



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: September 17, 2014

SUBJECT: REVISED - Briefing and Post-City Council Briefing Agenda for September 22, 2014

PREPARED BY: J. Brent McFall, City Manager

Please Note: Study Sessions and Post City Council briefings are open to the public, and individuals are welcome to attend and observe. However, these briefings are not intended to be interactive with the audience, as this time is set aside for City Council to receive information, make inquiries, and provide Staff with policy direction.

Looking ahead to Monday night's Briefing and Post-City Council meeting briefing, the following schedule has been prepared:

Business Legacy Awards Reception (<i>heavy hors d' oeuvres to be served</i>)	6:00 P.M.
Council Briefing (<i>The public is welcome to attend.</i>)	6:00 P.M.
POST BRIEFING (<i>The public is welcome to attend.</i>)	

PRESENTATIONS

1. Creation of Business Improvement District at Circle Point

CITY COUNCIL REPORTS

None at this time.

EXECUTIVE SESSION

1. Discussion of Personnel Matter (Presiding Judge's performance evaluation) pursuant to WMC Section 1-11-3 (C)(1) and CRS 24-6-402 (4)(f) (*verbal*)
2. Consultation with the City Attorney concerning potential civil rights litigation pursuant to WMC 1-11-3(C)(3) and (8) and CRS 24-6-402 (4)(b) and (e) (*verbal*)

INFORMATION ONLY

1. Monthly Residential Development Report
2. Overview of City General Improvement Districts

Items may come up between now and Monday night. City Council will be apprised of any changes to the post-briefing schedule.

Respectfully submitted,

J. Brent McFall
City Manager

NOTE: Persons needing an accommodation must notify the City Manager's Office no later than noon the Thursday prior to the scheduled Study Session to allow adequate time to make arrangements. You can call [303-658-2161](tel:303-658-2161) /TTY 711 or State Relay) or write to mbarajas@cityofwestminster.us to make a reasonable accommodation request.



Staff Report

City Council Post Meeting
September 22, 2014



SUBJECT: Creation of Business Improvement District at Circle Point

PREPARED BY: Steve Smithers, Deputy City Manager

Recommended City Council Action

Direct Staff to bring back for official City Council consideration at an upcoming City Council meeting the formation of NBC Business Improvement District.

Summary Statement

City Council authorized the sale of the City's 15.8 acre parcel of land immediately north of the Westminster Promenade to Urban Pacific Multi-Housing, LLC and Pacific West Communities (Urban Pacific) on July 9, 2012.

As part of this agreement the City agreed to pursue exclusion of the land from the NBC Metro District, which the land is a part of. The developer, Urban Pacific, desires this so that the land will not be encumbered by the NBC Metro District's (District) mill levy.

The City has been working cooperatively with the District to achieve this exclusion, which requires a refinancing of the District's debt.

After exploring a number of options working within the existing District's legal authority it has been determined that the most effective way to achieve the exclusion is through the formation of a Business Improvement District.

Staff has thoroughly investigated the pros and cons of this action and believes that it is in the City's interest to proceed with the formation of the NBC Business Improvement District.

Expenditure Required: \$550,000

Source of Funds: Sale of City Land

Policy Issue

Should the City proceed with the formation of the NBC Business Improvement District?

Alternative

City Council could direct Staff to not proceed with the formation of the NBC Business Improvement District and to work with the existing NBC Metro District to achieve the exclusion. This would require significant additional legal and financial work and would likely create a substantial delay in the timing of closing on the City's parcel of land that is being excluded. In addition, this will likely end up being a more costly option. The current closing is scheduled for December 15, 2014 and Urban Pacific's development timing is tied to this date. Staff does not recommend this alternative because it could result in losing this development and the sale of the land.

City Council could direct Staff to complete the land sale with Urban Pacific without excluding the land. This would negate the need for the creation of the Business Improvement District. The purchase and sale agreement with Urban Pacific specifies that the land will be excluded. It is clear from discussions with Urban Pacific that short of a substantial reduction in the sale price for the City land (currently \$4.6 million), they will not move forward with the residential development without exclusion. Staff believes that pursuing the formation of the Business Improvement District is a better option for the City based on the economic and development benefits generated.

Background Information

The City has been in negotiations with a developer, Urban Pacific, for several years to acquire and develop the City property located just northwest of the Westminster Promenade and just south of the Circle Pointe office park (see attached map). Urban Pacific wants to develop this 15.8 acre parcel into 400 + residential apartments.

City Council approved a purchase and sale agreement to sell the City's land to Urban Pacific in 2012. Exclusion of the City parcel from the existing NBC Metro District was part of the land sale agreement. City Council action is being requested on tonight's Council Meeting Agenda to extend the closing date for the land sale to December 15, 2014 in order to provide more time to put together the NBC Business Improvement District formation, which effectively takes the City's land out of the existing district. Staff has been working diligently to get this work completed; however, this is a complex transaction.

The exclusion of the land was negotiated with the NBC Metro District based on the willingness of Urban Pacific and the City to provide replacement revenues to keep the District whole. Urban Pacific and the City have agreed as part of the approved Purchase and Sale agreement to provide \$550,000 each to achieve this purpose. The City preferred to participate in this cost rather than lowering the cost of the land.

The original approach called for the NBC Metro District to refinance its existing debt and in the process exclude the City's land, thereby resolving any potential problems with existing bondholders. Some recent court decisions have complicated this approach, and other options were pursued. Under the proposal being recommended here, a Business Improvement District would be formed to purchase the assets of and replace the existing NBC Metro District. This approach will require an election of eligible electors of the existing District this November. Assuming a successful election, bonds would be issued to purchase the NBC Metro District's assets and debt. The new NBC Business

Improvement District would not include the City's land, eliminating the requirement to pay property tax and other obligations to the District. This would meet the requirements of the City's purchase and sale agreement with Urban Pacific and allow the closing to go forward in December and the residential apartment development to get under construction next spring.

Moving forward with this NBC Business Improvement District formation addressed two Strategic Plan goals: Vibrant and Inclusive Neighborhoods, and a Dynamic and Diverse Economy.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment – Map



DMurray - 09-17-2014 - \\GIS-APPS\GIS-Apps\GISUser\CD\Engineering\dmurray\Projects\Projects 2014\GIS_Maps\Axis_CMO_09_2014

Vicinity Map





Staff Report

Information Only Staff Report
September 22, 2014



SUBJECT: Monthly Residential Development Report

PREPARED BY: Walter G. Patrick, Planner

Summary Statement

This report is for City Council information only and requires no action by City Council.

- The following report updates 2014 residential development activity per subdivision (please see attachment) and compares 2014 year-to-date totals with 2013 year-to-date totals.
The table below shows an increase in new residential construction for 2014 year-to-date totals when compared to 2013 year-to-date totals (26 units in 2014 vs. 22 units in 2013).
Residential development activity for the month of August 2014 versus August 2013 reflects a decrease in single-family detached (0 units in 2014 versus 5 units in 2013), a decrease in single-family attached (0 units in 2014 versus 4 units in 2013) and no change in multiple-family or senior housing (0 units in both years).

NEW RESIDENTIAL UNITS (2013 AND 2014)

Table with columns: UNIT TYPE, AUGUST (2013, 2014), % CHG, YEAR-TO-DATE (2013, 2014), % CHG. Rows include Single-Family Detached, Single-Family Attached, Multiple-Family, Senior Housing, and TOTAL.

Background Information

In August 2014, there were 0 Service Commitments issued for new housing units.

The column labeled “# Rem.” on the attached table shows the number of approved units remaining to be built in each subdivision.

Total numbers in this column will change as new residential projects (awarded Service Commitments in the new residential competitions), Legacy Ridge projects, build-out developments, etc., receive Official Development Plan (ODP) approval and are added to the list. Conversely, projects with expired service commitments are removed from the list.

This report supports the City Council Strategic Plan goals of Vibrant & Inclusive Neighborhoods and Beautiful, Desirable, Environmentally Responsible City.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment – Active Residential Development Table

ACTIVE RESIDENTIAL DEVELOPMENT

Single-Family Detached Projects:

Bradburn (120th & Tennyson)
 CedarBridge (111th & Bryant)
 Country Club Highlands (120th & Zuni)
 Countryside Vista (105th & Simms)
 Huntington Trails (144th & Huron)
 Hyland Village (96th & Sheridan)
 Legacy Ridge West (104th & Leg. Ridge Pky.)
 Lexington (140th & Huron)
 Various Infill
 Winters Property (111th & Wads. Blvd.)
 Winters Property South (110th & Wads. Blvd.)

SUBTOTAL

Jul-14	Aug-14	2013 YTD	2014 YTD	# Rem.*	2013 TOTAL
0	0	3	0	0	6
0	0	0	0	3	0
2	0	5	14	56	8
0	0	0	0	9	0
1	0	4	3	20	10
0	0	0	0	105	0
0	0	1	0	0	1
0	0	0	0	2	1
0	0	5	1	7	7
0	0	0	0	8	0
0	0	0	0	10	0
3	0	18	18	220	33

Single-Family Attached Projects:

Alpine Vista (88th & Lowell)
 Cottonwood Village (88th & Federal)
 East Bradburn (120th & Lowell)
 Hollypark (96th & Federal)
 Hyland Village (96th & Sheridan)
 Legacy Village (113th & Sheridan)
 South Westminster (East Bay)
 Shoenberg Farms
 Summit Pointe (W. of Zuni at 82nd Pl.)
 Sunstream (93rd & Lark Bunting)

SUBTOTAL

0	0	0	0	84	0
0	0	0	0	62	0
0	0	0	0	117	0
0	0	0	0	58	0
0	0	0	0	153	0
0	0	4	0	30	24
0	0	0	0	53	0
0	0	0	0	8	0
0	0	0	0	58	0
2	0	0	8	2	4
2	0	4	8	625	28

Multiple-Family Projects:

Hyland Village (96th & Sheridan)
 Orchard at Westminster
 Prospector's Point (87th & Decatur)
 South Westminster (East Bay)
 South Westminster (Harris Park Sites I-IV)

SUBTOTAL

0	0	0	0	54	0
0	0	0	0	194	200
0	0	0	0	24	0
0	0	0	0	28	0
0	0	0	0	6	0
0	0	0	0	306	200

Senior Housing Projects:

Crystal Lakes (San Marino)
 Mandalay Gardens (Anthem)

SUBTOTAL

0	0	0	0	7	0
0	0	0	0	0	60
0	0	0	0	7	60

TOTAL (all housing types)

5 0 22 26 1158 321

* This column refers to the number of approved units remaining to be built in each subdivision.



WESTMINSTER

Staff Report

Information Only Staff Report
September 22, 2014



SUBJECT: Overview of City General Improvement Districts

PREPARED BY: Barb Dolan, Sales Tax Manager
Karen Creager, Special Districts Accountant

Summary Statement

This report is for City Council information only and requires no action by City Council.

Background Information

On October 13th, as required by Colorado Revised Statutes (C.R.S.) Title 29, Article 1, Part 1, Staff will present the budgets of the City's General Improvement Districts (GIDs) to the respective Boards for approval. The purpose of this staff report is to familiarize City Council (Council) with the City's GIDs and the GID budget process.

GIDs are established by municipalities pursuant to C.R.S. Title 31, Article 25, Part 6 specifically at the request of the property owners in the area. These districts, having the purposes and powers provided in the statute, must serve a public use and promote the health, safety, prosperity, security, and general welfare of the inhabitants of said districts. District is defined in C.R.S. §31-25-602 as "...an improvement district that is a taxing unit and that may be created by any municipality in this state for the purpose of acquiring, constructing, installing, operating, or maintaining any public improvement or for the purpose of providing any service so long as the municipality that forms the district is authorized to perform such service or provide such improvement under the municipality's home rule charter, if any, or the laws of this state...".

There are currently seven GIDs within the City, for all of which Council serves as the Board of Directors:

- City of Westminster 136th Avenue General Improvement District
- City of Westminster 144th Avenue General Improvement District
- City of Westminster Amherst General Improvement District
- City of Westminster Mandalay Town Center General Improvement District
- Westminster Orchard Park Place North General Improvement District
- City of Westminster Promenade Parking General Improvement District
- City of Westminster Sheridan Crossing General Improvement District

While GIDs are separate legal entities from the City, they are considered blended component units and their activities are included in the City’s Comprehensive Annual Financial Report (CAFR). The Governmental Accounting Standards Board Statements identify component units as legally separate entities for which the City is considered to be financially accountable. Financial accountability means that the City appoints a voting majority to the governing board and has the ability to impose its will upon the entity and/or accepts potential responsibility for the entities financial benefits and burdens. Component units that meet the inclusion criteria are either discreetly presented or blended in the City’s CAFR. Discrete presentation entails reporting component unit financial data in a separate column from the primary government to emphasize their legal separateness from the City. Blended component units are, in substance, part of City operations. Therefore data from these units are combined with the City’s data. Individual fund statements for these blended component units are audited as part of the City but are not individually published outside the City’s CAFR. The City’s component units are all blended and all have a December 31 year end.

A description of the purpose and general activities of each GID is listed below.

City of Westminster Amherst GID (Adams County)

This GID was established on September 26, 1988 with the primary purpose of maintaining landscaped rights-of-way, open space and drainage areas within the GID. In creating the GID, a Development Agreement (Agreement) was executed between the City, the GID and Melody Homes establishing the GID’s principal revenue source to be income from an ad-valorem property tax levy of no greater than 5 mills.

Staff prepares an annual budget for the costs associated with providing the services described in the Agreement. All costs are financed by the property tax levy.

City of Westminster Sheridan Crossing GID (Adams County)

This GID was established on September 9, 1996 with the primary purpose of operating and maintaining storm drainage improvements and maintenance of all necessary incidental and appurtenant properties and facilities within the GID. Ross Investments developed the Sheridan Crossing Shopping Center at the southeast corner of 120th Avenue and Sheridan Boulevard. Ross made significant modifications to the existing drainage area on the south side of 120th Avenue within the public right-of-way. Ross met resistance from prospective tenants to pass on the long term maintenance costs of the area as part of "common area" maintenance expenditures. However, these same tenants were not adverse to a property tax increase to pay for the expenditures for maintenance of the area. Therefore, on November 5, 1996 an election was held with the property owners in the GID approving a ballot initiative that included the following:

- 1) Approved the creation of the GID;
- 2) Approved a mill levy not to exceed 12 mills; and
- 3) Authorized the GID to collect and spend all taxes and other revenues received without regard to any expenditure revenue raising or other limitation contained under the TABOR Amendment or the laws of the State of Colorado.

Staff prepares an annual budget for the costs associated with the maintenance of the improvements. All costs are financed by the property tax levy.

City of Westminster 136th Avenue GID (Adams County)

This GID was established on August 14, 2000 with the primary purpose of financing a new interchange at 136th Avenue and Interstate 25. Subsequently, on November 7, 2000 an election was held with the property owners in the GID approving a ballot initiative that included the following:

- 1) Authorized the GID to issue \$11,000,000 of debt;
- 2) Approved a mill levy not to exceed 15 mills for debt repayment, which must end in 2021 or when the aggregate collections of principal equal \$11,000,000, whichever occurs later;
- 3) Approved a mill levy, not to exceed 1 mill as is necessary to generate up to \$10,000 annually for general operating expenditures; and
- 4) Authorized the GID to collect, keep and spend all revenues it receives as a voter approved revenue change under the TABOR Amendment.

On December 4, 2002, the City issued Sales Tax Revenue Bonds to finance the City’s portion of a joint construction project with the City of Thornton for an interchange to be constructed at I-25 and 136th Avenue. Then, on January 26, 2004, Council approved the Westminster Economic Development Authority (WEDA) North Huron Urban Renewal Area (URA) to encourage and support the redevelopment of properties within its boundaries. The 136th Avenue GID lies within the North Huron URA area. Because the URA captures all sales and property tax increment within its boundaries, an intergovernmental cooperation agreement (ICA) between WEDA, the City and the GID was necessary to release to the City all related property tax revenues generated by the GID’s mill levy. These revenues may then be applied by the City towards debt service for the interchange construction, as originally contemplated in the financing plan for the interchange project.

Pursuant to the ICA, the WEDA budget includes an estimate of the amount of incremental property tax related to the GID mill levy that will be released to the GID. Additionally, the 136th Avenue GID budget includes an amount to be sent to the City to assist with the repayment of the debt issued for the construction of the interchange.

City of Westminster Promenade Parking GID (Jefferson County)

This GID was established on August 14, 2000 with the primary purpose of financing, operating and maintaining a parking garage within the GID. Subsequently on November 7, 2000 an election was held with the property owners in the GID approving a ballot initiative that included the following:

- 1) Approved \$100,000 annually for expenditures of the GID, provided by a mill levy not to exceed 5.5 mills;
- 2) Authorized debt of \$9,885,000 to finance the costs of constructing a parking facility and related costs with an unlimited mill levy;
- 3) Authorized refunding of the GID’s debt in the amount of \$10,500,000 with an unlimited mill levy; and
- 4) Authorized the GID to collect and spend all taxes and other revenues received without regard to any expenditure, revenue raising or other limitation contained within the TABOR Amendment or the laws of the State of Colorado.

On May 15, 2001, the GID entered into an agreement with the City of Westminster, Inland Pacific Colorado, LLC and Westminster Promenade Development Company, LLC (WPDC) that facilitates the completion of the Promenade Parking Facility, sets forth each party’s obligations and outlines the repayment of the construction costs to the City and WPDC through the District’s mill levy. Although the ballot language allows for an unlimited mill levy for debt, the agreement sets the District’s total mill levy not to exceed 32 mills unless approved by WPDC.

Development of the parking garage stalled when the economy weakened. The assessed valuation for the GID over the last several years generates on average only \$160 in property tax revenue. This revenue is used to pay the County property tax collection fee and the City administrative service fee. However, Staff believes that it is important to keep the GID in place to be able to address the parking demand that might be created by the alternative uses being considered in the Promenade area.

City of Westminster Mandalay Town Center GID (Jefferson County)

This GID was established on September 8, 2003 with the primary purpose of financing a portion of the costs of street improvements and other necessary and related appurtenance facilities within the GID. Subsequently, on November 4, 2003, an election was held with the property owners in the GID approving a ballot initiative that included the following:

- 1) Approved a mill levy not to exceed 35 mills to pay the annual expenses of the GID, and
- 2) Authorized the GID to collect, keep, and spend all revenues it receives as a voter approved revenue change under the TABOR Amendment.

On March 17, 2003, prior to the establishment of the GID, Council approved the WEDA Mandalay Gardens URA to support the redevelopment of properties within its boundaries. The Mandalay Town Center GID lies within the Mandalay Gardens URA. Staff held discussions with Council regarding adding a GID as a method to finance some costs without an added burden on the tax increment financing area. It was determined that the GID provided the ability to raise property taxes in this area to facilitate additional public improvements while ensuring that the area remained competitive with respect to tax levies. The project’s developer, Red Development agreed to the formation of the GID.

Staff was then directed by Council to pursue the establishment of a general improvement district to assure that property benefiting from the construction of the development would participate in paying any debt incurred for the development. Hence, the creation of the Mandalay Town Center GID.

In consideration of WEDA constructing public improvements for the benefit of the GID’s property owners and the furtherance of WEDA’s redevelopment goals, an ICA between WEDA and the GID was adopted. The ICA set forth the obligation of the GID to pay certain revenues to WEDA to assist in the payment of debt service on the bonds issued by WEDA to construct the improvements. As part of the budget process each year, the Mandalay Town Center GID budget includes an amount to be sent to WEDA to assist with the repayment this debt.

City of Westminster 144th Avenue GID (Adams County)

This GID was established on August 30, 2004 with the primary purpose of paying debt associated with public improvements within or without the GID. Subsequently, on November 2, 2004 an election was held with the property owners in the GID approving a ballot initiative that included the following:

- 1) Approved a mill levy, not to exceed 20 mills, to pay for annual operating expenditures of the GID;
- 2) Approved an unlimited mill levy to repay up to \$20,000,000 of debt incurred to finance improvements in the GID; and
- 3) Authorized the GID to collect, keep and spend all revenues it receives as a voter approved revenue change under the TABOR Amendment.

During 2004, as part of the City’s continued effort to accomplish the development of the project at 144th Avenue and Huron Streets in northern Westminster, now known as The Orchard, Staff addressed with Council the policy issues surrounding the formation of a General Improvement District co-terminus

with the Urban Renewal Area. Similar to the Mandalay Gardens URA, these discussions included adding a GID as a method to finance some costs without an added burden on the tax increment financing area. It was determined that the GID provided the ability to raise property taxes in this area to facilitate additional public improvements while insuring that the area remained competitive with respect to tax levies. The project’s developer, Forest City agreed to the formation of the GID.

Staff was then directed by Council to pursue the establishment of a general improvement district to assure that property benefiting from the construction of the development would participate in paying any debt incurred for the development. Hence, the creation of the 144th Avenue GID.

As previously discussed above, Council created the North Huron URA to encourage and support the redevelopment of properties within its boundaries, which include the 144th Avenue GID. Because the URA captures all sales and property tax increment within its boundaries, an ICA between the City, WEDA, and the GID was required to formalize the City’s agreement to undertake the construction of the public improvements; to establish how project funds would be paid to vendors; and to establish how the revenues of the City, WEDA and the GID would be shared to finance the debt issued to construct the improvements. This ICA was entered into on October 10, 2005 and accomplished the following:

- The City agreed to enter into one or more contracts for the construction of the improvements;
- The City agreed to pay for the portion of the cost of the improvements that relates to the North Huron Project that are constructed outside of the boundaries of the North Huron URA;
- WEDA agreed to pay for the cost of that portion of the North Huron Project improvements located within the URA; and
- The GID agreed to levy annually a property tax mill levy not to exceed 20 mills and to remit to the City that portion of the property tax revenue that it collects.

The City’s financing arm, the Westminster Building Authority, issued Certificates of Participation in 2005 for the construction of the east side of the interchange at I-25 and 144th Avenue, which benefits the GID. As part of the budget process each year, the 144th Avenue GID budget includes an estimated amount of property tax generated by the mill levy to be sent to the City to assist with the repayment this debt.

Westminster Orchard Park Place North GID (Adams County)

This GID was established on September 14, 2009 with the primary purpose of financing the repayment of cost recoveries associated with the Orchard View Development within the GID. Subsequently on November 3, 2009 an election was held with the property owners in the GID approving a ballot initiative that included the following:

- 1) Approved a mill levy not to exceed 3 mills to pay the annual expenses to operate and maintain capital improvements and to administer the GID;
- 2) Approved a mill levy not to exceed 10 mills to pay the GID debt for the recoveries; and
- 3) Authorized the GID to collect, keep, and spend all revenues it receives as a voter approved revenue change under the TABOR Amendment.

As previously discussed above, Council created the North Huron URA to encourage and support redevelopment of properties within its boundaries. As part of this redevelopment, Council approved an economic development agreement on April 14, 2008 between the City, WEDA, Centura Health Corporation (Centura) and AZG Westminster, LLC (AZG), collectively the “Parties” for the Orchard

View development. The primary purpose of the EDA was to secure the Centura Health Corporation’s planned 40 acre medical complex at the southwest corner of I-25 and 144th Avenue. The Orchard View development is approximately 56 acres with over \$8.4 million of cost recoveries and assessments due. As part of the EDA negotiations, the Parties intended to establish public financing districts to assist in financing the public improvements for the development of the Orchard View Property. The Orchard Park Place North GID, one of the intended districts, was established to provide a mechanism to finance a portion of the recoveries, or \$4,154,549. A 10 mill levy will be certified until the recovery principal amount plus 6% annual interest are paid. An additional three mill levy will be certified indefinitely to compensate the City for maintenance of the new public infrastructure and administrative services.

Because the Orchard Park Place North GID lies within the North Huron URA Area and the URA captures all sales and property tax increment within its boundaries, an ICA between WEDA, the City and the GID was necessary to release to the City all related property tax revenues generated by the GID’s mill levy. These revenues may then be applied by the City towards the recoveries and maintenance costs as originally contemplated in the development plan for the Orchard View development. Pursuant to the ICA, the WEDA budget includes an estimate of the amount of incremental property tax related to the GID mill levy that will be released to the GID. Additionally, the Orchard Park Place North GID budget includes an amount to be sent to the City for payment of items described above.

Intergovernmental service agreements (IGSA)

None of the GIDs listed above employ their own professional staff. In an effort to contain costs, the GIDs utilize the expertise of City staff to provide various necessary administrative services. These services include but are not limited to, legal (provided no conflict of interest exists between the City and the GID), accounting, management and clerical. The GID benefits by having the City provide these services, as the services would be more costly if outsourced. In consideration of the City providing such services, each GID has entered into an IGSA to formalize the arrangement for services to be provided and the annual payment due to the City for such services. Each individual GID includes the amount allocated for these services in their annual budget.

Contract and administrative authority

In practice, the GIDs have followed various City policies and procedures with respect to their operations. In order to formalize that practice, a resolution for each GID adopting the City’s various policies and procedures will be presented the Board for approval on October 13, 2014.

Budget process

The GIDs are required to adhere to Local Government Budget Law of Colorado as outlined in C.R.S. Title 29, Article 1, Part 1. Each local government must adopt an annual budget that presents a complete financial plan and must contain the following:

- 1) All proposed expenditures for administration, operations, maintenance, debt service, and capital projects;
- 2) Anticipated revenues for the budget year;
- 3) Estimated beginning and ending fund balances;
- 4) The corresponding actual figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year, including disclosure of all beginning and ending fund balances, consistent with the basis of accounting use to prepare the budget;
- 5) A written budget message describing the important features of the proposed budget, including a statement of the budgetary basis of accounting used and a description of the services to be delivered during the budget year; and

- 6) Explanatory schedules or statements classifying the expenditures by object and the revenues by source.

Additionally, the Statute requires a balanced budget where expenditures may not exceed revenues and beginning fund balances. There are specific disclosure requirements for lease-purchase agreements, which do not currently apply to any of the City’s component unit GIDs.

A proposed budget must be presented annually to the Board of each GID no later than October 15. A public hearing is also required for adoption of each annual budget. If the Board fails to adopt a budget prior to certifying a mill levy or by December 31 of the current year, then ninety percent of the amounts appropriated in the current fiscal year for operation and maintenance expenses are deemed reappropriated for the purposes specified in the last appropriation resolution.




In August of each year the respective County issues a preliminary property tax assessed valuation for each GID. A final certification of value is issued in early December. Then, each GID must certify a mill levy with the respective County by December 15th. Due to the short time frame between receiving the final certification and the mill levy certification deadline, Staff prepares each proposed budget using the preliminary assessed valuation received in August. This is included in the budget that is presented to the Board for adoption prior to October 15. The agenda for the budget appropriation also includes an action setting the GID’s mill levy. Each GID’s primary source of revenue is property tax, which is dependent upon the assessed valuation for the GID. Even small fluctuations in assessed valuation from year to year in assessed valuation can have a significant impact on the GID’s revenue stream. Therefore, the GID’s budget is adopted annually as opposed to bi-annually.

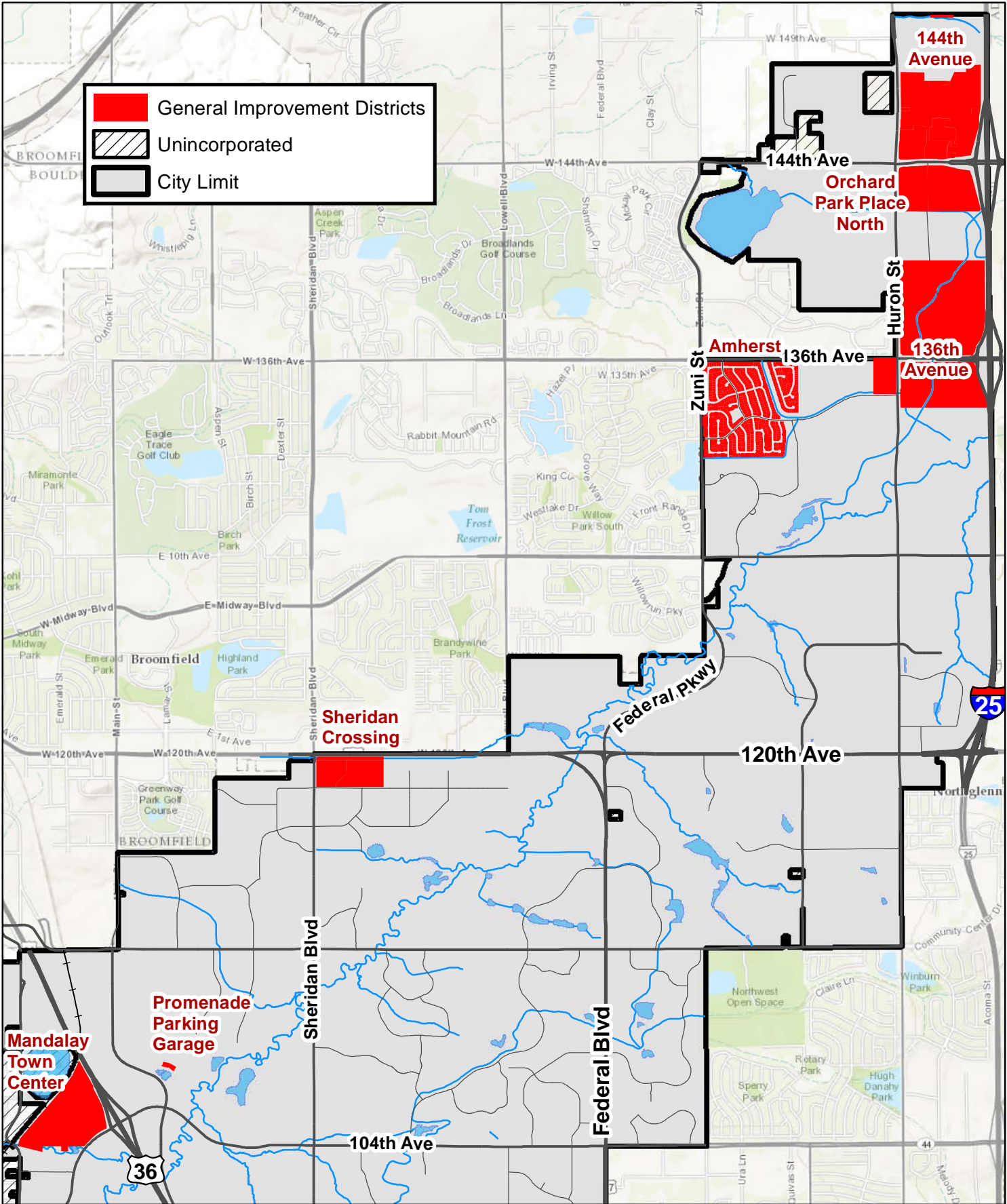
In accordance with the Local Government Budget Law, the budgets for each of the City’s general improvement districts along with a proposed action establishing the mill levy will be presented to the respective Board for approval on October 13, 2014.

Reviewing the GID budget process supports the Strategic Plan goals of Visionary Leadership and Effective Governance; Vibrant & Inclusive Neighborhoods; Dynamic, Diverse Economy; and Excellence in City Services. These goals are met by ensuring a balanced budget where revenues are appropriated to expenditure accounts so the funds can be utilized as the Districts intended.

Respectfully submitted,

J. Brent McFall
City Manager

	General Improvement Districts
	Unincorporated
	City Limit



General Improvement Districts

City of Westminister

