



Public Money & Public Demands: Part I

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SIDs, GIDs, BIDs, LIDS, PIDs, URAs, DDAs, Metropolitan District and Other Financing Tools

- Overview of available financing tools for development projects
 - Municipal
 - County
 - Both Municipal and County
 - Private
- Preparation for afternoon breakout sessions
 - Greenfield versus Brownfield
 - Scope and Type of Improvements and Community Amenities
 - Initial Construction
 - Ongoing Operation and Maintenance
 - Repair and Replacement
 - Necessary Services
 - Who Controls? Who Bears Risks/Burdens?

PUBLIC FINANCE MECHANISMS – MUNICIPAL

	Special Improvement District (SID) Sections 31-25-501, et seq., C.R.S.
Permitted Uses of Revenues	Streets, street lighting, sidewalks, water mains, sewers and sewer disposal works, heating and cooling mains, energy efficiency, renewable energy.
Sources of Revenue	Special assessments.
Debt power	Revenue Bonds, Special Assessment Bonds.
Condemnation	No.
Operate/maintain facilities	No.
How initiated?	<u>Initiate</u> : Owner petition or city/town. <u>Create</u> : Municipal ordinance or resolution.
Election requirements?	<u>Organize</u> : No. <u>Debt</u> : Yes.
Who votes? Governance?	<u>Vote</u> : Individual owners; entity designees. <u>Govern</u> : City/Town Council.

PUBLIC FINANCE MECHANISMS – MUNICIPAL

	General Improvement District (GID) Sections 31-25-601, et seq., C.R.S.
Permitted Uses of Revenues	Any public improvement except electric light or gas systems and solid waste disposal facilities.
Sources of Revenue	Property taxes and, if SID, special assessments, and fees and charges.
Debt power	General Obligation Bonds, Revenue Bonds, Special Assessment Bonds.
Condemnation	Yes.
Operate/maintain facilities	Yes.
How initiated?	<u>Initiate</u> : Owner petition or city/town. <u>Create</u> : Municipal ordinance or resolution, unless < 100% owners petition and election required.
Election requirements?	<u>Organize</u> : No, if 100% owners petition; yes, if < 100%. <u>Property Tax</u> : Yes. <u>Debt</u> : Yes.
Who votes? Governance?	<u>Vote</u> : Individual owners; entity designees. <u>Govern</u> : City/Town Council.

PUBLIC FINANCE MECHANISMS – MUNICIPAL

	Business Improvement District (BID) Sections 31-25-1201, et seq., C.R.S.
Permitted Uses of Revenues	Streets, sidewalks, curbs, pedestrian malls, landscaping, statuary, fountains, bike paths, benches, public meeting facilities, business and economic development.
Sources of Revenue	Property taxes, special assessments, fees and charges.
Debt power	General Obligation Bonds, Revenue Bonds, Special Assessment Bonds.
Condemnation	No.
Operate/maintain facilities	Yes.
How initiated?	<u>Initiate</u> : Owner petition. <u>Create</u> : Municipal ordinance.
Election requirements?	<u>Organize</u> : No, <u>Property Tax</u> : Yes. <u>Debt</u> : Yes.
Who votes? Governance?	<u>Vote</u> : Individual owners; entity designees. <u>Govern</u> : City/Town Council; appointed Board; URA/GID/DDA Board; elected Board.

PUBLIC FINANCE MECHANISMS – MUNICIPAL

	Urban Renewal Authority (URA) Sections 31-25-101, et seq., C.R.S.
Permitted Uses of Revenues	Any urban renewal project, activity or undertaking that remedies blight, including but not limited to any public or private improvement, dry utilities, educational facilities, relocate businesses and persons, repair or rehabilitate buildings.
Sources of Revenue	Sales tax increment, property tax increment – 25-year term.
Debt power	General Obligation Bonds, Revenue Bonds.
Condemnation	Yes
Operate/maintain facilities	Yes
How initiated?	<u>Initiate</u> : URA Board or governing body commissions blight study and plan for plan area; finding of 4 blight factors (or 1 if no objection). <u>Create</u> : Municipal resolution/ordinance approving plan.
Election requirements?	<u>Organize</u> : No. <u>Debt</u> : No.
Who votes? Governance?	<u>Vote</u> : N/A. <u>Govern</u> : 13-member Board (10 appointed by mayor, 1 county, 1 special district, 1 school district); or City/Town Council plus 3 representatives.

PUBLIC FINANCE MECHANISMS – MUNICIPAL

	Downtown Development Authority (DDA) Sections 31-25-801, et seq., C.R.S.
Permitted Uses of Revenues	Any activity in furtherance of the Plan of Development including, but not limited to, any public or private improvement, repair or rehabilitate buildings.
Sources of Revenue	Sales tax increment, property tax increment – 30-year term, fees and charges, city-imposed property tax up to maximum of 5 mills and/or special assessments.
Debt power	General Obligation Bonds, Revenue Bonds.
Condemnation	No
Operate/maintain facilities	Yes
How initiated?	<u>Initiate</u> : Municipal finding of need for Plan of Development, but no blight study or blight finding required. <u>Create</u> : Municipal ordinance calling election and resolution approving plan of development.
Election requirements?	<u>Organize</u> : Yes. <u>Debt</u> : Yes.
Who votes? Governance?	<u>Vote</u> : Residents, owners and lessees (includes designees of entities) <u>Govern</u> : 5 to 11-member Board appointed.

PUBLIC FINANCE MECHANISMS – COUNTY

	Local Improvement District (LID) Sections 30-20-601, et seq., C.R.S.
Permitted Uses of Revenues	Streets, street lighting, drainage, sidewalks, water and sewer transmittal facilities
Sources of Revenue	Special assessments, sales tax
Debt power	Revenue Bonds, Special Assessment Bonds
Condemnation	No
Operate/maintain facilities	No
How organized?	<u>Initiate</u> : Owner petition or city/town. <u>Create</u> : Ordinance of Board of County Commissioners.
Election requirements?	<u>Organize</u> : No. <u>Sales Tax</u> : Yes. <u>Debt</u> : Yes.
Who votes? Governance?	<u>Vote</u> : Individual owners; entity designees. <u>Govern</u> : Board of County Commissioners or appointed by BOCC.

PUBLIC FINANCE MECHANISMS – COUNTY

	Public Improvement District (PID) Sections 30-20-501, et seq., C.R.S.
Permitted Uses of Revenues	Any public improvement except electric light or gas systems and solid waste disposal facilities
Sources of Revenue	Property taxes, sales tax (if LID), fees and charges
Debt power	General Obligation Bonds, Revenue Bonds, Special Assessment Bonds
Condemnation	Yes
Operate/maintain facilities	Yes
How organized?	<u>Initiate</u> : Owner petition or city/town. <u>Create</u> : Resolution of Board of County Commissioners.
Election requirements?	<u>Organize</u> : No. <u>Property Tax</u> : Yes. <u>Debt</u> : Yes.
Who votes? Governance?	<u>Vote</u> : Individual owners; entity designees. <u>Govern</u> : Board of County Commissioners or appointed by BOCC.

MUNICIPAL OR COUNTY	
	Special/Metropolitan District Sections 32-1-101, et seq., C.R.S.
Permitted Uses of Revenues	Streets, water, sewer, storm drainage, parks and recreation, traffic control, fire, transportation, mosquito control, television relay and transmission, limited business incentive power, covenant enforcement
Sources of Revenue	Property taxes, special assessments (if SID for renewable energy/efficiency), fees and charges, excise tax on unprocessed marijuana (if in County)
Debt power	General Obligation Bonds, Revenue Bonds, Special Assessment Bonds
Condemnation	Yes, but often limited by municipality
Operate/maintain facilities	Yes
How organized?	<u>Initiate</u> : Owner petition and Service Plan submittal. <u>Create</u> : Municipal ordinance or resolution approving SP; election; Court Order.
Election requirements?	<u>Organize</u> : Yes. <u>Property Tax</u> : Yes. <u>Debt</u> : Yes.
Who votes? Governance?	<u>Vote</u> : Individual residents and owners (includes qualified by contract). <u>Govern</u> : 5-7 member elected Board.

PUBLIC FINANCE MECHANISMS – OTHER

	Revenue or Cost-Sharing IGAs
General Description	State constitution and statutes authorize entities of state and local governments to contract with one another to share costs and/or revenues to perform any function each are authorized to perform.
Examples	<ul style="list-style-type: none">• Tax-sharing and/or fee waivers or rebates to fund specific improvements• Reimbursements for oversized or regional improvements that benefit other properties• Agreement to share costs of specific, often regional, improvements.
Potential Limitations and Challenges	<ul style="list-style-type: none">• Generally subject to annual budget and appropriation.• Must be crafted to avoid TABOR problems.

PUBLIC FINANCE MECHANISMS – OTHER

	Public Improvement Fees (PIF)
General Description	Privately imposed by covenants and, typically, operate like sales tax; may be in addition to (Add-On PIF) or in lieu of (Credit PIF) municipal sales tax.
Examples	<ul style="list-style-type: none">• Any improvement or service as long as it benefits the burdened property (i.e., “touch and concern” test).• Add-On PIF – pay development costs that are not eligible for payment by governmental entities.• Often pledged to metropolitan district bonds.
Potential Limitations and Challenges	<ul style="list-style-type: none">• Credit PIF – limited to those costs that can be paid for with sales tax revenues.• Collection and enforcement.

PUBLIC FINANCE MECHANISMS – OTHER

	Miscellaneous
General Description	<ul style="list-style-type: none">• Authorities.• Federal, state and local government grants and loans.• Owners' associations.
Examples	<ul style="list-style-type: none">• Aurora Regional Improvement Authorities to fund regional transportation improvements.• Denver Union Station – federal transportation grants and loans.• State grants and low interest loans for water and sanitation projects.• Owner Association operation and maintenance of improvements in projects that do not have adequate sources of funding for this purpose.
Potential Limitations and Challenges	<ul style="list-style-type: none">• These sources are very project specific.

Questions?