

AGENDA

**WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY
SPECIAL MEETING**

MONDAY, NOVEMBER 23, 2015

AT 7:00 P.M.

1. Roll Call

2. Public Hearings and New Business

A. Resolution No. 165 re Petition for Inclusion into the City of Westminster Downtown GID

3. Adjournment

WEDA Agenda Item 2 A

Agenda Memorandum

Westminster Economic Development Authority Meeting
November 23, 2015



SUBJECT: Resolution No. 165 for Authorization of WEDA's Executive Director to Petition for Inclusion WEDA-owned property at the Downtown Westminster site into the City of Westminster Downtown General Improvement District.

Prepared By: David Frankel, City Attorney

Recommended Board Action

Adopt Resolution No. 165 authorizing WEDA's Executive Director to Petition for Inclusion WEDA-owned property at the Downtown Westminster site into the City of Westminster Downtown General Improvement District.

Summary Statement

- General Improvement Districts (GIDs) are a financing tool utilized to help fund improvements and operational costs within certain developments to ensure financial sustainability.
- Under a GID structure, a property tax mill levy is assessed on owners within the GID boundaries as they are the primary beneficiaries of public improvements, such as streets, lights, parks, parking improvements, etc. to be built and maintained for the benefit of the users.
- The City of Westminster Downtown GID was established on August 24, 2015, and a mill levy not to exceed 50 mills was approved at the November 3, 2015 election.
- Including the WEDA-owned property at the Downtown Westminster site into the GID would facilitate funding of improvements and services for the new Downtown.
- To authorize its Executive Director to execute a Petition for Inclusion of the WEDA-owned property at the Downtown Westminster site, WEDA needs to formally adopt a resolution. Once the Petition is signed, the next procedural step is to have the GID Board receive the Petition. The GID Board has an item following this one on tonight's agenda.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Should the WEDA Board authorize its Executive Director to file a Petition for Inclusion into the City of Westminster Downtown GID?

Alternative

Do not authorize WEDA's Executive Director to file a Petition for Inclusion. This is not recommended for the following reasons:

- a. The Petition for Inclusion would place WEDA's property into a GID - a revenue generating district, which will defray City capital improvement and operational costs associated with public infrastructure within the Downtown Westminster boundaries.
- b. Property owners within the boundaries of the proposed GID directly benefit from the City's investment of public improvements and the GID is a prudent financing tool to ensure the owners are paying for the capital and maintenance costs of public improvements within the district.

Background Information

The City currently has seven GIDs, such as the Mandalay Gardens and 144th Avenue GIDs, which provide a prudent stable revenue stream to fund public infrastructure costs within specific development boundaries. The revenue derived from the GIDs offsets the expenses associated with constructing and maintaining the public improvements. The mill levy level assessed on the property owners within the district is derived on market research of comparable developments as a means to provide competitive overlapping tax level so as not to overburden the owners with a high level of taxes.

Staff recommends a GID mill levy for Downtown Westminster be set at 50 mills. This levy produces an overall millage of approximately 130 mills for property owners, which is a little above the current average of 123 mills of comparable GIDs researched by Staff. It should be noted that the current mill levy applied in Downtown Westminster is the lowest level on the survey and the proposed 50 mill GID rate results in a total rate well below the highest rate in the survey applied at Broomfield's Arista development. The Arista mill levy is just over 173 mills.

The 50 mill assessment rate for the Downtown GID is based on the estimated capital costs totaling \$60 million at build-out for public improvements as well as the estimated annual cost to provide operations and maintenance on the proposed improvements, which Staff estimates will exceed \$3 million annually. At build-out, the total estimated commercial and residential assessed value is approximately \$113 million resulting in projected revenues of \$5.88 million to provide funding for both capital expenditure and annual operation and maintenance costs. Phase I of the project will produce revenues in the neighborhood of \$500,000. It should be noted that this estimate is subject to change given the dynamics of the uncertainty of the development timeline and final property composition; however, it is a reasonable estimate based on the long-term vision and master plan of Downtown Westminster.

The action requested in this agenda memorandum relates to the City's Strategic Plan goal of Visionary Leadership, Effective Governance and Proactive Regional Collaboration and to a Financially Sustainable Government Providing Excellence in City Services by creating a governmental entity to oversee the ongoing needs to fund a financially sustainable Downtown Westminster development.

Respectfully submitted,

Donald M. Tripp
Executive Director

Attachment - Resolution

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION

RESOLUTION NO. **165**

INTRODUCED BY COMMISSIONERS

SERIES OF 2015

WHEREAS, the Westminster Economic Development Authority (WEDA) is the owner of 100.098 acres of land at the Downtown Westminster site; and

WHEREAS, the City of Westminster Downtown General Improvement District was established on August 24, 2015 to fund improvements and services; and

WHEREAS, WEDA desires to include all of its property at the Downtown Westminster site into the City of Westminster Downtown General Improvement District.

NOW, THEREFORE, the Board of Commissioners hereby resolves:

The Executive Director of WEDA, Donald M. Tripp, is directed and authorized to execute a Petition for Inclusion of the 100.098 acres of WEDA-owned land at the Downtown Westminster site into the City of Westminster Downtown General Improvement District.

PASSED AND ADOPTED this 23rd day of November, 2015.

Chair

ATTEST:

Secretary

Approved as to form:

Attorney for WEDA