

# Descriptions and Parameters for Use and Content of Special District Submittal Items

*Last updated- 9/29/19 working staff copy*

## A. Application/ Petition Form

- Should be submitted with all initial petitions and applications; contents self-explanatory in form
  - Form will include boxes to check for type of application and applicable fee
    - Include an “other” category
  - Contact info for:
    - Applicant/petitioner
    - Representative if applicable
    - Property owner(s) if applicable
  - Checkboxes for items included with submittal

## B. Application Fee

- Payable to “City of Colorado Springs” and provided to the City Clerk, 30 S. Nevada Ave., Colorado Springs (applicable fees to be included within application form)

## C. Cover/transmittal Letter

- To be provided with all petitions and applications, but customized for the type of request and any unique conditions or circumstances and any requested waivers or exceptions.
- Always summarize the application or petition and confirm authorized representation, if applicable
- Address the following additional information as applicable, for these specific petition or application types:

### **New Title 32 Metropolitan Districts**

- Identify and provide justification for any modifications from the Model Service Plans and/or Special District Policy
- Describe and provide an explanation for any inclusion area properties identified in Exhibit C-2
- Describe and provide an explanation for any ongoing operations and maintenance function listed in Exhibit D (other than routine administrative functions)

### **Amended Title 32 Metropolitan District Service Plans**

- Above information as applicable, and
- Summarize and justify all substantive proposed changes

### **New Business Improvement District (BID)**

- Identify and provide justification for any substantive variations from the standard Operating Plan and Budget.

### **Off-cycle Amendment of BID Operating Plan and Budget**

- Explain the reasoning for the off-cycle amendment

### **Ordinance to Include or Exclude BID property**

- Summarize and describe the property or properties being petitioned for inclusion or exclusion.
  - Indicate whether the action was anticipated in the most recent Operating Plan and Budget, and if not, explain the reasoning.
  - Attach a map of the properties petitioned for inclusion or exclusion depicting their proximity to current district boundaries.
- Provide a justification for the requested action consistent with the criteria in State statute.
- Specifically address any fiscal impacts the action may have, including the ongoing ability of the BID to meet current financial obligations, and impacts to the proportionality of obligations and benefits from BID-funded public improvements.

### **Council Authorization to Issue Special District Debt**

- Describe and summarize the type, amount and purpose of the debt requested to be issued, as well as the revenues that will be pledged to service it.
  - Summarize any prior issued debt, and the relationship of that debt to this issuance
  - Verify/confirm that with this issuance, the aggregate outstanding principal amount of the total debt will remain at or below the applicable Council-approved maximum debt limitations
  - Describe provisions for calling/refunding the debt prior to issuance
- Describe and provide justification for any waivers or deviations from the Special District Policy and/or the approved service plan or most recent approved BID Operating Plan and Budget.

### **Temporary Appointments to Vacant Board Seats**

- Describe the circumstances that led to the need for temporary appointments, along with the pertinent statutory citations
- List the names of the proposed appointees
  - Provide resumes of these individuals as a separate attachment
- Describe the terms of these appointees prior to the next expected election

D. Redline Version Using Model Service Plan

- For new and amended and restated metropolitan district service plans, a redline from the applicable Model Service Plan highlighting all insertions into or changes from those documents

E. Clean Version of Service Plan

- For new and amended and restated metropolitan district service plans, a clean blackline copy of the proposed service as anticipated be approved, including all applicable exhibits.

F. Separate and Limited Service Plan Amendment

- A short stand-alone document used in the case of a limited proposed amendment to an existing metropolitan district clearly identifying all changes from the original service plan and to be attached as an exhibit to separate approving resolution.

G. Clean Blackline Version of BID Operating Plan and Budget

- For requests for ordinances to approve new BIDs, the petitioner should provide a single clean blackline version of their proposed Operating Plan and Budget, based on the City Council-approved standard from document with no need for a redline version. However, any anticipated material variations from the standard format and content should be highlighted in the accompanying transmittal letter. It is also important to have maps for Exhibits C-1 and C-2 that clearly identify and depict these properties.

H. Redline Version of Current BID Operating Plan and Budget- Highlighting Proposed Modifications

- For amendments to BID Operating Plans and Budgets, that are proposed after initial BID approval and outside of the normal annual approval cycle, the applicant should highlight proposed changes to the previously approved document in redline format, either as complete redlined document or including only those pages with proposed changes.

I. Clean Blackline Version of Amended BID Operating Plan and Budget

- Clean replacement version an BID Operating Plan and Budget as proposed to be amended outside of the annual cycle and clearly identifying the date of the amendment

J. Petition for Inclusion or Exclusion of BID property

- Fully executed petition to include or exclude one or more properties into from a Title 31 Business Improvement District, meeting the requirements of Colorado Revised Statutes § 31-25-1220 et. seq.

K. Form of the Legal Notice to Include or Exclude BID property

- Form of the notice to be published by the petitioner (on behalf of the City) for inclusions or exclusions of BID property, meeting the requirements of Colorado Revised Statutes § 31-25-1220
  - Note: standard City procedure is for the petitioner or their representative to prepare the notice, publish it and provide an affidavit of publication to the City Clerk

L. Map Depicting Existing BID Boundaries and Proposed BID Property Inclusion(s) or Exclusion(s)

- In addition to the technical (legal description) requirements for a BID exclusion or inclusion petition, the petitioner should provide an up-to date map clearly depicting the properties proposed for inclusion or exclusion in relationship to the current BID boundaries.

M. Term Sheet

- For requests for City Council authorization prior to issuance of debt, this is the typical industry standard term sheet provided by commercial banks, bond underwriters or similar financial services firms, that summarizes the key expected parameters of the anticipated issuance including but not limited to type of debt, amount, term, anticipated interest rate, pledged revenues and subordination to other debt, as applicable.
  - Submittal of a separate term sheet is highly desirable for a number of reasons:
    1. This summarizes the anticipated issuance for staff, committees and Council
    2. At the time of submittal, the more complex drafts of the form of the issuance, typically will have blanks for some of this information
    3. Term sheets are often available for submittal earlier in the process and are sufficient for initial review and consideration

N. Form of Bond or Loan Documents

- These are the draft documents that will ultimately constitute the debt when issued. Although these will vary depending on the type of debt, they will ordinarily include draft district bond or commercial loan resolutions, as well as indentures.

- Key areas of review of these documents may include but are not necessarily limited to the term(s) of the debt, amounts of debt, pledged revenues, and assurances that “limited default” language is in place.

O. Form of District Counsel Opinion

- This is the draft of the opinion from District’s general counsel as to the legal consistency of the bond or loan documents with applicable state and federal law as well as City Special District Policy and the applicable metropolitan district service plan or BID Operating plan and budget. The final form of this opinion is required as part of debt closing

P. Certification of External Financial Advisor

- This certification letter is required for any proposed debt that will not be fully and competitively marketed to parties unrelated to the District or its board members. Scenarios would include privately placed debt with a related developer or an unrelated party, placement of debt with single preferred lender or renegotiation/refinancing of existing debt with the original lender.
- The expectations for this letter are included in the Special District Policy and are as follows:

“Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the debt”

“External Financial Advisor” is defined in the metropolitan district Model Service Plans as:

*“External Financial Advisor: a consultant that (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer’s Municipal Market Place; and (3) is not an officer of the District.”*

- In situations where the debt will be placed with a commercial bank, documentation that proposals have been solicited from 3 or more financial institutions will suffice in place of this requirement.

Q. Financial Projections; Sources and Uses of Revenues

- These are the financial spreadsheets customarily prepared to support the debt issuance and typically including forecasts of applicable revenues, and use of these funds to service the debt, by year. In cases where future buildout and/or assessed valuation within the district are projected to increase to the meet revenue assumptions, this information should also be provided

R. Descriptions of Public Improvements or Costs to be Financed

- Description or lists of public improvements to be financed to be provided in the following cases, as applicable:
  - Cost information to generally support the maximum debt authorization amounts requested in new or amended metropolitan district service plans for BID operating plan and budget
  - Improvements descriptions and costs to support and describe the intended use of available proceeds from proposed issuance of debt
- These can be in the form of listings of individual public improvements or categories of improvements and may include an engineer's statement

# Description of Follow-up Submittal Documents

## A-2 Revisions of Originally Submitted or New Documents in Response to Staff Review

- These materials and responses will vary depending on the nature of the review comment or process. These may consist of:
  - Revised submittal documents
  - Written responses to questions
  - Additional or supplementary documentation

## B-2 Revisions of Originally Submitted Documents or New documents Addressing City Council or Budget Committee direction prior to final Council agenda

- These are the same as A-2 above, but based on City Council Budget Committee direction and/or Council requests during a Work Session, as applicable

## C-2 Final Versions of Council-Approved Documents for Attachment to Resolutions or Ordinances

- These are the final documents that may require revisions prior to execution such as:
  - Date changes or removal for “draft” designations on documents such as metropolitan district service plans or BID operating plans and budgets
  - Revisions of same to conform with final City Council approval motions

## D-2 Affidavit of Legal Publication

- For actions such as boundary changes to BIDs, this is the affidavit of publication, copies of which need to be provided to both the Clerk and the Planning Department prior to execution of the ordinances

## E-2 Final Versions of Debt issuance Documents Following Closing and Issuance

- These are copies of the relevant executed bond or loan documents following closing and issuance. Electronic versions are requested in order to document and ensure the actual issuance substantively conforms with the draft bond or loan documents as they were authorized by Council.

