



SpencerFane

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File No. 5114191-0012

September 24, 2015

City Clerk
City of Colorado Springs
PO Box 1575, Mail Code 110
30 S. Nevada Ave., Suite 101
Colorado Springs, CO 80903

via e-mail: cityclerk@springsgov.com

**Re: Barnes & Powers North Business Improvement District
2016 Operating Plan and Budget**

Dear Clerk:

Enclosed for formal filing with the City of Colorado Springs, as provided in Section 31-25-1211, C.R.S. is the proposed 2016 Operating Plan and Budget for the Barnes & Powers North Business Improvement District.

Please contact our Office if you have any questions or comments. Thank you.

Very truly yours,

SPENCER FANE LLP

Leslie H. Larsen
Paralegal

Enclosure

cc: Carl Schueler (via e-mail: cschueler@springsgov.com)
Katie Canfield (via e-mail: kcanfield@springsgov.com)

DN 1272089.1

2016 OPERATING PLAN AND BUDGET

BARNES & POWERS

NORTH BUSINESS

IMPROVEMENT

DISTRICT

City of Colorado Springs, El Paso County, Colorado

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 Capital Projects Fund

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2016
**OPERATING PLAN FOR THE
BARNES & POWERS 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 Barnes & Powers 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., 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 2005, 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 2016 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 does not own or expect to own any fee simple property or major physical assets, particularly within the 2016 budget year.

E. Contracts and Agreement. Pursuant to an Intergovernmental Agreement, dated November 30, 2011, with Barnes & Powers South Business Improvement District, the intergovernmental revenue represents transfers from Barnes & Powers South to provide joint funding for the overall administrative and operating costs for the District and payment of capital infrastructure.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

- A. **Organization.** The Barnes & Powers North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-49 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:
 - 1) Ralph A. Braden, President
 - 2) Christopher S. Jenkins, Vice-President
 - 3) David D. Jenkins, Secretary
 - 4) Frederick A. Veitch, Treasurer
 - 5) Delroy L. Johnson, Assistant Secretary

Director and other pertinent contact information is provided in Exhibit A.

D. **Term Limits.** The District's director election in May, 2012, 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 to date.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District map is depicted in EXHIBIT C. The District does not anticipate inclusion or exclusion requests in the coming year.

4. PUBLIC IMPROVEMENTS

The District does not presently anticipate funding the design, installation, or acquisition of additional public improvements during 2016. If the District acts to fund additional improvements during calendar year 2016, an amendment to this Operating Plan will be sought in accordance with the provisions of Section 31-25-1211, C.R.S.

The District does not anticipate the construction or acquisition of any public improvements in 2016.

5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

No changes to the improvements and services to be furnished by the District as listed in all of the previous Operating Plans are proposed for 2016. Therefore, all of the previous Operating Plans, including all limitations found in Section 3 Description of Public Improvements and Services, Section 4 Administration, Operation and Maintenance, Section 5 Financial Plan and Budget (with the exceptions noted below and the budget which is attached hereto as EXHIBIT B) are unchanged and incorporated herein by reference.

(a) The District issued its \$4,000,000 Limited Tax General Obligation Bonds, Series 2007 to acquire capital improvements in place that were built by the developer as contemplated in the 2007 Operating Plan. The City approved the 2007 bond issue by Resolution No. 84-07.

(b) Changes in Debt Capacity. The initial election in 2004 only authorized debt for streets and parking purposes. The election in 2005 authorized water and sanitation purposes for construction of lines and refunding. Following the issue of its Series 2007 bonds, the District has \$950,000 in remaining debt authorization.

The mill levy limitations in the Original Operating Plan (being 50 mills for debt service and one (1) mill for general operations and administrative expenses) remain unchanged.

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

6. FINANCIAL PLAN AND BUDGET

1. 2016 Budget. The 2016 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 \$2,600,000 for street improvements, \$2,600,000 for parking facilities, and \$6,500,000 for refinancing of District debt. On November 1, 2005, the District's electors authorized additional indebtedness of \$450,000 for water and \$150,000 for sanitary sewer. The voters also approved an annual increase in taxes of \$15,000, at a mill levy rate not to exceed one mill for general operation 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. As set forth in the District's 2007 operating plan, the City has limited the amount of debt to be issued to a total of \$4,950,000 in the authorized voted categories, without future approval by the City. No additional debt authorizations are contemplated in 2016.
3. Property Tax and Mill Levy Caps. The mill levy limitations in the Original Operating Plan (being 50 mills for debt service and one (1) mill for general operations and administrative expenses) remain unchanged.

4. District Revenues. See 2016 budget attached hereto as EXHIBIT B.
5. Existing Debt Obligations. The District issued \$4,000,000 Limited Tax General Obligation Bonds, Series 2007 to acquire capital improvements in place that were built by the developer as contemplated in the 2007 Operating Plan. The City approved the 2007 bond issue by Resolution No. 84-07. Following the issuance of its Series 2007 bonds, the District has \$950,000 in remaining debt authorization.
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 consistency 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. 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 consistency 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.

8. 2016 ACTIVITIES, PROJECTS AND CHANGES

1. Activities

The District does not anticipate additional infrastructure work for commercial development in 2016, and has no specific plan at this time.

2. Projects and Public Improvements

The District does not presently anticipate funding the design, installation or acquisition of additional public improvements during 2016. If the District acts to fund additional improvements during calendar year 2016, 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 2016 Activities and Changes from Prior Year

The District's activities will focus on district administration and payment of its bonds.

Boundary changes: Not anticipated for the upcoming year.

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

Mill levy changes: Mill levy increase in the Debt Service Fund from 46.000 mills to 49.000 mills. This increase is needed to fund the debt repayment obligations of the District.

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

Elections: Not anticipated for the upcoming year.

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

Ability to meet current financial obligations: See 2016 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

BOARD OF DIRECTORS:

Ralph A. Braden, President (w) 719-593-2600
Nor'wood Development Group (f) 719-633-0545
111 South Tejon, Suite 222 rbraden@nor-wood.com
Colorado Springs, CO 80903
Term: Elected 5/6/2012; 2012-2016; 4-year term

Christopher S. Jenkins, Vice President (w) 719-593-2600
Nor'wood Development Group (f) 719-633-0545
111 South Tejon, Suite 222 chrisjenkins@nor-wood.com
Colorado Springs, CO 80903
Term: Elected 5/6/2012; 2012-2016; 4-year term

David D. Jenkins, Secretary (w) 719-593-2600
Nor'wood Development Group (f) 719-633-0545
111 South Tejon, Suite 222 ddj@nor-wood.com
Colorado Springs, CO 80903
Term: Elected 5/6/2012; 2012-2016; 4-year term

Frederick A. Veitch, Treasurer (w) 719-593-2600
Nor'wood Development Group (f) 719-633-0545
111 South Tejon, Suite 222 fveitch@nor-wood.com
Colorado Springs, CO 80903
Term: Elected 5/4/2010; 2010-2014; 2014-2018

Delroy L. Johnson, Assistant Secretary (w) 719-593-2600
Nor'wood Development Group (f) 719-633-0545
111 South Tejon, Suite 222 djohnson@nor-wood.com
Colorado Springs, CO 80903
Term: Appt 8/2013-2014; Elected 2014-2018; 4-year term

DISTRICT MANAGER:

CliftonLarsonAllen LLP (w) 303-779-4525
8390 East Crescent Parkway, Suite 600 (f) 303-773-2050
Greenwood Village, CO 80111

DISTRICT CONTACT:

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

INSURANCE AND DIRECTORS' BONDS:

T. Charles Wilson Insurance Service
384 Inverness Parkway
Centennial, CO 80112

303-368-5757 x 307
(f) 303-368-5863

ACCOUNTANT:

Carrie Bartow, CPA
CliftonLarsonAllen LLP
102 South Tejon, Suite 350
Colorado Springs, CO 80903

(w) 719-635-0300 x 77839
(direct) 303-265-7839
(f) 719-473-3630
(c) 303-883-3984
carrie.bartow@claconnect.com

AUDITOR:

BiggsKofford, PC
630 Southpointe Court, Suite 200
Colorado Springs, CO 80906

719-579-9090
(f) 719-576-0126

STAFF: N/A

EXHIBIT B

**2016 BID Budget
General Fund
Capital Projects Fund
Debt Service Fund
(including taxes, fees, assessments and
estimated principal amount of bonds)**

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
FORECASTED 2016 BUDGET AS PROPOSED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

9/14/2015

	ACTUAL 2014	BUDGET 2015	ACTUAL 6/30/2015	ESTIMATED 2015	PROPOSED 2016
BEGINNING FUND BALANCES	\$ 169,675	\$ 140,170	\$ 145,392	\$ 145,392	\$ 126,333
REVENUES					
1 Property taxes	293,730	303,225	291,847	303,225	330,582
2 Specific ownership taxes	31,014	30,320	13,693	32,800	36,360
3 Net investment income	634	185	216	345	183
4 Intergovernmental revenue	13,868	13,077	8,339	13,873	14,197
Total revenues	339,246	346,807	314,095	350,243	381,322
Total funds available	508,921	486,977	459,487	495,635	507,655
EXPENDITURES					
5 General and administration					
6 Accounting	14,019	18,000	12,147	20,000	18,000
7 Audit	6,700	6,900	6,800	6,800	6,900
8 Contingency	-	3,801	-	3,389	4,766
9 County Treasurer's fees	4,409	4,549	4,378	4,549	4,959
10 District management	6,950	9,000	3,021	7,000	9,000
11 Dues and membership	-	500	547	547	600
12 Election	3,259	-	-	-	3,500
13 Insurance	3,717	3,400	3,167	3,167	3,300
14 Legal	9,272	9,000	2,418	8,000	9,000
15 Miscellaneous	803	1,000	397	1,000	1,000
16 Debt service					
17 Bond interest	244,400	239,850	-	239,850	234,975
18 Bond principal	70,000	75,000	-	75,000	85,000
Total expenditures	363,529	371,000	32,875	369,302	381,000
Total expenditures and transfers out requiring appropriation	363,529	371,000	32,875	369,302	381,000
ENDING FUND BALANCES	\$ 145,392	\$ 115,977	\$ 426,612	\$ 126,333	\$ 126,655
EMERGENCY RESERVE	\$ 1,600	\$ 1,500	\$ 900	\$ 1,600	\$ 1,800
TOTAL RESERVE	\$ 1,600	\$ 1,500	\$ 900	\$ 1,600	\$ 1,800

PRELIMINARY DRAFT - SUBJECT TO REVISION

This financial information should be read only in connection with the accompanying accountant's
compilation report and summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

9/14/2015

	ACTUAL 2014	BUDGET 2015	ACTUAL 6/30/2015	ESTIMATED 2015	PROPOSED 2016
ASSESSED VALUATION - EL PASO					
Commercial	\$ 6,527,340	\$ 6,451,580	\$ 6,451,580	\$ 6,451,580	\$ 6,611,630
Certified Assessed Value	<u>\$ 6,527,340</u>	<u>\$ 6,451,580</u>	<u>\$ 6,451,580</u>	<u>\$ 6,451,580</u>	<u>\$ 6,611,630</u>
MILL LEVY					
GENERAL FUND	1.000	1.000	1.000	1.000	1.000
DEBT SERVICE FUND	44.000	46.000	46.000	46.000	49.000
Total Mill Levy	<u>45.000</u>	<u>47.000</u>	<u>47.000</u>	<u>47.000</u>	<u>50.000</u>
PROPERTY TAXES					
GENERAL FUND	\$ 6,527	\$ 6,452	\$ 6,452	\$ 6,452	\$ 6,612
DEBT SERVICE FUND	287,203	296,773	296,773	296,773	323,970
Levied property taxes	293,730	303,225	303,225	303,225	330,582
Adjustments to actual/rounding	-	-	(11,378)	-	-
Budgeted Property Taxes	<u>\$ 293,730</u>	<u>\$ 303,225</u>	<u>\$ 291,847</u>	<u>\$ 303,225</u>	<u>\$ 330,582</u>
BUDGETED PROPERTY TAXES					
GENERAL FUND	\$ 6,527	\$ 6,452	\$ 6,210	\$ 6,452	\$ 6,612
DEBT SERVICE FUND	287,203	296,773	285,637	296,773	323,970
	<u>\$ 293,730</u>	<u>\$ 303,225</u>	<u>\$ 291,847</u>	<u>\$ 303,225</u>	<u>\$ 330,582</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
FORECASTED 2016 BUDGET AS PROPOSED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

9/14/2015

	ACTUAL 2014	BUDGET 2015	ACTUAL 6/30/2015	ESTIMATED 2015	PROPOSED 2016
BEGINNING FUND BALANCES	\$ 18,912	\$ 20,265	\$ 25,545	\$ 25,545	\$ 28,715
REVENUES					
1 Property taxes	6,527	6,452	6,210	6,452	6,612
2 Specific ownership taxes	31,014	30,320	13,693	32,800	36,360
3 Net investment income	42	25	30	45	43
4 Intergovernmental revenue	13,868	13,077	8,339	13,873	14,197
Total revenues	<u>51,451</u>	<u>49,874</u>	<u>28,272</u>	<u>53,170</u>	<u>57,212</u>
Total funds available	<u>70,363</u>	<u>70,139</u>	<u>53,817</u>	<u>78,715</u>	<u>85,927</u>
EXPENDITURES					
General and administration					
5 Accounting	14,019	18,000	12,147	20,000	18,000
6 Audit	6,700	6,900	6,800	6,800	6,900
7 Contingency	-	2,103	-	3,389	3,601
8 County Treasurer's fees	98	97	93	97	99
9 District management	6,950	9,000	3,021	7,000	9,000
10 Dues and membership	-	500	547	547	600
11 Election	3,259	-	-	-	3,500
12 Insurance	3,717	3,400	3,167	3,167	3,300
13 Legal	9,272	9,000	2,418	8,000	9,000
14 Miscellaneous	803	1,000	397	1,000	1,000
Total expenditures	<u>44,818</u>	<u>50,000</u>	<u>28,590</u>	<u>50,000</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>44,818</u>	<u>50,000</u>	<u>28,590</u>	<u>50,000</u>	<u>55,000</u>
ENDING FUND BALANCES	<u>\$ 25,545</u>	<u>\$ 20,139</u>	<u>\$ 25,227</u>	<u>\$ 28,715</u>	<u>\$ 30,927</u>
EMERGENCY RESERVE	<u>\$ 1,600</u>	<u>\$ 1,500</u>	<u>\$ 900</u>	<u>\$ 1,600</u>	<u>\$ 1,800</u>
TOTAL RESERVE	<u>\$ 1,600</u>	<u>\$ 1,500</u>	<u>\$ 900</u>	<u>\$ 1,600</u>	<u>\$ 1,800</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
FORECASTED 2016 BUDGET AS PROPOSED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

9/14/2015

	ACTUAL 2014	BUDGET 2015	ACTUAL 6/30/2015	ESTIMATED 2015	PROPOSED 2016
BEGINNING FUND BALANCES	\$ 150,763	\$ 119,905	\$ 119,847	\$ 119,847	\$ 97,618
REVENUES					
1 Property taxes	287,203	296,773	285,637	296,773	323,970
2 Net investment income	592	160	186	300	140
Total revenues	<u>287,795</u>	<u>296,933</u>	<u>285,823</u>	<u>297,073</u>	<u>324,110</u>
Total funds available	<u>438,558</u>	<u>416,838</u>	<u>405,670</u>	<u>416,920</u>	<u>421,728</u>
EXPENDITURES					
General and administration					
3 Contingency	-	1,698	-	-	1,165
4 County Treasurer's fees	4,311	4,452	4,285	4,452	4,860
Debt service					
5 Bond interest	244,400	239,850	-	239,850	234,975
6 Bond principal	70,000	75,000	-	75,000	85,000
Total expenditures	<u>318,711</u>	<u>321,000</u>	<u>4,285</u>	<u>319,302</u>	<u>326,000</u>
Total expenditures and transfers out requiring appropriation	<u>318,711</u>	<u>321,000</u>	<u>4,285</u>	<u>319,302</u>	<u>326,000</u>
ENDING FUND BALANCES	<u>\$ 119,847</u>	<u>\$ 95,838</u>	<u>\$ 401,385</u>	<u>\$ 97,618</u>	<u>\$ 95,728</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

This financial information should be read only in connection with the accompanying accountant's
compilation report and summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
 CAPITAL PROJECTS FUND
 FORECASTED 2016 BUDGET AS PROPOSED
 WITH 2014 ACTUAL AND 2015 ESTIMATED
 For the Years Ended and Ending December 31,**

9/14/2015

	ACTUAL 2014	BUDGET 2015	ACTUAL 6/30/2015	ESTIMATED 2015	PROPOSED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	-	-	-	-	-
EXPENDITURES					
Total expenditures	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
2016 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 and landscaping. 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 \$2,600,000 for street improvements, \$2,600,000 for parking facilities, and \$6,500,000 for refinancing of District debt. On November 1, 2005, the District's electors authorized additional indebtedness of \$450,000 for water and \$150,000 for sanitary sewer. The voters also approved an annual increase in taxes of \$15,000, 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. As set forth in the District's 2007 operating plan, the City has limited the amount of debt to be issued to a total of \$4,950,000 in the authorized voted categories, without future approval by the City.

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

The District prepares its budget on the modified accrual basis of accounting.

Revenue

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 page 3 of the Budget at the total adopted mill levy of 50.000 mills.

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 forecast assumes that the District's share will be equal to approximately 11% of the property taxes collected.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
2016 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.15%.

Intergovernmental Revenue

Pursuant to an Intergovernmental Agreement, dated November 30, 2011, with Barnes and Powers South Business Improvement District, the intergovernmental revenue represents transfers from Barnes & Powers South to provide funding for the overall administrative and operating costs for the District and payment of capital infrastructure.

Expenditures

Administrative 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 tax collected.

Debt Service

On June 27, 2007, the District issued \$4,000,000 in General Obligation Bonds. The Bonds are due December 1, 2036, and bear an interest rate of 6.5% paid annually on December 1. At the option of the district on any date, the bonds are subject to redemption prior to maturity without redemption premium. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

Debt and Leases

The District's current debt service schedule is attached. The District has no capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2016, as defined under TABOR.

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

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2015**

**\$4,000,000 General Obligation Bonds
Dated June 27, 2007
Interest Rate 6.5%
Principal and Interest Due December 1**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 85,000	\$ 234,975	\$ 319,975
2017	90,000	229,450	319,450
2018	95,000	223,600	318,600
2019	105,000	217,425	322,425
2020	110,000	210,600	320,600
2021	115,000	203,450	318,450
2022	125,000	195,975	320,975
2023	135,000	187,850	322,850
2024	140,000	179,075	319,075
2025	150,000	169,975	319,975
2026	160,000	160,225	320,225
2027	170,000	149,825	319,825
2028	180,000	138,775	318,775
2029	195,000	127,075	322,075
2030	205,000	114,400	319,400
2031	220,000	101,075	321,075
2032	235,000	86,775	321,775
2033	250,000	71,500	321,500
2034	265,000	55,250	320,250
2035	285,000	38,025	323,025
2036	300,000	19,500	319,500
	<u>\$ 3,615,000</u>	<u>\$ 3,114,800</u>	<u>\$ 6,729,800</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

EXHIBIT C

District Boundary Map

BARNES & POWERS NORTH BID

1 inch = 270.00 feet

August, 2012

District Taxation Boundary



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