

2017 OPERATING PLAN AND BUDGET

**FIRST AND MAIN
NORTH BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

TABLE OF CONTENTS

1.	PURPOSE AND SCOPE OF THIS DISTRICT	1
	A. Requirement for this Operating Plan	1
	B. What Must Be Included in the Operating Plan?	1
	C. Purposes..	1
	D. Ownership of Property or Major Assets.....	1
	E. Contracts and Agreement.....	1
2.	ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS.....	2
3.	BOUNDARIES, INCLUSIONS AND EXCLUSIONS.....	2
4.	PUBLIC IMPROVEMENTS.....	2
5.	ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE	3
6.	FINANCIAL PLAN AND BUDGET.....	3
7.	MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES	5
8.	2017 ACTIVITIES, PROJECTS AND CHANGES.....	5
	1. Activities	5
	2. Projects and Public Improvements.....	5
	3. Summary of 2017 Activities and Changes from Prior Year	6
9.	DISSOLUTION.....	6
10.	CONCLUSION	6

EXHIBIT A - Director and Other Contact Information

EXHIBIT B - BID Budget 2017

 General Fund

 Capital Projects Fund

 Debt Service Fund

EXHIBIT C – District Boundary Map

**2017
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., 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 2017 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 2017 budget year.

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:

- Ralph A. Braden, President
- Christopher S. Jenkins, Vice-President
- David D. Jenkins, Secretary
- Frederick A. Veitch, Treasurer
- Delroy L. Johnson, Assistant Secretary

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

D. Term Limits.

The District held a director election in May, 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 does not presently anticipate funding the design, installation, or acquisition of additional public improvements during 2017. If the District acts to fund additional improvements during calendar year 2017, 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 2017.

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 2017. 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.

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

6. FINANCIAL PLAN AND BUDGET

1. 2017 Budget.

The 2017 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. 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 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 2017 through 2034. 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.

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 one mill. The Series 2005 Bond Resolution limits the mill levy to pay those bonds to 44 mills in 2005 and 2006, 39 mills for the years 2007 through 2015, and 34 mills for the years 2017 through 2034. The District has levied the one mill operating levy and expects to continue to do so.

4. District Revenues.

See 2017 budget attached hereto as **EXHIBIT B**.

5. Existing Debt Obligations.

In 2005 the District issued its \$1,927,000 Limited Tax General Obligation Bonds, Series 2005. The 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 lines and sewer lines.

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. 2017 ACTIVITIES, PROJECTS AND CHANGES

1. *Activities.*

The District does not anticipate activity for commercial development in 2017, and has no specific plan at this time.

2. *Projects and Public Improvements.*

The District does not anticipate funding the design, installation or acquisition of additional public improvements during 2017. If the District acts to fund additional improvements during calendar year 2017, 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 2017 Activities and Changes from Prior Year.

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

Boundary changes: Not anticipated for the upcoming year.

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

Mill levy changes: Not anticipated for the upcoming year.

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 2017 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:

NAME & ADDRESS	POSITION	TERM(S)	PHONE #/E-MAIL
Ralph A. Braden Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2012-2016; 2016-2020	(w) 719-593-2600 (f) 719-633-0545 rbraden@nor-wood.com
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	2012-2016; 2016-2020	(w) 719-593-2600 (f) 719-633-0545 chrisjenkins@nor-wood.com
David D. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Secretary	2012-2016; 2016-2020	(w) 719-593-2600 (f) 719-633-0545 ddj@nor-wood.com
Frederick A. Veitch Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Treasurer	2014-2018	(w) 719-593-2600 (f) 719-633-0545 fveitch@nor-wood.com
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2014-2018	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com

DISTRICT CONTACT:

DISTRICT MANAGER:

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	Cynthia Beyer CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 600 Greenwood Village, CO 80111 (w) 303-779-5710 (f) 303-779-0348 Cynthia.Beyer@claconnect.com
--	---

ACCOUNTANT:

AUDITOR:

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

INSURANCE AND BONDS:

STAFF:

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

EXHIBIT B

2017 BID Budget

General Fund

Debt Service Fund

Capital Projects Fund

(including taxes, fees, assessments and estimated principal amount of bonds)



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
First & Main North Business Improvement District
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of First & Main North Business Improvement District for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016 and the actual comparative information for the year ending December 31, 2015, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to First & Main North Business Improvement District.

Colorado Springs, Colorado
, 2016

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

9/14/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ 44,935	\$ 55,081	\$ 58,170	\$ 58,170	\$ 64,286
REVENUES					
1 Property taxes	165,496	163,658	162,870	163,658	161,236
2 Specific ownership taxes	18,702	18,000	7,459	18,100	17,740
3 Net investment income	152	70	206	358	325
Total revenues	<u>184,350</u>	<u>181,728</u>	<u>170,535</u>	<u>182,116</u>	<u>179,301</u>
Total funds available	<u>229,285</u>	<u>236,809</u>	<u>228,705</u>	<u>240,286</u>	<u>243,587</u>
EXPENDITURES					
General and administration					
4 Accounting	8,890	9,000	5,628	10,000	10,000
5 Audit	2,900	3,000	2,950	2,950	3,000
6 Contingency	-	1,489	-	782	1,840
7 County Treasurer's fees	62	61	61	61	60
8 District management	3,286	3,000	1,522	3,000	3,000
9 Dues and membership	264	300	463	463	500
10 Election	-	1,000	432	432	-
11 Insurance	1,583	1,650	1,812	1,812	2,100
12 Legal	2,983	3,500	715	3,500	3,500
13 Miscellaneous	405	1,000	-	1,000	1,000
Debt service					
14 Bond interest	103,971	101,310	101,310	101,310	98,495
15 Bond principal	44,351	46,923	46,923	46,923	49,738
16 Contingency	-	1,373	-	1,373	1,409
17 County Treasurer's fees	2,420	2,394	2,382	2,394	2,358
Total expenditures	<u>171,115</u>	<u>176,000</u>	<u>164,198</u>	<u>176,000</u>	<u>177,000</u>
Total expenditures and transfers out requiring appropriation	<u>171,115</u>	<u>176,000</u>	<u>164,198</u>	<u>176,000</u>	<u>177,000</u>
ENDING FUND BALANCES	<u>\$ 58,170</u>	<u>\$ 60,809</u>	<u>\$ 64,507</u>	<u>\$ 64,286</u>	<u>\$ 66,587</u>
EMERGENCY RESERVE	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 400</u>	<u>\$ 700</u>	<u>\$ 700</u>
TOTAL RESERVE	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 400</u>	<u>\$ 700</u>	<u>\$ 700</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.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

9/14/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
ASSESSED VALUATION - EL PASO					
Commercial	\$ 4,137,400	\$ 4,091,470	\$ 4,091,470	\$ 4,091,470	\$ 4,030,890
Certified Assessed Value	<u>\$ 4,137,400</u>	<u>\$ 4,091,470</u>	<u>\$ 4,091,470</u>	<u>\$ 4,091,470</u>	<u>\$ 4,030,890</u>
MILL LEVY					
GENERAL FUND	1.000	1.000	1.000	1.000	1.000
DEBT SERVICE FUND	39.000	39.000	39.000	39.000	39.000
Total Mill Levy	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>
PROPERTY TAXES					
GENERAL FUND	\$ 4,137	\$ 4,091	\$ 4,091	\$ 4,091	\$ 4,031
DEBT SERVICE FUND	161,359	159,567	159,567	159,567	157,205
Levied property taxes	165,496	163,658	163,658	163,658	161,236
Adjustments to actual/rounding	-	-	(788)	-	-
Budgeted Property Taxes	<u>\$ 165,496</u>	<u>\$ 163,658</u>	<u>\$ 162,870</u>	<u>\$ 163,658</u>	<u>\$ 161,236</u>
BUDGETED PROPERTY TAXES					
GENERAL FUND	\$ 4,137	\$ 4,091	\$ 4,071	\$ 4,091	\$ 4,031
DEBT SERVICE FUND	161,359	159,567	158,799	159,567	157,205
	<u>\$ 165,496</u>	<u>\$ 163,658</u>	<u>\$ 162,870</u>	<u>\$ 163,658</u>	<u>\$ 161,236</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.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

9/14/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ 5,293	\$ 4,940	\$ 7,774	\$ 7,774	\$ 5,993
REVENUES					
1 Property taxes	4,137	4,091	4,071	4,091	4,031
2 Specific ownership taxes	18,702	18,000	7,459	18,100	17,740
3 Net investment income	15	5	14	28	20
Total revenues	<u>22,854</u>	<u>22,096</u>	<u>11,544</u>	<u>22,219</u>	<u>21,791</u>
Total funds available	<u>28,147</u>	<u>27,036</u>	<u>19,318</u>	<u>29,993</u>	<u>27,784</u>
EXPENDITURES					
General and administration					
4 Accounting	8,890	9,000	5,628	10,000	10,000
5 Audit	2,900	3,000	2,950	2,950	3,000
6 Contingency	-	1,489	-	782	1,840
7 County Treasurer's fees	62	61	61	61	60
8 District management	3,286	3,000	1,522	3,000	3,000
9 Dues and membership	264	300	463	463	500
10 Election	-	1,000	432	432	-
11 Insurance	1,583	1,650	1,812	1,812	2,100
12 Legal	2,983	3,500	715	3,500	3,500
13 Miscellaneous	405	1,000	-	1,000	1,000
Total expenditures	<u>20,373</u>	<u>24,000</u>	<u>13,583</u>	<u>24,000</u>	<u>25,000</u>
Total expenditures and transfers out requiring appropriation	<u>20,373</u>	<u>24,000</u>	<u>13,583</u>	<u>24,000</u>	<u>25,000</u>
ENDING FUND BALANCES	<u>\$ 7,774</u>	<u>\$ 3,036</u>	<u>\$ 5,735</u>	<u>\$ 5,993</u>	<u>\$ 2,784</u>
EMERGENCY RESERVE	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 400</u>	<u>\$ 700</u>	<u>\$ 700</u>
TOTAL RESERVE	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 400</u>	<u>\$ 700</u>	<u>\$ 700</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.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

9/14/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ 39,642	\$ 50,141	\$ 50,396	\$ 50,396	\$ 58,293
REVENUES					
1 Property taxes	161,359	159,567	158,799	159,567	157,205
2 Net investment income	137	65	192	330	305
Total revenues	<u>161,496</u>	<u>159,632</u>	<u>158,991</u>	<u>159,897</u>	<u>157,510</u>
Total funds available	<u>201,138</u>	<u>209,773</u>	<u>209,387</u>	<u>210,293</u>	<u>215,803</u>
EXPENDITURES					
Debt service					
3 Bond interest	103,971	101,310	101,310	101,310	98,495
4 Bond principal	44,351	46,923	46,923	46,923	49,738
5 Contingency	-	1,373	-	1,373	1,409
6 County Treasurer's fees	2,420	2,394	2,382	2,394	2,358
Total expenditures	<u>150,742</u>	<u>152,000</u>	<u>150,615</u>	<u>152,000</u>	<u>152,000</u>
Total expenditures and transfers out requiring appropriation	<u>150,742</u>	<u>152,000</u>	<u>150,615</u>	<u>152,000</u>	<u>152,000</u>
ENDING FUND BALANCES	<u>\$ 50,396</u>	<u>\$ 57,773</u>	<u>\$ 58,772</u>	<u>\$ 58,293</u>	<u>\$ 63,803</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.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
 CAPITAL PROJECTS FUND
 2017 BUDGET AS PROPOSED
 WITH 2015 ACTUAL AND 2016 ESTIMATED
 For the Years Ended and Ending December 31,**

9/14/2016

	ACTUAL 2015	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
2017 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. 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 C.R.S 29-1-105.

Revenues

Property Taxes

The calculation of the taxes levied is displayed on page 3 at the adopted mill levy of 40.000 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 budget assumes that the District's share will be equal to approximately 11% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.5%.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 2017 are provided based on the debt amortization schedule from the Series 2005 General Obligation Bonds.

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 has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2017, 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
December 31, 2016**

**\$1,927,000 General Obligation Bonds
Series 2005
Dated March 30, 2005
Principal and interest due July 1
Interest Rate 6.0% Payable**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2017	\$ 49,738	\$ 98,495	\$ 148,233
2018	52,631	95,511	148,142
2019	55,789	92,353	148,142
2020	59,048	89,005	148,053
2021	62,590	85,463	148,053
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
	<u>\$ 1,641,582</u>	<u>\$ 1,139,037</u>	<u>\$ 2,780,619</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.

EXHIBIT C

District Boundary Map

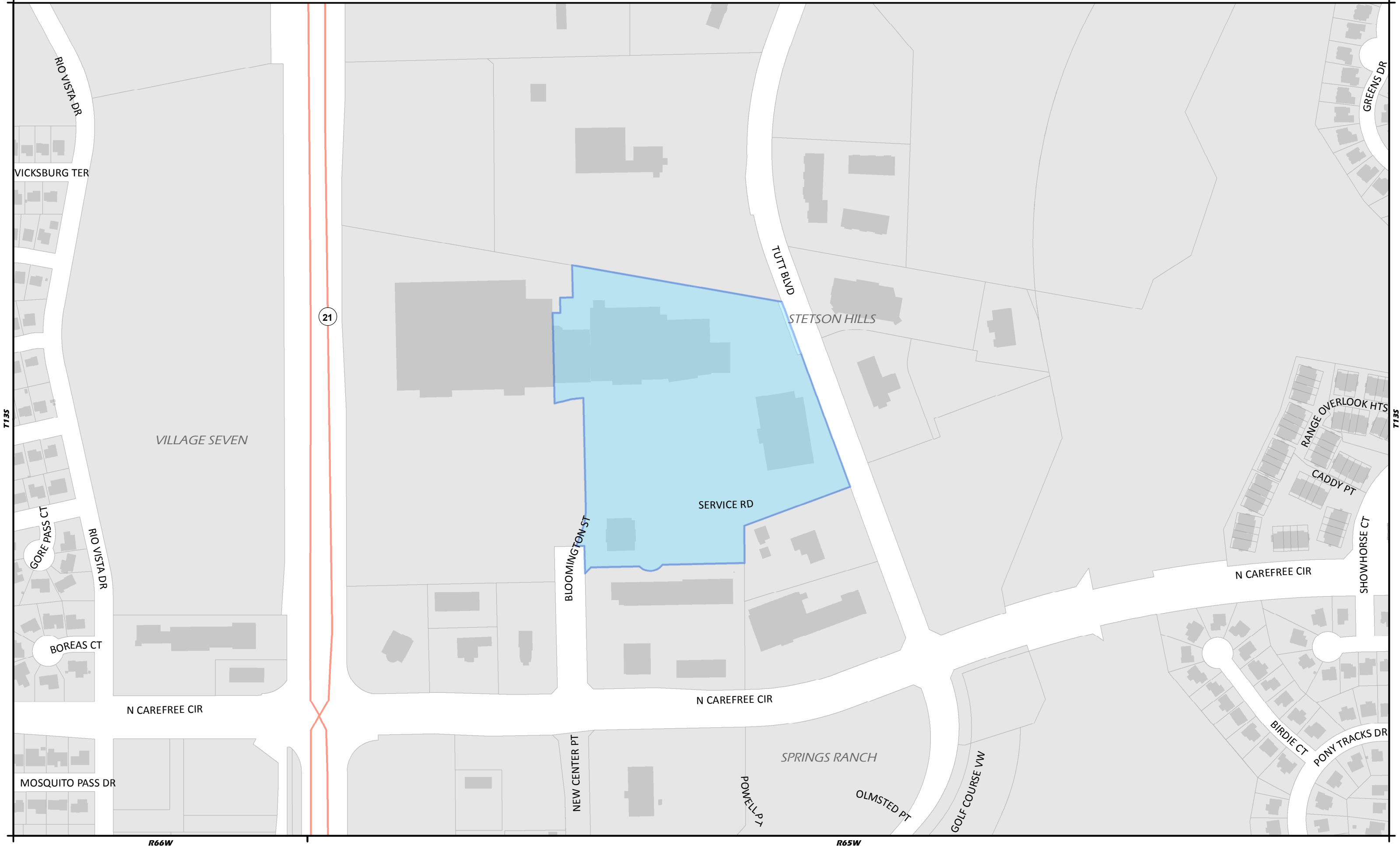
FIRST & MAIN NORTH BID

 Tax Boundary


1 inch = 270.83 feet

Created 11/23/2015 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

COPYRIGHT 2015 by the Board of County Commissioners, El Paso County, Colorado. All rights reserved. No part of this document or data contained hereon may be reproduced, used to prepare derivative products, or distributed without the specific written approval of the Board of County Commissioners, El Paso County, Colorado. This document was prepared from the best data available at the time of plotting and is for internal use only. El Paso County, Colorado, makes no claim as to the completeness or accuracy of the data contained hereon.



T135

T135

R66W

R65W