

2020 OPERATING PLAN AND BUDGET
INTERQUEST TOWN
CENTER BUSINESS
IMPROVEMENT
DISTRICT

City of Colorado Springs, El Paso County, Colorado

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2020
OPERATING PLAN FOR THE
INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT

1. PURPOSE AND SCOPE OF THIS DISTRICT

A. Requirement for this Operating Plan. The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Interquest Town Center Business Improvement District (the “District”) file an operating plan and budget with the City Clerk no later than September 30 of each year.

Under the statute, the City is to approve the operating plan and budget within 30 days of the submittal of all required information.

The District operates under the authorities and powers allowed under the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, as further described and limited by this Operating Plan.

B. What Must Be Included in the Operating Plan? Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, this Operating Plan specifically identifies (1) the composition of the Board of Directors; (2) the services and improvements to be provided by the District; (3) the taxes, fees, and assessments to be imposed by the District; (4) the estimated principal amount of the bonds to be issued by the District; and (5) such other information as the City may require.

The District’s original 2017-2018 Operating Plan and subsequent Operating Plans, previously approved by the City, are incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

C. Purposes. As articulated in this Operating Plan, the contemplated purposes of this District for 2020 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

D. Ownership of Property or Major. The District will own public improvements as constructed if such improvements are not otherwise dedicated to other public entities for operation and maintenance.

E. Contracts and Agreements It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is not currently a party to any significant active contracts or agreements. The District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

- A. Organization. The Interquest Town Center Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 17-105.
- B. Governance. The District is governed by an elected board of directors.
- C. Current Board. The persons who currently serve as the Board of Directors are:
 - 1) Scott A. Bryan
 - 2) Theresa G. Bryan
 - 3) Vincent C. Shoemaker
 - 4) Sandra L. Shoemaker
 - 5) Michael P. Palmer

Director and other pertinent contact information is provided in **EXHIBIT A**.

- D. Term Limits. The District's election held on May 8, 2018 included a ballot question to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The question passed.
- E. Advisory Board. The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District map is depicted in **EXHIBIT C**. The District does not anticipate inclusion or exclusion requests in 2020.

4. PUBLIC IMPROVEMENTS

The District will be primarily concerned with the provision of public improvements and services within the boundaries of the District; however, there may be instances to provide improvement or services outside of the boundaries of the District as part of the project. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install or cause to be constructed and installed, include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, et seq., C.R.S.,

lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the "Public Improvements"). The costs of such Public Improvements, including costs of design, acquisition, construction and financing, are referred to herein as the "Public Improvement Costs."

5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

6. FINANCIAL PLAN AND BUDGET

1. 2020 Budget. The 2020 Budget for the District is attached as **EXHIBIT B**.
2. Authorized Indebtedness. The District held an election on May 8, 2018 for the purpose of electing directors, authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution, and the Operating Plan. The initial maximum debt authorization for the District is \$34,560,000.
3. Property Tax and Mill Levy Caps. The District taxing ability shall be constrained to mill levy limitations of up to 50 mills for debt service and up to 5 mills for general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.
4. District Revenues. The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District also utilizes public improvement fees to support public improvement construction and future bonds for that purpose.
5. Existing Debt Obligations. The District has no current debt.
6. Future Debt Obligations. The District anticipates the issuance of debt in 2020 for the funding of public improvements.
7. Other Financial Obligations. The District may enter into agreements including reimbursement or similar agreements and leases; as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.
8. City Charter Limitations. In accordance with 7-100 of the City Charter, the District shall not issue any debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth

in 7-100 of the City Charter, the total debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.

9. Non-Default Provisions. Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.
10. Privately Placed Debt. 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.
11. The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District

7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

(a) Audit. The District agrees to submit an annual audit to the City Finance Department no later than March 1st of each year which is performed by an independent certified public accounting firm. Even if the state grants an audit exemption, the District must submit an annual audit as specified above.

(b) SID Formation. The District affirms that it will provide an Amended Operating Plan and seek prior approval of City Council prior to formation of any Special Improvement District within its boundaries in the future.

(c) City Authorization Prior to Debt Issuance. In accordance with the City's Special District Policy, and notwithstanding any statements of intent in the Budget and Operating Plan, this District shall request and obtain approval of City Council prior to issuance of any debt in accordance with the financing plan for the District as previously approved. The standards for City approval shall generally be consistent with the City's Special District Policy, as it may be amended, along with the most recently approved operating plan and budget and any requirements or limitations contained therein to the extent that they are consistent with the financing plans for the District.

(d) Public Improvement Fees. This District utilizes revenues from a public improvement fee. The District may also be the beneficiary of a new, increased or expanded public improvement fee this coming year or in the future.

(e) Condemnation. The Colorado Revised Statutes do not authorize BIDs to use powers of eminent domain. The exercise of eminent domain authority by any City-authorized district is also specifically prohibited without express prior City Council approval.

8. 2020 ACTIVITIES, PROJECTS AND CHANGES

1. Activities

The District will continue with development activity in 2020.

2. Projects and Public Improvements

The District anticipates funding the design, installation, or acquisition of additional public improvements during 2020.

3. Summary of 2020 Activities and Changes from Prior Year

The District anticipates the issuance of debt in 2020 for the funding of public improvements.

Boundary changes: No boundary changes anticipated.

Changes to board or governance structure: Not anticipated for the upcoming year.

Mill levy changes: The District anticipates imposing a 50.000 mills debt service mill levy and a 5.000 mills operations and maintenance mill levy.

New, refinanced or fully discharged debt: Anticipated in 2020 for funding of public improvements.

Elections: May 5, 2020 Regular Election.

Major changes in development activity or valuation: Development activity anticipated for the upcoming year.

Ability to meet current financial obligations: See 2020 Budget attached as **EXHIBIT B**.

9. DISSOLUTION

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate perpetual existence. If the District no longer has such obligations the District will seek to dissolve pursuant to Colorado Revised Statutes § 31-25-1225.

10. CONCLUSION

It is submitted that this Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

EXHIBIT A
Director and Other Contact Information
Interquest Town Center Business Improvement District

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM
Scott A. Bryan 13975 S. Perry Park Road Larkspur, CO 80118	President	2018-2022
Vincent C. Shoemaker 5934 Lees Lane Larkspur, CO 80118	Treasurer	2018-2022
Michael P. Palmer 1535 Northfield Road Colorado Springs, CO 80919	Secretary	2018-2022
Theresa G. Bryan 13975 S. Perry Park Road Larkspur, CO 80118	Assistant Secretary	2018-2020
Sandra L. Shoemaker 5934 Lees Lane Larkspur, CO 80118	Assistant Secretary	2018-2020

DISTRICT CONTACT

ACCOUNTANT:

Russ Dykstra Spencer Fane LLP 1700 Lincoln St, Suite 2000 Denver, Colorado 80203 303-839-3845 rdykstra@spencerfane.com	Carrie Bartow, CPA CliftonLarsonAllen LLP 102 South Tejon, Suite 350 Colorado Springs, CO 80903 (w) 719-635-0300 x 77839 (f) 719-473-3630 carrie.bartow@claconnect.com
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INSURANCE AND BONDS:

MANAGER AND STAFF:

T. Charles Wilson Insurance Service 384 Inverness Parkway Centennial, CO 80112 303-368-5757	N/A
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EXHIBIT B

**2020 BID Budget
General Fund
Debt Service Fund
Capital Projects Fund**

EXHIBIT C

District Boundary Map