

CITY COUNCIL COMMUNICATION



MEETING DATE: October 25, 2022

ITEM NUMBER: 9.H

SECOND READING:

{{customfields.ResoOrdNumber}}

TYPE OF ITEM: Consent

PRESENTED BY:

Tony Chacon, Redevelopment, tony.chacon@longmontcolorado.gov

SUBJECT/AGENDA TITLE:

A Resolution Of The Longmont City Council Conditionally Approving The LFM Business Improvement District's 2023 Operating Plan And Draft Budget

EXECUTIVE SUMMARY:

The City Council approved creation of the LFM Business Improvement District (BID) in September 2020 upon petition by the property owners. The BID serves as an independent governing body that has the ability to generate funds, issue debt, and provide services to businesses within the boundaries of the District. Pursuant to state law, the BID is required to submit an operating plan and budget for council approval on an annual basis. Accordingly, the BID has formally submitted its 2023 Operating Plan and proposed budget for City Council approval. Attached is the proposed operating plan, budget and approving resolution for City Council consideration.

COUNCIL OPTIONS:

1. Approve Resolution approving the 2023 operating plan and budget as presented
2. Do not approve the 2023 operating plan and budget

RECOMMENDED OPTIONS:

Approve Resolution

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

None to City of Longmont

BACKGROUND AND ISSUE ANALYSIS:

In 2016, Longmont Fairgrounds Partners LLC (Developer) purchased a tract of land situated on the west side of Hover Street several hundred feet south of Rogers Road and immediately north of the Home Depot store. The developer intends to develop about 16 acres of the site for commercial use including the possibility of an office building, a small retail center and commercial pads, and a hotel. In September 2020, the City Council approved the creation of the BID covering an area as shown in Attachment A. On November 3, 2020 the BID held elections seating a board of

directors, and setting the mill levy and debt limits. The current mill levy imposed by the BID is 50 mills.

The BID is required to submit an operating plan and proposed budget for City Council approval on an annual basis. The operating plan or budget is to list the services or improvements to be provided by the district, the taxes, fees, or assessments to be imposed by the district, the estimated principal amount of bonds to be issued by the district, and such additional information as the municipality may require.

The BID's proposed 2023 operating plan and budget, as provided for in Attachment B, has been submitted for City Council consideration and approval. The operating plan caps the debt limit at \$12 million and anticipates the BID issuing the debt in 2023 to be utilized in conjunction with site improvements. The operating plan further sets the mill levy at 50 mills for debt service, general operations, and administrative expenses due to ongoing operations and maintenance to be undertaken by the BID. The proposed 2023 budget is \$91,123 which is considerably higher than \$54,285 budgeted in 2022. The increase in the 2023 budget is a product of carry-forward funds from 2022. The proposed expenditures are associated with general operating cost, with most of the increase from the previous year reflected in contingency. There is no expenditure associated with any debt payment as the BID has yet to issue any debt.

The proposed budget, as submitted for City Council approval, has yet to be acted on by the BID board, and will not be done so until such time as it is in receipt of certification of valuation by the county in December. City Council's approval of the budget is conditioned on there being no substantive change to the budget as presented. Any substantive or material change would require the BID to resubmit the budget to the City Council for approval. Any unapproved material departure from the operating plan and the budget, as originally approved or amended from time to time, may be enjoined by an order of the City.

ATTACHMENTS:

Attachment A: Boundary map of BID

Attachment B: Resolution

Attachment C: Proposed 2023 LFM Operating Plan & Budget