

2021 OPERATING PLAN AND BUDGET
BARNES & POWERS
SOUTH BUSINESS
IMPROVEMENT
DISTRICT

City of Colorado Springs, El Paso County, Colorado

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2021
OPERATING PLAN FOR THE
BARNES & POWERS SOUTH 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 South 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 2021 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

D. *Ownership of Property or Major Assets.*

The District owns limited sanitary storm drainage facilities.

E. *Contracts and Agreement.*

Pursuant to an Intergovernmental Agreement, dated November 30, 2011, with Barnes & Powers North Business Improvement District, the intergovernmental expenditures represents transfers to Barnes & Powers North Business

Improvement District 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 South Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-50 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's 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 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 as development and completion of existing projects occurs in 2021. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install or cause to be constructed and installed, include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, *et seq.*, C.R.S., lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the “Public Improvements”). The costs of such Public Improvements, including costs of design, acquisition, construction and financing, are referred to herein as the “Public Improvement Costs.”

5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

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

6. FINANCIAL PLAN AND BUDGET

1. 2021 Budget.

The 2021 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 \$3,000,000 for street improvements, \$2,500,000 for parking facilities, and \$6,500,000 for refinancing of District debt. The voters also approved an annual increase in taxes of \$11,000, at a mill levy rate not to exceed one mill for general operation and maintenance. The election also authorized 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’s electors authorized additional indebtedness of \$400,000 for water and \$125,000 for sanitary sewer and storm drainage. 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. No additional debt authorizations are contemplated in 2021.

3. ***Property Tax and Mill Levy Caps.***
The mill levy limitations in the original Operating Plan (being fifty (50) mills for debt service and one (1) mill for general operations and administrative expenses) remain unchanged.
4. ***District Revenues.***
See 2021 Budget attached hereto as **EXHIBIT B.**
5. ***Existing Debt Obligations.***
The District issued \$835,000 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. 68-07.

In 2011, in order to complete the acquisition, development, construction and installation of certain storm sewer, street safety related improvements approved in the 2004 Election and to repay certain costs advanced by the developer for the organization of the District and administration of construction and bond requirements, the District issued its Taxable Subordinate Limited Tax General Obligation Bond, Series 2011, in the initial aggregate amount of \$73,549 (the “2011 Bonds”). As required by the District’s 2011 Operating Plan, the issuance of the 2011 Bonds was approved by Resolution 108-11 of the City Council.
6. ***Future Debt Obligations.***
In accordance with the City’s Special District Policy, the 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.***
No other financial obligations of the District are anticipated in the coming year. The District does not currently have any outstanding developer advances.
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, the 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.*

The 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. 2021 ACTIVITIES, PROJECTS AND CHANGES

1. *Activities.*

The District does not anticipate additional infrastructure work for commercial development in 2021. Barnes & Power North Business Improvement District provides maintenance and operation services on behalf of the District.

2. *Projects and Public Improvements.*

The District does not presently anticipate funding the design, installation or acquisition of additional public improvements during 2021. If the District acts to fund additional improvements during calendar year 2021, 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 2021 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: An appointment to the Board of Directors may be made to fill the vacancy.

Mill levy changes: The District anticipated it would certify 20.000 mills for debt service and 1.000 mill for operations and maintenance in its 2020 Operating Plan and Budget, however, the District ultimately certified 14.000 mills for debt service and 1.000 mill for operations and maintenance in 2020. For 2021, the mill levies remain the same: 14.000 mills for debt service and 1.000 mill for operations and maintenance.

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

Elections: No election for the upcoming year.

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

Ability to meet current financial obligations: See 2021 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
BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM	PHONE #/E-MAIL
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 tseibert@nor-wood.com
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 chrisjenkins@nor-wood.com
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 ddj@nor-wood.com
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 djohnson@nor-wood.com
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

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

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

AUDITOR:

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
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EXHIBIT B

2021 BID Budget

General Fund

Capital Projects Fund

Debt Service Fund

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

**BARNES & POWERS SOUTH
BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021**

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 108,002	\$ 117,294	\$ 117,329	\$ 117,329	\$ 102,233
REVENUES					
Property Taxes	93,130	67,050	66,966	67,050	62,819
Specific Ownership Taxes	11,275	7,376	3,383	7,369	6,282
Interest Income	3,516	1,800	776	1,545	455
Other Revenue	-	2,000	-	-	2,030
Total revenues	<u>107,921</u>	<u>78,226</u>	<u>71,125</u>	<u>75,964</u>	<u>71,586</u>
Total funds available	<u>215,923</u>	<u>195,520</u>	<u>188,454</u>	<u>193,293</u>	<u>173,819</u>
EXPENDITURES					
General Fund	15,739	13,846	7,857	11,846	12,500
Debt Service Fund	82,855	82,000	15,076	79,214	82,000
Total expenditures	<u>98,594</u>	<u>95,846</u>	<u>22,933</u>	<u>91,060</u>	<u>94,500</u>
Total expenditures and transfers out requiring appropriation	<u>98,594</u>	<u>95,846</u>	<u>22,933</u>	<u>91,060</u>	<u>94,500</u>
ENDING FUND BALANCES	<u>\$ 117,329</u>	<u>\$ 99,674</u>	<u>\$ 165,521</u>	<u>\$ 102,233</u>	<u>\$ 79,319</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION					
Commercial	\$ 4,434,760	\$ 4,470,010	\$ 4,470,010	\$ 4,470,010	\$ 4,187,960
Certified Assessed Value	<u>\$ 4,434,760</u>	<u>\$ 4,470,010</u>	<u>\$ 4,470,010</u>	<u>\$ 4,470,010</u>	<u>\$ 4,187,960</u>
MILL LEVY					
General	1.000	1.000	1.000	1.000	1.000
Debt Service	20.000	14.000	14.000	14.000	14.000
Total mill levy	<u>21.000</u>	<u>15.000</u>	<u>15.000</u>	<u>15.000</u>	<u>15.000</u>
PROPERTY TAXES					
General	\$ 4,435	\$ 4,470	\$ 4,470	\$ 4,470	\$ 4,188
Debt Service	88,695	62,580	62,580	62,580	58,631
Levied property taxes	93,130	67,050	67,050	67,050	62,819
Adjustments to actual/rounding	-	-	(84)	-	-
Budgeted property taxes	<u>\$ 93,130</u>	<u>\$ 67,050</u>	<u>\$ 66,966</u>	<u>\$ 67,050</u>	<u>\$ 62,819</u>
BUDGETED PROPERTY TAXES					
General	\$ 4,433	\$ 4,470	\$ 4,467	\$ 4,470	\$ 4,188
Debt Service	88,697	62,580	62,499	62,580	58,631
	<u>\$ 93,130</u>	<u>\$ 67,050</u>	<u>\$ 66,966</u>	<u>\$ 67,050</u>	<u>\$ 62,819</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	4,433	4,470	4,467	4,470	4,188
Specific Ownership Taxes	11,275	7,376	3,383	7,369	6,282
Interest Income	31	-	7	7	-
Other Revenue	-	2,000	-	-	2,030
Total revenues	<u>15,739</u>	<u>13,846</u>	<u>7,857</u>	<u>11,846</u>	<u>12,500</u>
Total funds available	<u>15,739</u>	<u>13,846</u>	<u>7,857</u>	<u>11,846</u>	<u>12,500</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	67	67	67	67	63
Contingency	-	2,000	-	-	2,030
Intergovernmental Expenditures	15,672	11,779	7,790	11,779	10,407
Total expenditures	<u>15,739</u>	<u>13,846</u>	<u>7,857</u>	<u>11,846</u>	<u>12,500</u>
Total expenditures and transfers out requiring appropriation	<u>15,739</u>	<u>13,846</u>	<u>7,857</u>	<u>11,846</u>	<u>12,500</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 108,002	\$ 117,294	\$ 117,329	\$ 117,329	\$ 102,233
REVENUES					
Property Taxes	88,697	62,580	62,499	62,580	58,631
Interest Income	3,485	1,800	769	1,538	455
Total revenues	<u>92,182</u>	<u>64,380</u>	<u>63,268</u>	<u>64,118</u>	<u>59,086</u>
Total funds available	<u>200,184</u>	<u>181,674</u>	<u>180,597</u>	<u>181,447</u>	<u>161,319</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	1,330	939	938	939	879
Contingency	-	2,786	-	-	1,096
Debt Service					
Bond Interest	31,525	28,275	14,138	28,275	25,025
Bond Principal	50,000	50,000	-	50,000	55,000
Total expenditures	<u>82,855</u>	<u>82,000</u>	<u>15,076</u>	<u>79,214</u>	<u>82,000</u>
Total expenditures and transfers out requiring appropriation	<u>82,855</u>	<u>82,000</u>	<u>15,076</u>	<u>79,214</u>	<u>82,000</u>
ENDING FUND BALANCE	<u>\$ 117,329</u>	<u>\$ 99,674</u>	<u>\$ 165,521</u>	<u>\$ 102,233</u>	<u>\$ 79,319</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
2021 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 \$3,000,000 for street improvements, \$2,500,000 for parking facilities, and \$6,500,000 for refinancing of District debt. On November 1, 2005, the District's electors authorized additional indebtedness of \$400,000 for water and \$125,000 for sanitary sewer and storm drainage. The voters also approved an annual increase in taxes of \$11,000, 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 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 contractual.

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.

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
2021 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%.

Expenditures

County Treasurer's Fees

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

Intergovernmental expenditures

Pursuant to an Intergovernmental Agreement, dated November 30, 2011, with Barnes and Powers North Business Improvement District, the intergovernmental expenditures represent transfers to Barnes and Powers North to provide funding for the overall administrative and operating costs, as well as capital infrastructure costs for the District.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2007 Bonds (discussed under Debt and Leases).

Debt and Leases

On June 27, 2007, the District issued \$835,000 in General Obligation Bonds. The Bonds are due December 1, 2026, and bear an interest rate of 6.5% paid semiannually on June 1 and 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. The District's current debt service schedule is attached.

The District has no capital or operating leases.

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Barnes and Powers North Business Improvement District, which pays for all of the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget. It is accounted for in Barnes and Powers North Business Improvement District.

This information is an integral part of the accompanying budget.

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$835,000 General Obligation Bonds
Dated June 27, 2007
Interest Rate 6.5%**

Principal Due December 1

<u>Year Ended December 31,</u>	<u>Interest Payable June 1 and December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 55,000	\$ 25,025	\$ 80,025
2022	60,000	21,450	81,450
2023	60,000	17,550	77,550
2024	65,000	13,650	78,650
2025	70,000	9,425	79,425
2026	75,000	4,875	79,875
	<u>\$ 385,000</u>	<u>\$ 91,975</u>	<u>\$ 476,975</u>

No assurance provided, see summary of significant assumptions.

EXHIBIT C
District Boundary Map

BARNES & POWERS SOUTH BID



Tax Boundary

1 inch = 113.5 feet

08/24/2020 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

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