



# Four Corners Business Improvement District Four Corners Metropolitan District

---

David Greher, Cockrel Ela Glesne Greher & Ruhland, P.C.



## Current Public Finance and Development Agreement

---

- 2017 – Original (current) Agreement was executed.
  - It was uncertain how the Eligible Public Improvements would be financed – whether by the Developer, the BID or the Metro District.
  - This uncertainty meant that the Agreement was drafted with multiple contingencies that left certain provisions unclear.
  - The BID has no source of operating revenue other than the tax increment financing. This lack of funding is problematic:
    - Creates tension between pledging money to Bondholders and ensuring the BID is able to maintain its existence as a governmental entity and the Eligible Public Improvements.
    - When the TIF expires in 2040, the TIF will have no revenue source whatsoever.



## Public Finance and Development Agreement Amendment

---

- 2022 – As the physical project has evolved, the financing plan has evolved as well.
  - The BID will issue Bonds to finance the Eligible Public Improvements with a pledge of property tax revenues from the Metro District.
  - The Amendment clarifies the mechanics to ensure pledged revenue gets to Bondholders.
  - The BID will be able to impose a 10 mill levy to pay its operating and administrative expenses and to maintain the Eligible Public Improvements.
  - Current market conditions do not support development of multi-family for-rent residential properties with a debt service mill levy of 40 mills. These properties are being excluded from both Districts with a Payment in Lieu of Tax (PILOT) imposed by covenant to generate the operating revenue equal to 10 mills.



## Service Plan

- 2016 Service Plan has provisions that inhibit Bond financing.
  - Plan was for Metro District to include only residential property and BID to include only commercial property.
  - Rezoned commercial property needs to be excluded from the Metro District's boundaries.
  - Metro District is subject to possible dissolution by the Town because financing did not occur by 2018.
  - Metro District debt service levy has 40 year maximum term that needs to be reset to provide security for the BID's Bonds.
  - Buyer of for-rent multi-family residential property has conditioned its purchase on exclusion of property from the Metro District, but allows for 10 mill levy PILOT.



## Service Plan Amendment

---

- 2022 First Amendment to Service Plan.
  - Authorizes exclusion of commercial property from Metro District boundaries.
  - Authorizes exclusion of multi-family for-rent residential properties with PILOT equal to 10 mills.
  - Extends the Metro District dissolution deadlines to be reset from today, instead of 2016.
  - Resets the Metro District debt service levy term to expire 40 years after first imposition after Amendment.
  - Allows the District to adjust the 10 mill operating levy to offset assessment ratio adjustments (like the debt service levy).
  - Updates Detailed Cost Breakdown, Matrix of Ownership and Maintenance, and the Financing Plan.



## BID Inclusions and Exclusions

---

- As mentioned earlier, the intent is for the Metro District to include only residential property and the BID to include only commercial property.
- Due to changes in the zoning of the project, inclusions and exclusions are needed to follow this intent.
- Additional exclusions are needed for property to be developed as for-rent multi-family residential currently within the BID's boundaries, subject to the PILOT.
- By statute, the Town Board is the entity authorized to effectuate BID inclusions and exclusions.
- In contrast, the Metro District Board effectuates Metro District inclusions and exclusions.



## Conclusion

- The Public Finance Development Agreement Amendment, First Amendment to Service Plan and BID Inclusions and Exclusions are necessary to proceed with financing the Eligible Public Improvements for this project.

### Contact

David Greher  
303-218-7200  
[dgreher@cegrlaw.com](mailto:dgreher@cegrlaw.com)