

# *Colorado Springs Cottonwood General Improvement District (GID) Dissolution*

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## *Background and History*

If you received a notice pertaining to dissolution of the Cottonwood General Improvement District (GID), our records indicate your property is included within its boundaries. This GID was created in 1985 and originally issued bonds in a principal amount of \$7,900,000 to pay for major public improvements associated with the original the Nor'wood development. These bonds have been paid off and property taxes are no longer collected for this purpose. Therefore, there is no further purpose and need for this GID. State law requires a formal action by the City in order to dissolve it.

## *Frequently Asked Questions (FAQs)*

**Q:** Why did I get this notice?

**A:** Colorado Revised Statutes § 31-25-625 require that notice be mailed to all property owners in a general improvement district prior to the district being dissolved.

**Q:** What is a general improvement district (GID)?

**A:** A GID is a separate legal entity created and organized under Colorado Revised Statutes § 31-25-601 *et. seq.* for the purpose of financing public improvements. GIDs have the authority to levy property taxes and incur debt, typically in the form of bond issues. A City Council (in this case, the Colorado Springs City Council) functions as the board of directors for a GID, by convening separately.

**Q:** Why is this GID being proposed for dissolution?

**A:** This GID has met all of its financial obligations and, from the perspective of City Council, has no remaining useful purpose. It was originally set up to reimburse developers of Nor'wood development for major public improvements ( e.g. major arterial roadways). This development is more or less complete, and the original developers area no longer involved.

**Q:** What impact will this have on my taxes?

**A:** There will be no change to your current tax bill related to this GID because this GID has already stopped levying any property taxes as it no longer has any outstanding debt obligations. From about the year 1985 to 2014, a property tax of 7.0 mills was levied on properties within this GID in order to meet debt obligations.

**Q:** What will happen if this GID is not dissolved?

**A:** There would effectively be limited or no impact on property owners, because this GID would technically continue to exist but would be entirely inactive. The City would have some limited reporting obligations, which would be eliminated once GID is dissolved. For property owners, having a formal recorded dissolution could make future property transactions less complicated. If not dissolved, the properties would continue to appear as being included in this GID, and this might add some complication to real estate transactions.

**Q:** Are there any reasons to keep this GID around?

**A:** No, from the City's perspective, the only possible reason to keep this GID around would be to theoretically use it for some other future public financing purpose, such as for the financing of new or refurbished public improvements in the Nor'wood area. However, this GID is not particularly useful or viable as an option because its geography probably would not be a good match for future needs. Moreover, under TABOR (Taxpayer's Bill of Rights), any re-imposition of taxes would require a majority vote of the impacted electors. If there were ever and interest in a new financing district, the City and any other interested parties would start from the beginning with a full public process.

**Q:** My property is located in the Nor'wood Special Improvement Maintenance District (SIMD). Is there any relationship with that district and this action?

**A:** No, if your property is included in both that SIMD and this GID, the SIMD will continue to exist and assess taxes for the purpose of ongoing maintenance of landscaping, fencing and entry features along major roadways in part of the Nor'wood area.

**Q:** Who can I contact if I have additional questions or want to provide comments?

**A:** Carl Schueler, AICP, Planning Manager- Comprehensive Planning  
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