Title
An ordinance including certain property into the boundaries of the Interquest North Business Improvement District
(Legislative)

Presenter:
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Summary:
This is a request (Attachment A) for approval of an ordinance to include two (2) parcels, totaling 5.44 acres, into the boundary of the Interquest North Business Improvement District (the "District"). The City received a Petition for the Inclusion of Properties as executed by the owners (Exhibit A). With the City Council hearing date set, the District published the Notice of Inclusion on behalf of the City in The Gazette. The District provided copies of the Notice of Inclusion and the Affidavit of Publication, which are included here. (Exhibit B and Attachment B).

This inclusion will bring additional properties into the District boundaries on behalf of the property owner, DDJ No. 9, LLC. A Conditional Use Development Plan (CUDP-23-0012) associated with the south parcel was approved in April 2024.

The two parcels proposed for inclusion are located in the southwest corner of the District and are sensible additions (Attachment C—Inclusion Boundary Map). The parcels are bounded to the north and east by the District, to the south by Interquest Parkway, and to the west by Interstate 25.

Background:
BIDs are created under Colorado Statute and City Policy to finance and/or maintain certain public improvements in non-residential areas, utilizing a property tax mill levy as their primary revenue source. BIDs are separate legal entities into the City, but their budgets and operating plans must be approved annually by the City.

This BID is mostly developed and very active. It has outstanding debt in the form of its 2010 bonds which carry an interest rate of 8.5% and its 2016 bonds which carry an interest rate of 6.5%. The BID certifies its maximum allowable debt service mill levy of 50.0 mills which is pledged toward the BIDs outstanding debt, along with the proceeds of a 1.25% public improvement fee (PIF). The BID also certifies a levy of 1.0 mill for operational/administrative purposes.

Changing the boundaries of a BID by inclusion of property is governed by C.R.S. 31-25-1220, which requires the property owner to petition the governing body of the municipality in which the BID is located. Upon receipt of a petition for inclusion, notice of the petition must be given in accordance with C.R.S. 31-25-1220. The notice must

inform all persons having objections to the inclusion to appear at a hearing to show cause why the petition should not be granted. If the governing body (City Council) determines that changing the boundaries of the BID as requested by the petition does not adversely affect the BID, the governing body may grant the petition by ordinance. A certified copy of the ordinance is then filed with the County Clerk and Recorder, and the property is then included in the boundaries of the BID.

State Statute (Section 31-25-1220, C.R.S.) requires that the city approve any property inclusions into Business Improvement Districts by ordinance. In accordance with the statutory section cited above, the petition for inclusion has been verified, and arrangements have been made with the City for legal publication.

A final subdivision plat for creating the two parcels and a conditional use development plan (CUDP) have been approved for this property. (Attachments D and F).

In 2007, properties were included in the District, and in 2016 and 2017, certain properties were excluded. The request inclusion was contemplated in the BID's current (2024) Operating Plan and Budget.

Financial Implications:
There should be no direct financial implications for the City for this action. As represented by the District, the inclusion of this property should have a positive effect on the district's financial capability to meet its anticipated future financing obligations.

Board/Commission Recommendation:
Staff and counsel have been provided with copies of these materials. All comments received have been addressed.

Stakeholder Process:
Not applicable.

Previous Council Action:
The BID was established pursuant to Ordinance 04-237 adopted by the Council on October 26, 2004, which approved the initial operating plan and budget ("Operating Plan") for the BID. Additional property was included in this BID in 2007 (Ordinance 07-147). In 2010, the City Council approved Resolution 185-10, which authorized the issuance of $6,500,000 in privately placed bonded debt. On May 24, 2016, the Council authorized the issuance of $4,765,000 in additional privately placed debt by Resolution 54-16. On February 9, 2016, the Council approved an ordinance excluding certain limited property from this BID (Ordinance No. 16-12). An additional 13.151 acres of property were excluded by Council Ordinance No. 17-27 on March 14, 2017,

Since then, this BID's Operating Plan and Budget have been approved annually in accordance with C.R.S. Section 31-25-1211, most recently in October 2024.

This item was heard by Council at Work Session on March 10th, 2025 and had its first reading on March 25th, 2025. Concerns were raised by a citizen and after discussion, The ordinance was approved 8-0 with a request for the applicant to address concerns raised in testimony.
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Alternatives:
The City Council could choose to approve, deny, or modify the proposed ordinance.

Proposed Motion:
Move to adopt an ordinance including certain property into the boundaries of the Interquest North Business Improvement District.