



## Legislation Text

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**File #:** 21-391, **Version:** 2

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Approval of the Proposed 2022 Operating Plan and Budget for the Barnes & Powers North Business Improvement District

**Presenter:**

Carl Schueler, Planning Manager - Comprehensive Planning

**Summary:**

The Barnes & Powers 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 2022 Operating Plan and Budget for the BID.

This BID anticipates no significant activities in 2022 other than servicing its remaining debt.

**Background:**

The boundaries of this development-specific BID were established pursuant to an election in 2004. This BID has an elected board 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 and financing 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 format consistent with the standard template approved by Council in August 2014 for these documents.

**Previous Council Action:**

City Council approved the creation of this BID in 2004 (Ordinance No. 04-49), and has approved the BID Operating Plan and Budget annually since its formation. In 2007, City Council approved issuance of \$4,000,000 in bonded indebtedness to reimburse the developers for eligible public improvements costs. In 2014, Council approved a minor exclusion of property from this District in order to add property to the Barnes & Powers South BID for the purposes of allowing that District to continue to operate with its current board of directors (Ordinance No. 14-4).

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.

**Financial Implications:**

The District issued privately placed \$4,000,000 Limited Tax General Obligation Bonds, Series 2007 to complete capital improvements in an area that was built by the developer as outlined in the 2005 and subsequent Operating Plans. The interest rate on these existing bonds is 6.5%. The proposed mill levy for the BID in 2022 is 50.000 mills (1.000 mill for general expenses and 49.000 mills for debt service), which represents no increase from 2021.

The District has estimated an outstanding developer advance balance of \$199,912 at the end of 2021, which accrues interest at a rate of 7% for operating advances and 8% for capital advances. As of December 31, 2021, the estimated accrued interest on the developer advance balance will be \$55,255. The 2022 budget includes a developer advance repayment of \$20,000 for operating and \$31,250 for capital expenditures.

The Operating Plan and Budget project sufficient revenues to meet the financial obligations of the BID and to maintain positive fund balances. As a separate legal entity, the financial activities of the BID are separate from those of the City. Responsibility for its indebtedness is specific to the property in the BID and is not 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 Barnes & Powers North Business Improvement District.

N/A