

**2022 OPERATING PLAN AND BUDGET**

**FIRST AND MAIN  
NORTH BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2022**  
**OPERATING PLAN FOR THE**  
**FIRST AND MAIN NORTH 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 First and Main North 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.*, C.R.S., 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.*, C.R.S., 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 2004 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 may be further articulated in prior years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2022 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. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities and landscaping consistent with prior years’ activities.

**D. *Ownership of Property or Major Assets.***

The District owns certain street improvements, parking facilities, water improvements, and drainage improvements.

**E. *Contracts and Agreement.***

The District is not currently a party to any significant active contracts or agreements.

**2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS**

**A. *Organization.***

The First and Main North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-51 on April 27, 2004.

**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:

Timothy Seibert, President  
Christopher S. Jenkins, Vice-President  
David D. Jenkins, Secretary  
Delroy L. Johnson, Assistant Secretary  
Vacancy

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

**D. *Term Limits.***

The District held a regular election in May 8, 2012, at which time a ballot question was presented to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The ballot 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 to date.

**3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS**

A copy of the current map of the District is attached as **EXHIBIT C.** The District does not anticipate inclusion or exclusion requests in the coming year.

**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

improvements or services outside of the boundaries of the District. 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.

## **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. 2022 Budget.**

The 2022 Budget for the District is attached as **EXHIBIT B**.

### **2. Authorized Indebtedness.**

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$2,100,000 for street improvements, \$2,000,000 for parking facilities, and \$5,000,000 for refinancing of District debt. The voters also approved an annual increase in taxes of \$9,154, at a mill levy rate not to exceed one mill, for general operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado Constitution. On November 1, 2005, the District authorized additional indebtedness of \$225,000 for water and \$50,000 for storm drainage.

Pursuant to the District's Operating Plan filed annually with the City, the maximum debt service mill levy the District can impose is 50.000 mills. The Series 2005 Bond Resolution limits the mill levy to pay those bonds to 44.000 mills in 2005 and 2006, 39.000 mills for the years 2007 through 2015, and 34.000 mills for the years 2016 through 2034. Due to lower than projected revenues from the limited mill levy, the Board of Directors of the District approved keeping the mill levy at 39.000 mills. However, pursuant to the Second Amendment to Bond Resolution, Series 2005, dated November 29, 2017, the District authorized the mill levy limitation to not exceed 50.000 mills for payment of principal, premium, and interest on the bonds and any parity bonds. As set forth in the District's 2004 Operating Plan, the City has limited the amount of debt to be issued to a total of \$2,200,000 in the

authorized voted categories. This maximum debt authorization amount shall not be exceeded without express prior approval by the City.

3. ***Property Tax and Mill Levy Caps.***

The 2004 Operating Plan allowed a debt service mill levy of up to 50 mills and an operating levy of up to 1 mill.

4. ***District Revenues.***

See 2022 Budget attached hereto as **EXHIBIT B**.

5. ***Existing Debt Obligations.***

In 2005 the District issued its \$1,927,000 Series 2005 Limited Tax General Obligation Bonds (“Series 2005 Bonds”). The Series 2005 Bonds financed public improvements, as were voted on at the November 2004 and November 2005 elections and approved by the City, which included streets, parking, water, and sewer improvements.

6. ***Future Debt Obligations.***

In accordance with the City’s Special District Policy, 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.

7. ***Other Financial Obligations.***

At the end of 2021, it is anticipated that the District will have outstanding developer advances of \$201,490, which accrues interest at a rate of 7%. No other financial obligations of the District are anticipated in the coming year.

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 will not utilize any revenues from a new, increased or expanded public improvement fee ("PIF") unless specifically authorized in a subsequent operating plan and budget, or separately approved by City Council. The imposition of a PIF and any provisions for adjustment of a PIF that have been previously approved by City Council shall not be subject to this restriction.

**(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.

(f) ***Concealed Carry Prohibition.***

Although the Colorado Revised Statutes do not currently provide this authority, in no case shall the District adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying a concealed handgun in a building or specific area under the direct control or management of the District.

**8. 2022 ACTIVITIES, PROJECTS AND CHANGES**

**1. Activities.**

The District does not anticipate activity for commercial development in 2022. Specific improvements and services the District provides include parking facilities, roadways, lighting, driveways, public utilities and landscaping consistent with prior years' activities.

**2. Projects and Public Improvements.**

The District does not anticipate funding the design, installation or acquisition of additional public improvements during 2022. If the District acts to fund additional improvements during calendar year 2022, an amendment to this Operating Plan will be sought in accordance with the provisions of Section 31-25-1211, C.R.S.

**3. *Summary of 2022 Activities and Changes from Prior Year.***

The District's activities will focus on district administration and payment of its existing bonds, as well as operating and maintaining parking facilities, roadways, lighting, driveways, public utilities and landscaping services.

***Boundary changes:*** Not anticipated for the upcoming year.

***Changes to board or governance structure:*** An appointment to the Board of Directors may be made to fill the vacancy.

***Mill levy changes:*** Not anticipated for the upcoming year.

***New, refinanced or fully discharged debt:*** Not anticipated for the upcoming year.

***Elections:*** May 3, 2022.

***Major changes in development activity or valuation:*** Not anticipated for the upcoming year.

***Ability to meet current financial obligations:*** See 2022 Budget attached as EXHIBIT B.

**9. DISSOLUTION**

The District may be dissolved under the conditions of Section 31-25-1225, C.R.S. Perpetual existence is not contemplated at this time.

**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**  
**First and Main North Business Improvement District**

**BOARD OF DIRECTORS:**

<b>NAME &amp; ADDRESS</b>	<b>POSITION</b>	<b>TERM(S)</b>	<b>PHONE #/E-MAIL</b>
Timothy Seibert Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2020-2023	(w) 719-593-2600 (f) 719-633-0545 <a href="mailto:tseibert@nor-wood.com">tseibert@nor-wood.com</a>
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	2020-2023	(w) 719-593-2600 (f) 719-633-0545 <a href="mailto:chrisjenkins@nor-wood.com">chrisjenkins@nor-wood.com</a>
David D. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Secretary	2020-2023	(w) 719-593-2600 (f) 719-633-0545 <a href="mailto:ddj@nor-wood.com">ddj@nor-wood.com</a>
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2018-2022	(w) 719-593-2600 (f) 719-633-0545 <a href="mailto:djohnson@nor-wood.com">djohnson@nor-wood.com</a>
Vacancy		2018-2022	

**DISTRICT CONTACT:**

Delroy L. Johnson, Assistant Secretary  
 Nor'wood Development Group  
 111 South Tejon, Suite 222  
 Colorado Springs, CO 80903  
 (w) 719-593-2600  
 (f) 719-633-0545  
[djohnson@nor-wood.com](mailto:djohnson@nor-wood.com)

**DISTRICT MANAGER:**

Josh Miller  
 CliftonLarsonAllen LLP  
 8390 East Crescent Parkway, Suite 600  
 Greenwood Village, CO 80111  
 (w) 303-779-5710  
 (f) 303-779-0348  
[josh.miller@claconnect.com](mailto:josh.miller@claconnect.com)

**ACCOUNTANT:**

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](mailto:carrie.bartow@claconnect.com)

**AUDITOR:**

BiggsKofford, PC  
 630 Southpointe Court, Suite 200  
 Colorado Springs, CO 80906  
 719-579-9090  
 (f) 719-576-0126

**INSURANCE AND BONDS:**

T. Charles Wilson Insurance Service  
 384 Inverness Parkway  
 Centennial, CO 80112  
 303-368-5757

**STAFF:**

N/A

**EXHIBIT B**  
**2022 BID Budget**

**FIRST & MAIN NORTH  
BUSINESS IMPROVEMENT DISTRICT  
ANNUAL BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/3/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 7,049	\$ 11,520	\$ 14,740	\$ 14,740	\$ 8,627
REVENUE					
Property Taxes	206,976	207,819	201,384	207,819	154,211
Specific Ownership Taxes	22,415	20,782	11,966	20,782	15,421
Interest Income	875	43	49	68	393
Developer Advance	7,000	5,500	-	-	15,000
Total revenue	<u>237,266</u>	<u>234,144</u>	<u>213,399</u>	<u>228,669</u>	<u>185,025</u>
TRANSFERS IN	<u>50,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>-</u>
Total funds available	<u>294,315</u>	<u>300,664</u>	<u>228,139</u>	<u>298,409</u>	<u>193,652</u>
EXPENDITURES					
General Fund	28,484	33,000	14,290	28,673	35,000
Debt Service Fund	151,091	152,000	2,962	151,109	152,000
Capital Projects Fund	50,000	55,000	-	55,000	-
Total expenditures	<u>229,575</u>	<u>240,000</u>	<u>17,252</u>	<u>234,782</u>	<u>187,000</u>
TRANSFERS OUT	<u>50,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>279,575</u>	<u>295,000</u>	<u>17,252</u>	<u>289,782</u>	<u>187,000</u>
ENDING FUND BALANCES	<u>\$ 14,740</u>	<u>\$ 5,664</u>	<u>\$ 210,887</u>	<u>\$ 8,627</u>	<u>\$ 6,652</u>
EMERGENCY RESERVE	\$ 800	\$ 800	\$ 500	\$ 800	\$ 600
AVAILABLE FOR OPERATIONS	6,200	392	8,133	2,397	1,042
TOTAL RESERVE	<u>\$ 7,000</u>	<u>\$ 1,192</u>	<u>\$ 8,633</u>	<u>\$ 3,197</u>	<u>\$ 1,642</u>

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/3/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2020	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>					
Commercial	\$ 4,043,580	\$ 4,074,890	\$ 4,074,890	\$ 4,074,890	\$ 3,023,750
Certified Assessed Value	<u>\$ 4,043,580</u>	<u>\$ 4,074,890</u>	<u>\$ 4,074,890</u>	<u>\$ 4,074,890</u>	<u>\$ 3,023,750</u>
<b>MILL LEVY</b>					
General	1.000	1.000	1.000	1.000	1.000
Debt Service	50.000	50.000	50.000	50.000	50.000
Total mill levy	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>
<b>PROPERTY TAXES</b>					
General	\$ 4,044	\$ 4,075	\$ 4,075	\$ 4,075	\$ 3,024
Debt Service	202,179	203,744	203,744	203,744	151,187
Levied property taxes	206,223	207,819	207,818	207,819	154,211
Adjustments to actual/rounding	-	-	(6,435)	-	-
Budgeted property taxes	<u>\$ 206,223</u>	<u>\$ 207,819</u>	<u>\$ 201,383</u>	<u>\$ 207,819</u>	<u>\$ 154,211</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 4,059	\$ 4,075	\$ 3,949	\$ 4,075	\$ 3,024
Debt Service	202,917	203,744	197,435	203,745	151,187
	<u>\$ 206,976</u>	<u>\$ 207,819</u>	<u>\$ 201,384</u>	<u>\$ 207,820</u>	<u>\$ 154,211</u>

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/3/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,944	\$ 3,822	\$ 7,000	\$ 7,000	\$ 3,197
REVENUE					
Property taxes	4,059	4,075	3,949	4,075	3,024
Specific ownership tax	22,415	20,782	11,966	20,782	15,421
Interest income	66	13	8	13	-
Developer advance	7,000	5,500	-	-	15,000
Total revenue	<u>33,540</u>	<u>30,370</u>	<u>15,923</u>	<u>24,870</u>	<u>33,445</u>
Total funds available	<u>35,484</u>	<u>34,192</u>	<u>22,923</u>	<u>31,870</u>	<u>36,642</u>
EXPENDITURES					
General and administrative					
Accounting	12,308	16,000	5,894	15,000	17,000
Auditing	3,200	3,250	3,400	3,400	4,000
County Treasurer's fee	67	61	59	61	45
Directors' fees	-	-	-	-	-
Dues and membership	275	275	339	339	500
Insurance and bonds	1,834	1,900	1,873	1,873	2,000
District Management	5,278	3,500	2,475	5,000	5,000
Legal services	3,521	5,000	63	2,500	5,000
Miscellaneous	469	500	187	500	500
Election expense	1,532	-	-	-	-
Contingency	-	2,514	-	-	955
Total expenditures	<u>28,484</u>	<u>33,000</u>	<u>14,290</u>	<u>28,673</u>	<u>35,000</u>
Total expenditures and transfers out requiring appropriation	<u>28,484</u>	<u>33,000</u>	<u>14,290</u>	<u>28,673</u>	<u>35,000</u>
ENDING FUND BALANCE	<u>\$ 7,000</u>	<u>\$ 1,192</u>	<u>\$ 8,633</u>	<u>\$ 3,197</u>	<u>\$ 1,642</u>
EMERGENCY RESERVE	\$ 800	\$ 800	\$ 500	\$ 800	\$ 600
AVAILABLE FOR OPERATIONS	6,200	392	8,133	2,397	1,042
TOTAL RESERVE	<u>\$ 7,000</u>	<u>\$ 1,192</u>	<u>\$ 8,633</u>	<u>\$ 3,197</u>	<u>\$ 1,642</u>

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT  
DEBT SERVICE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/3/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 5,105	\$ 7,698	\$ 7,740	\$ 7,740	\$ 5,430
REVENUE					
Property taxes	202,917	203,744	197,435	203,744	151,187
Interest income	809	30	41	55	393
Total revenue	<u>203,726</u>	<u>203,774</u>	<u>197,476</u>	<u>203,799</u>	<u>151,580</u>
Total funds available	<u>208,831</u>	<u>211,472</u>	<u>205,216</u>	<u>211,539</u>	<u>157,010</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	3,038	3,056	2,962	3,056	2,268
Contingency	-	891	-	-	1,773
Debt Service					
Bond interest	89,005	85,463	-	85,463	81,707
Bond principal	59,048	62,590	-	62,590	66,252
Total expenditures	<u>151,091</u>	<u>152,000</u>	<u>2,962</u>	<u>151,109</u>	<u>152,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>50,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>201,091</u>	<u>207,000</u>	<u>2,962</u>	<u>206,109</u>	<u>152,000</u>
ENDING FUND BALANCE	<u>\$ 7,740</u>	<u>\$ 4,472</u>	<u>\$ 202,254</u>	<u>\$ 5,430</u>	<u>\$ 5,010</u>

No assurance provided. See summary of significant assumptions.



**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT  
CAPITAL PROJECTS FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/3/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Total revenue	-	-	-	-	-
TRANSFERS IN					
Transfers from other fund	50,000	55,000	-	55,000	-
Total funds available	50,000	55,000	-	55,000	-
EXPENDITURES					
Capital Projects					
Repay developer advance	50,000	55,000	-	55,000	-
Total expenditures	50,000	55,000	-	55,000	-
Total expenditures and transfers out requiring appropriation	50,000	55,000	-	55,000	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized to provide the 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. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities, landscaping, water and storm sewer. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District was organized by Ordinance of the City of Colorado Springs on April 27, 2004.

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$2,100,000 for street improvements, \$2,000,000 for parking facilities and \$5,000,000 for refinancing of District debt. On November 1, 2005, the District authorized additional indebtedness of \$225,000 for water and \$50,000 for storm drainage. The voters also approved an annual increase in taxes of \$9,154, at a mill levy rate not to exceed one mill, for general operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. Pursuant to the District's operating plan filed annually with the City, the maximum debt service mill levy the District can impose is 50.000 mills. The Series 2005 Bond Resolution limits the mill levy to pay those bonds to 44.000 mills in 2005 and 2006, 39.000 mills for the years 2007 through 2015, and 34.000 mills for the years 2016 through 2034. On November 29, 2017, the District's Board of Directors approved keeping the mill levy at 50.000 mills until further notice. As set forth in the District's 2004 operating plan, the City has limited the amount of debt to be issued to a total of \$2,200,000 in the authorized voted categories, without future approval by the City.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those difference may be material.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (Continued)**

**Specific Ownership Tax**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .5%.

**Developer Advance**

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the Developer

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and other administrative expenses.

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Debt Service**

Principal and interest payments in 2022 are provided based on the debt amortization schedule from the Series 2005 General Obligation Bonds.

**Developer Advance**

In 2016, the District accepted infrastructure improvements from the Developer. The District anticipates repayment of the advances for these improvements in 2022.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

On March 25, 2005 the District issued \$1,927,000 in General Obligation Limited Tax Bonds dated March 30, 2005 for infrastructure improvements. The bonds bear interest at a rate of 6.00%. Bond interest and principal payments are payable annually on July 1. Any accrued and unpaid interest will compound on July 1 of each year. The bonds are payable as funds are available from property taxes over 30 years with final maturity on March 30, 2035.

The District entered into a Reimbursement Agreement (Agreement) with the Developer. The District agrees to reimburse the Developer for operational advances made on behalf of the District. The District agrees to repay the Developer along with accrued interest, at a rate of 7% on the first day of the following year in which the advances were made. The Agreement does not constitute a multi-fiscal year obligation.

On March 30, 2011, the District entered into the Amendment to the Reimbursement Agreement to recognize advances, and accrued interest, made to the District prior to 2006. Such advances were originally recorded in the District's records as a contribution.

The District has no operating or capital leases.

The District has outstanding Developer Advances with anticipated activity as follows:

	Balance - December 31, 2020	Additions	Retirements/ Reductions	Balance - December 31, 2021
Developer Advances	\$ 156,253	\$ 5,500	\$ 14,870	\$ 146,883
Accrued Interest - Developer				
Advances	68,070	10,961	24,424	54,607
Total	<u>\$ 224,323</u>	<u>\$ 16,461</u>	<u>\$ 39,294</u>	<u>\$ 201,490</u>
	Balance - December 31, 2021	Additions	Retirements/ Reductions	Balance - December 31, 2022
Developer Advances	\$ 146,883	\$ 13,000	\$ -	\$ 159,883
Accrued Interest - Developer				
Advances	54,607	10,282	-	64,889
Total	<u>\$ 201,490</u>	<u>\$ 23,282</u>	<u>\$ -</u>	<u>\$ 224,772</u>

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

**This information is an integral part of the accompanying budget.**

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$1,927,000 General Obligation Bonds**

**Series 2005**

**Dated March 30, 2005**

**Principal and interest due July 1**

**Interest Rate 6.0% Payable**


<b><u>Year Ended December 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Annual Debt Service</u></b>
2022	66,252	81,707	147,959
2023	70,227	77,732	147,959
2024	74,347	73,518	147,865
2025	78,807	69,058	147,865
2026	83,438	64,329	147,767
2027	88,444	59,323	147,767
2028	93,647	54,016	147,663
2029	99,266	48,397	147,663
2030	105,122	42,441	147,563
2031	111,429	36,134	147,563
2032	118,015	29,448	147,463
2033	125,095	22,368	147,463
2034	132,491	14,862	147,353
2035	115,206	4,877	120,083
	<b>\$ 1,361,786</b>	<b>\$ 678,210</b>	<b>\$ 2,039,996</b>


No assurance provided. See summary of significant assumptions.

**EXHIBIT C**

**District Boundary Map**

FIRST & MAIN NORTH BID

 Tax Boundary

  
1 inch = 107.15 feet

08/24/2021 EPC Assessor's Office  
NAD\_1983\_StatePlane\_Colorado\_Central\_FIPS\_0502\_Feet  
Projection: Lambert\_Conformal\_Conic

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