

# Summary Notes

## Special District Working Group June 3, 2022, 1:30 p.m.

**Location:** City Administration Building, Room 102, 30 South Nevada Ave., Colorado Springs, Colorado

Meeting started formally at about 1:35 p.m.

Attendees (In person or on Teams): The following Working Group members were not in attendance:

Sara Vaas

Clarrisa Thomas

Russ Dykstra\*

Carrie Bartow\*

Wayne Williams arrived late due to a PPRTA meeting

\*Mr. Dykstra and Ms. Bartow e-mailed staff immediately prior to this meeting indicating they were resigning from the Working Group in response to the letter provided by Mr. Hoiles' attorney earlier in the day.

Also: Peter Wysocki, Mike Tassi, Carl Schueler, Elena Lobato, Jacqueline Rowland (City Auditor's Office), Lisa Bigelow (Maverick Observer, Lauren Gallup from Tuscan Village Metropolitan District, George Smith - BLR 5 Metropolitan District, Steve Langer- BLR 5 Metropolitan District, Rebecca Greenberg, City Attorney's Office. Elena Lobato, Page Saulsbury, Dave Talbot, Tuscan Village.

*Note: Organization of these summary notes may not always follow the exacted chronological progression of the meeting*

### **1) Summary Notes from May 6, 2022, Meeting-** Carl Schueler

There were no comments on these draft minutes, other than a note that the date was incorrect. An updated status summary was also provided.

Earlier in the day, Carl had forwarded two documents from the Hoiles Group. The first included comments on the current draft of the policy the second was a letter provided by Mr. Ian Spear of Nussbaum Spear Gleason PLLC on behalf of Mr. Hoiles.

### **2) Draft Special District Policy**

A brief staff memo was provided in advance of the meeting along with a draft of the Policy with limited redlines as well as a clean version. Carl noted that the same approach was used for the four documents

(Policy and the three model plans). Working Group members agreed to work from the redline versions for this meeting.

It was also agreed that Mr. Hoiles and Ms. Bigelow would introduce their comments at appropriate junctures during the front to back discussion of the Policy red line.

During the meeting, there were some complications tracking with the various versions of documents.

### Policy Draft

- The first major topic of conversation with section F.4 regarding overlapping districts. After some discussion, it was determined is this language could best be deleted and the topic could be covered on a case-by-case basis if circumstances of having “legacy” districts were to come up.
- On section G.4, there was discussion of called dates for related party privately placed debt. In the absence of Mr. Dykstra it was determined to leave this language in for now. However, the topic has to do with one district having pledged it's mill levy to the debt of another district, and Mr. Dykstra believes it is unworkable to require all districts to have a formal role in these call provisions. Staff raised the concern that the issuing district which would include parties holding the debt, could decide to not pay attention to the one or more districts also obligated o to support the debt. Change “all” to “the”. There was concurrence on the 5-year call date, with work to continue on the pledging district topic.
- On H.3(12) it was agreed that “small” was too subjective, and that the language could be modified to “solely for the purpose of”. Also, “structure” should not be capitalized.
- On H.3(13) “is discouraged, and” can be deleted.
- H.3 (14) was discussed, and there was concurrence to leave it in and open for now. Staff should suggest ideas for a transition short of allowing for early majority control.
- H.4 (15) - Here it was noted that the term “Land Use Entitlement” is being used in place of “Approved Development Plan”. Overall language in this section was left open, with the note that Carl understands that Mr. Dykstra could be concerned if developer advances had to be postponed until after these approvals are in place. There was direction to verify whether an otherwise eligible cost could be incurred prior to entitlement, but then not “booked” as part of a reimbursement agreement until the entitlements were in place. Mr. Stimple also asked whether interest could be backdated.
- Define “long term obligation”

### **3) Model Plans**

Carl described the approach to these model plans which was similar to that for the Policy, with staff presenting from the red line versions. The Working Group started with the single district model service plan, noting that for the multiple district plan, distinctions primarily related to “pluralizing” except for certain language addressing aspects of multiple district structures including transitions related topics around operating board structures.

- For renumbered V.F in the single (and also multiple) district model service plans there we direction to eliminate the language on specific 18% interest rates or 3% or 5% maximum underwriting discounts, and simply refer to “at or below the market rate”.

- Hunter original exhibit E, Mr. Williams suggested using round numbers as in \$400,000 rather than \$250,000 in order to make scaling less complicated
- For I.C in the multiple district model there was a question as to why the term of IGAs should be limited to no more than 40 years.

Staff generally highlighted the most recent approach to disclosure and reporting, again noting the focus on web sites and the addition of a requirement for BIDs to have and web sites.

There was also discussion around the additional authorities BIDs have versus commercial metropolitan districts (e.g. marketing, signage and façade improvements) , as well as the annual nature of Council approval of BID operating plans.

On these 2 model plans and the BID model. Carl noted a few of Ms. Bigelow's prior comments had also been addressed offline.

#### **4) Next Steps and Announcements**

Add approximately this point in the meeting, Mr. Stimple reported that Ms. Bartow and Mr. Dykstra had resigned from the Working Group, related to It concerns with the letter provided by Mr. Hoile's attorney.

Carl reported that the next and presumably last meeting is scheduled for June 17th, and he would expect we have updated drafts provided well in advance of that meeting. The Council Work Session on the Policy update is still anticipated to be on June 27, 2022. However, Peter noted set this schedule is still to be determined.

The meeting concluded at approximately 3:10 p.m.