

LFM Business Improvement District

Longmont Fairgrounds Project

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FAIRGROUNDS MARKETPLACE

S Hover Road & Fairgrounds Parkway, Longmont, CO



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Need for District Financing Support

- Commercial and retail project with community investment of over \$100,000,000
- Typical project of this size has public improvement costs of approximately \$3 - \$4 million
- Due to extraordinary public infrastructure costs and land dedication required for the site and surrounding area – estimated public improvement costs are in excess of \$7 million
- Project requires 3+ acre for roadway plus additional 3 acres for regional detention primarily to serve other developments (combined = 30% of property)
- Competitive retail environment requires capital costs to be as efficient as possible – COVID leasing and “Amazon” effect
- Private capital is limited and very expensive for retail projects

BID v. Metropolitan District

	TITLE 32	Improvement Districts
	SPECIAL DISTRICTS	BID (municipal)
PERMITTED IMPROVEMENTS	Streets, water, sewer, storm, drainage, parks and recreation, traffic control, fire, transportation, mosquito control and television relay and transmission	Streets, sidewalks, curbs, pedestrian malls, landscaping, statuaries, fountains, bike paths, benches, and public meeting facilities and business and economic powers
POWERS		
Condemn property	Yes ¹	No
Operate facilities	Yes	Yes
Levy ad valorem taxes	Yes	Yes
Assess costs	No	Yes
Charge rates, tolls, charges	Yes	Yes

¹Special Districts can condemn property within and without their boundaries; however, they have no power to condemn water rights.

	TITLE 32	Improvement Districts
	SPECIAL DISTRICTS	BID (municipal)
Issue bonds: GO Revenue Special assessment	Yes Yes No	Yes Yes Yes
Levy sales tax	No	No
FORMATION		
<u>Electors (voters)</u>	Any resident or property owner who is registered to vote in CO	Property owners, lease holders or individual designated by corporate entity – registered to vote in CO
Resolution/Ordinance (of governing body)	Yes – service plan is approved by City and approval at election	Yes – formed by ordinance approval of Operating Plan and organization
Governing Board	Governed by elected Board of 5-7 members	Four alternatives – common and requested is elected Board



Benefits of BID

- BID is comprised ONLY of commercially assessed property – residential is prohibited by statute
- BID voters are commercial entities or property owners and a very limited number (only property owner or lessee) – little to no impact on City general elections
- Annual Operating Plan and budget filing required by statute – update the City on status and actions – enhanced oversight and opportunity for City and public review
- Created to encourage commercial investment in the City
- Lower cost of financing public improvements

Process

- Petition is filed with City (completed)
- Study session/discussion regarding BID
- Adoption of ordinance forming the BID – first and second reading
- Election in November – TABOR authorization for bonds and election of the BID board