



Legislation Text

File #: 19-445, **Version:** 2

Approval of the Proposed 2020 Operating Plan and Budget for the SW Downtown Colorado Springs Business Improvement District

Presenter:

Carl Schueler, Comprehensive Planning Manager

Summary:

The SW Downtown Colorado Springs 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 2020 Operating Plan and Budget for the BID.

Previous Council Action:

City Council originally approved formation of this BID in 2017 (Ordinance No. 17-94). On the same date in 2017, Council also approved a service plan allowing creation of Southwest Downtown Metropolitan District Nos. 1 and 2. The developer expects to include properties in the project area into one of these three available districts, as part of a comprehensive approach to public financing and operations and maintenance. Council approved an ordinance to include additional property into this BID on May 14, 2019 (Ordinance No. 19-26).

This item was introduced in a City Council Work Session on October 7, 2019. At this Work Session it was noted that there was a discrepancy between the City Council authorized debt limit of \$105,000,000 and the Board authorized debt limit of \$440,000,000. The revised operating plan clarifies that the maximum debt limit authorized is \$105,000,000.

Background:

The initial boundaries of this BID were established pursuant to an election in 2017 and additional properties were added to the District in 2019. As stated in the Operating Plan, the BID expects to include future additional properties as boundaries are established and additional property owners participate in the District. Under State statute, any such inclusions must be approved by separate City Council ordinance. In some cases, these future inclusions may be specific to separate floors of buildings that are devoted to eligible non-residential uses.

The District has a 5-member board elected by the eligible electors of the District as provided by law. 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.

The District anticipates funding the design, installation, or acquisition of public improvements during 2020 as required to support development within the District.

Financial Implications:

To date the District has not issued any debt, however, they do anticipate the issuance of debt of approximately \$25,000,000 as early as the end of 2019. City Council authorization is required prior to the issuance. The proposed operational mill levy for the BID in 2020 is 25.000 mills (5.000 mill for operational expenses and 20.000 for debt service), this is an increase of 4.000 mills for general expenses as compared to the revised 2019 Operating plan. The proposed 2020 budget includes a developer advance of \$14,917,326 primarily to account for anticipated capital expenditures accrued prior to the availability of bond proceeds for reimbursement. This budget includes \$13,416,488 as partial repayment to the developer for capital project advances.

This District currently does not have a public improvement fee (PIF) in place. However the Operating Plan and Budget allows for, and authorizes a potential future PIF.

As a separate legal entity, the financial activities of the BID are separate from those of the City. Its financial obligations are specific to the properties included in the BID and do not constitute an obligation of the City.

Board/Commission Recommendation:

The BID Board of Directors recommends City Council's approval of the 2020 Operating Plan and Budget.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move to approve the proposed 2020 Operating Plan and Budget for the SW Downtown Colorado Springs Business Improvement District.

N/A