at the end of 2021, which accrues interest at a rate of 7%. As of December 31, 2021, the accrued interest on the developer advance balance is estimated to be \$237,603.

Fund balances and projected revenues are adequate to meet financial obligations. As a separate legal entity, the financial activities of the BID are separate from those of the City. Any financial obligations of this BID are specific to the property included within its boundaries and do not constitute an obligation of the City.

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 Powers & Woodmen Commercial Business Improvement District.

N/A