

Sun Valley Denver General Improvement District (GID)

Business, Arts, Workforce & Aviation Services Committee
July 20, 2022

Department of Finance

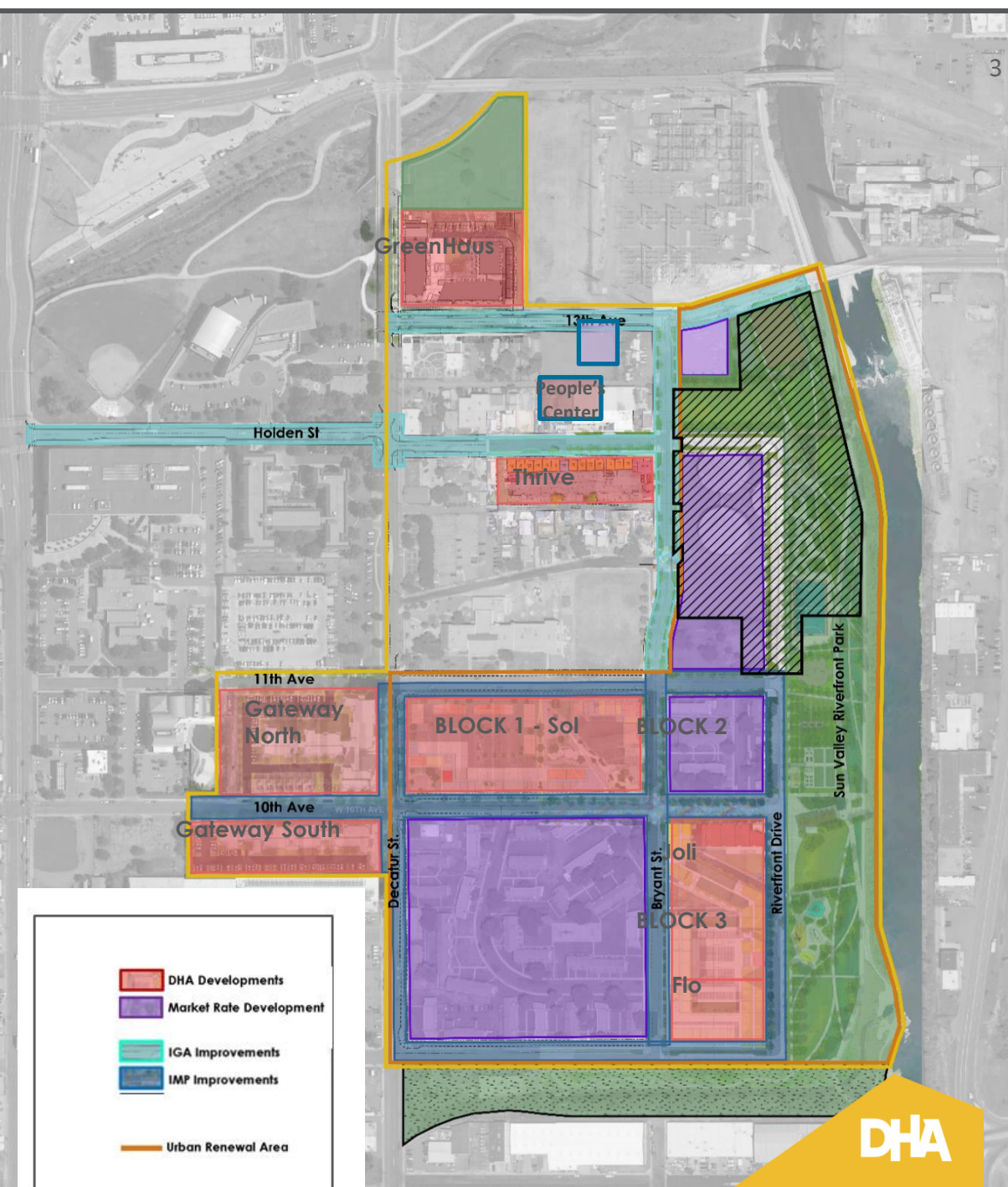
Request

Approve BR22-0831 for the creation of the Sun Valley Denver General Improvement District, the creation of the District Advisory Board and to appoint the initial members thereof, located in Council District 3

Sun Valley Redevelopment

- CCD approved the Federal Decatur GDP in 2014
 - Overhaul of the street grid:
 - 13th Ave. connections to Federal via Holden
 - Bryant Street extended from 13th to 9th.
 - 10th Avenue “main street” connecting critical investments east/west.
 - Creation of Riverfront Drive as a “shared-street” promoting safe ped. Bike, and vehicle access to/from a new Riverfront Park.
 - Create Riverfront Park along the S. Platte River
 - 11.4-acres split between Sun Valley IMP area and Xcel Tank Farm site.
 - DHA-CPD-Parks & DOF working towards IGA with completed design expected YE 2022.
- DHA-CCD co-grantee recipients of \$30mm HUD FY 2016 CNI Grant
 - Redevelopment of DHA’s Sun Valley Homes & Annex.
 - Replacing 333 units public housing & more than doubling the affordable workforce units while integrating 20% market-rate across 7 projects.
- Complete Choice Neighborhood Transformation plan with market-rate investment and development partners (Block 2, 4, 5, and future Xcel Tank Farm site).

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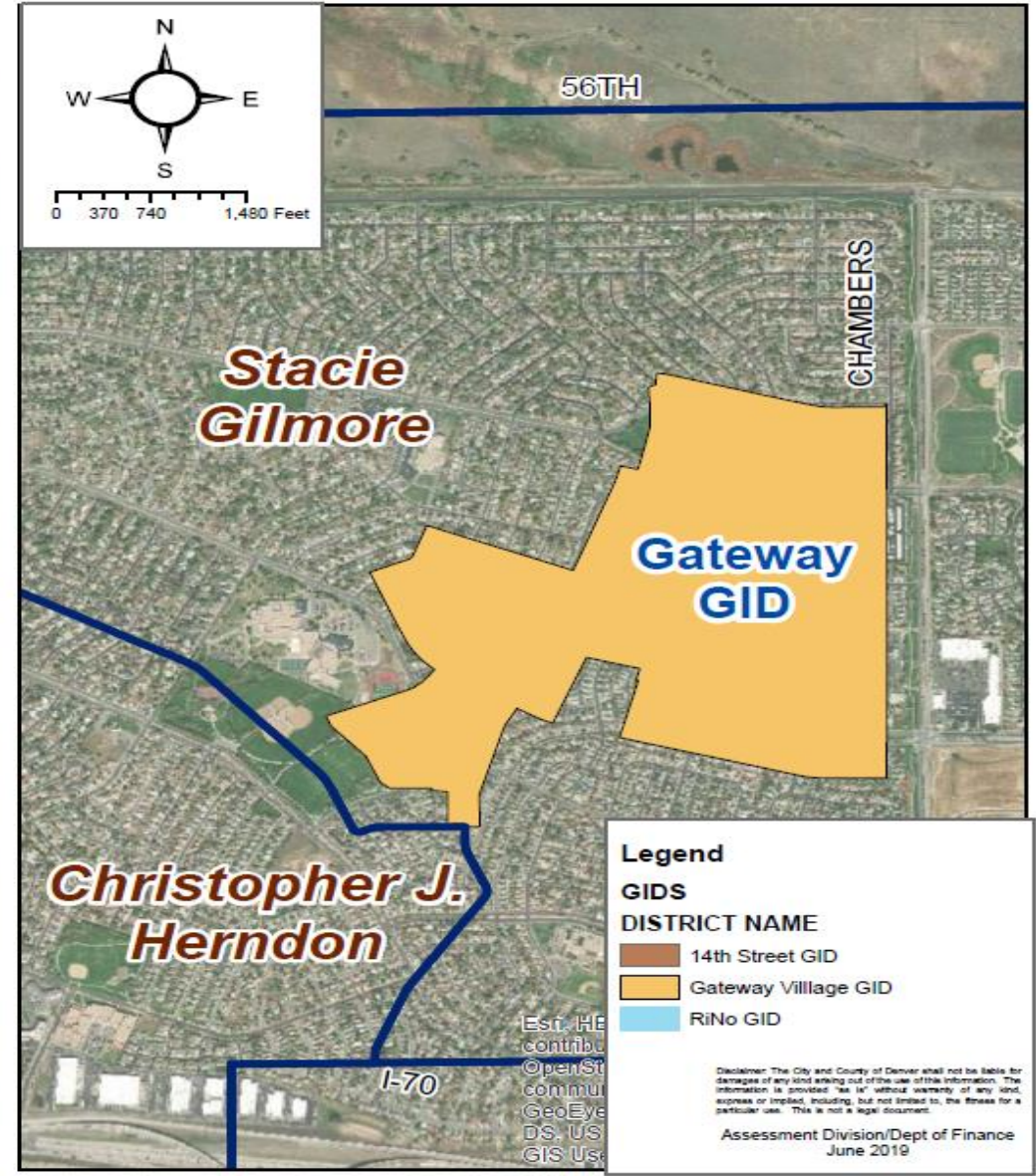
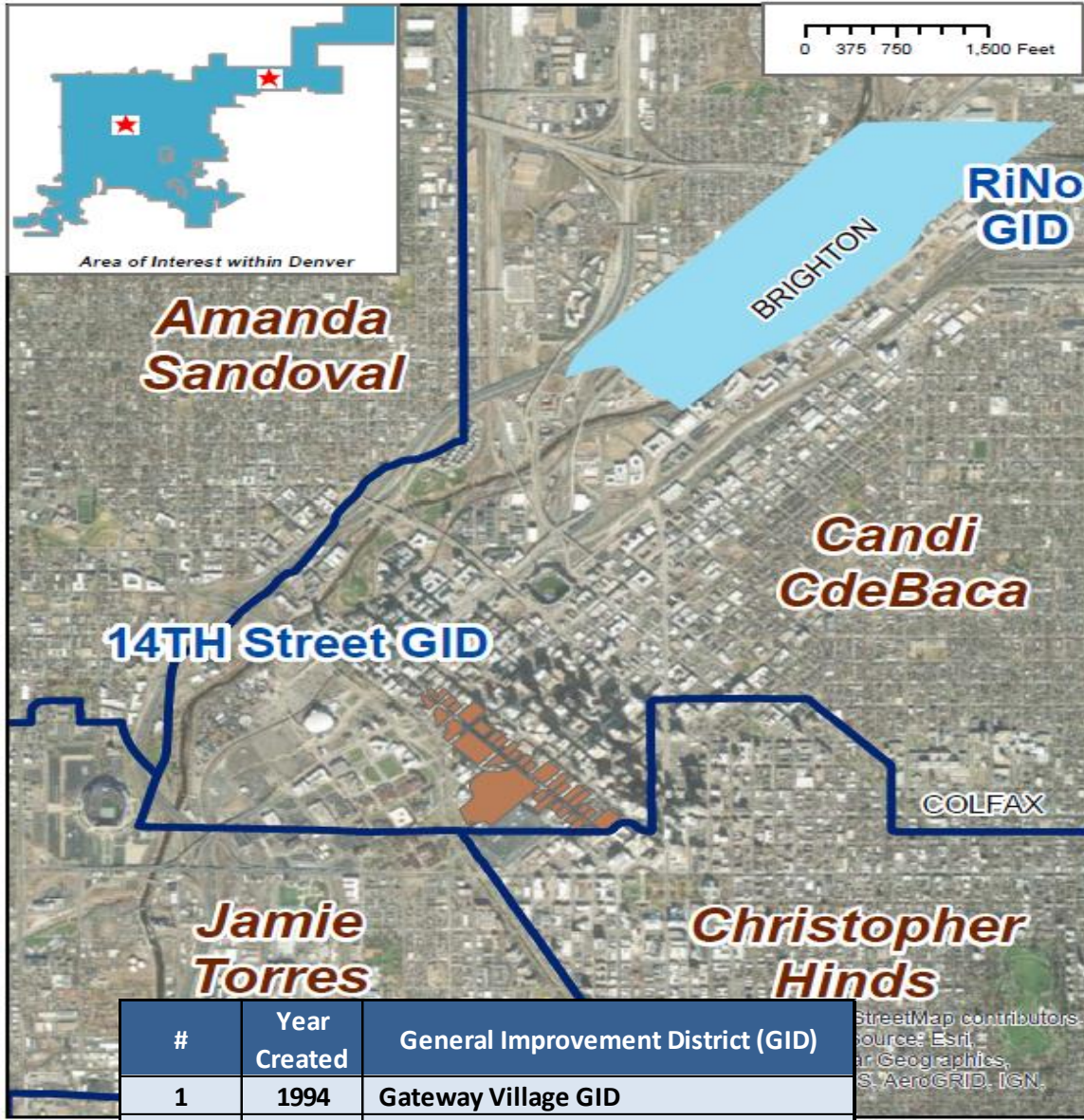




District Structures

	Statutory Districts			City Charter District
	Metro Districts (Title 32)	GID (Title 31)	BID (Title 31)	TID
Primary Purpose	Public Infrastructure & Maintenance	Public Infrastructure & Maintenance	Economic Development & Marketing	Tourism Improvements & Services
District Eligible Properties	Commercial & Residential	Commercial & Residential	Commercial Only	50+ Room Lodging Establishments
Governance	Board of Directors	City Council as Board of Directors	Board of Directors	Board of Directors
Revenue Generation	Raised through increased property owner burden. (Taxes, Rates, Fees Tolls, Charges)			
How Created	Service Plan Approval	Creation Ordinance Approval	Creation Ordinance Approval	Creation Ordinance Approval
	Created by local vote of the eligible electorate.			
Debt Authority	Financing available if approved by voters.			
Annual Budget Approval	Board of Directors	City Council as Board of Directors	Board of Directors & City Council	Board of Directors & City Council

GIDs in the City



#	Year Created	General Improvement District (GID)
1	1994	Gateway Village GID
2	2009	Denver 14th St. GID
3	2015	RiNo GID



General Improvement Districts

Legal authority: Colorado Revised Statutes Sections 31-25-601 through 31-25-632. (Consists of **residential and commercially assessed properties**).

Created: Petition signed by at least 30% of the electors of the proposed district.

- A **Public Hearing** is held, and **City Council approves a creation ordinance** for the GID.
- Election authorization for organization, debt, and revenue.
- Once approved by Council and organization election passed, a new governmental authority is created.
- DOF role is to guide through creation process.

Powers: Acquire, construct, install, own, operate, or maintain public improvements except solid waste disposal.

Revenue Derived: Mill levy, special assessment, rates, fees, tolls, or charges.

Board of Directors: City Council is the ex-officio Board of Directors.

- A **District Advisory Board (DAB)** is appointed by the Mayor and approved by City Council. Must meet at least once a year as board to adopt budget, audit, etc.

Proposed Sun Valley Denver GID Purpose:

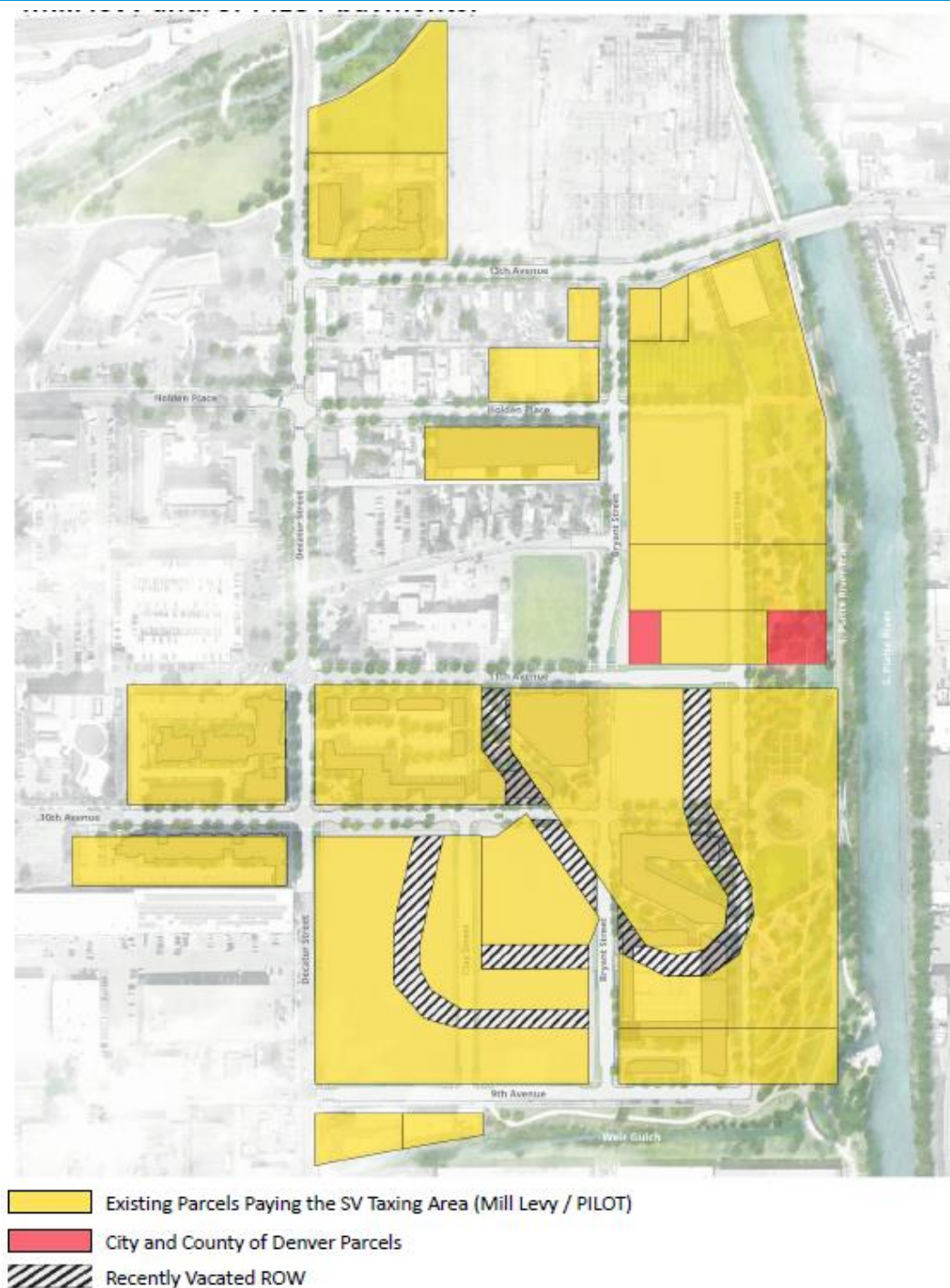
- Primary objective and purpose is to operate and maintain over time the streetscapes, planned public improvements, open spaces, and green infrastructure not otherwise dedicated to the City within the Sun Valley neighborhood.

If GID is not created:

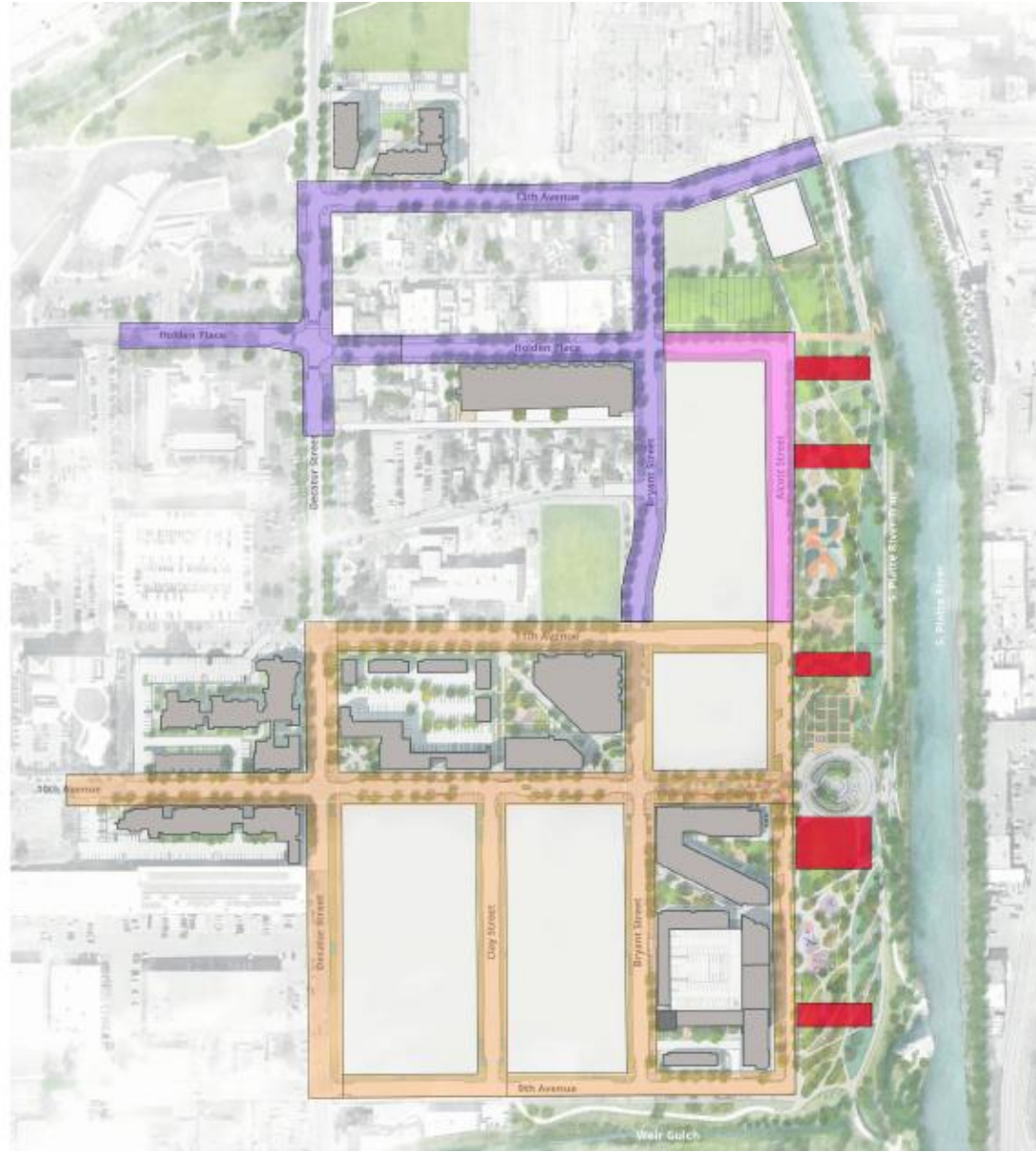
- Denver Housing Authority (DHA) would need to find an alternate way to operate and maintain the public improvements for the Sun Valley redevelopment.





Proposed Sun Valley Denver GID Boundaries

*Currently includes DHA
owned parcels



Illustrative Sun Valley Denver GID Maintenance Program



-  Elevate Bond - Existing and Future CCD ROW Streetscapes to be Maintained by SV GID
-  Infrastructure Master Plan - Existing and Future CCD ROW Streetscapes to be Maintained by SV GID
-  Tank Farm - Future CCD ROW Streetscapes to be Maintained by SV GID
-  Approximate Location of Future Stormwater Vaults to be Owned and Maintained by SV GID

District Financial Plan

- Estimated annual operational costs ~\$230,000 starting 2024.
- Proposed GID operations will be paid by:
 - An 8-mill levy on all commercial and residential taxable real property value.
 - ~\$215/yr. in GID taxes per residential unit.
 - ~\$2,320/yr. in GID taxes per \$1M of commercial market valuation.
 - A DHA PILOT payment of \$125/residential unit per year, a comparable amount for non-residential properties; City exempt from PILOT.
 - Will require a TABOR election authorizing debt and revenue mechanisms.
 - Debt not currently authorized under the creation ordinance, will require amendment in future if tool is used.
- Standard GID type expenses including:
 - Accounting, legal, management, insurance, maintenance, and utilities.

District Powers

Statutes authorize a GID to acquire, construct, install, operate, or maintain any public improvement for the purpose of providing any service as long as the City has that same power (except solid waste disposal).

- Creation Ordinance will limit powers, specific exclusions include:
 - No ability to issue debt unless the creation ordinance is amended.
 - No ability for District to impose any rates, tolls, fees, or charges against the City.
 - District cannot pursue eminent domain nor dominant eminent domain without Council approval.
 - District cannot create any sub-districts or special improvement assessment districts.

District Governance Structure

City Council is board of directors, Council approves a District Advisory Board (“DAB”) for day-to-day management of GID.

- DAB, **7 voting members**, **3 non-voting members**:

DHA Members (all voting)	City Members
• 1st DHA Position	Manager of Finance (or designee), voting member
• 2nd DHA Position	Executive Director of DOTI (or designee), voting member
• 3rd DHA Position	Manager of CPD (or designee), non-voting member
• 4th DHA Position	Manager of Parks and Rec (or designee), non-voting member
• 5th DHA Position	Council Member whose council district overlaps the majority of the District, non-voting member

DAB vs. Board Authority

DAB Authority	Board (i.e. Council) Authority
<ul style="list-style-type: none"> • Contracts up to \$100K 	<ul style="list-style-type: none"> • Debt issuances
<ul style="list-style-type: none"> • Election of officer and conduct meetings 	<ul style="list-style-type: none"> • Approval of annual work plans and budgets
<ul style="list-style-type: none"> • Keep and maintain records 	<ul style="list-style-type: none"> • Approval of property taxes, rates, tolls, fees, and charges based on DAB recommendation
<ul style="list-style-type: none"> • Standard items to run the District (spending, receiving funds, holding meetings, prepare recommended annual work plan and budget, enter contracts). 	<ul style="list-style-type: none"> • District boundary changes, consideration of new work plan items, future district O&M needs to support Sun Valley property owners, residents, and participating businesses.
<ul style="list-style-type: none"> • Engage consultants to carryout improvements and services as approved in annual work plan and budget. 	<ul style="list-style-type: none"> • Retention of any powers not expressly given to DAB.
<ul style="list-style-type: none"> • Enter and execute an agreement with DURA regarding incremental tax revenue flows. 	

Considerations for relationship to future Tax Increment Finance (TIF)

- Due to election deadlines, the GID must proceed in advance of the Urban Renewal Plan (URP) and TIF calendar.
 - URP and TIF ordinances are following GID creation by 3 weeks.
- DURA is required to enter IGAs with any taxing entities regarding the flow of increment (including the new Sun Valley GID).
 - The creation ordinance will authorize the District Advisory Board to execute this future agreement with DURA.

Next Steps

- Monday, August 1st: First Reading at City Council
- Monday, August 8th: Public Hearing and Second Reading at City Council
- Tuesday, November 8th: District holds special election for debt and revenue approvals.