

ORDINANCE NO. 17-105

AN ORDINANCE ORGANIZING THE INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT, APPOINTING AN INITIAL BOARD OF DIRECTORS, AND PROVIDING FOR THE ELECTION OF THE BOARD OF DIRECTORS ON MAY 8, 2018 AND THEREAFTER

WHEREAS, City Council received a Petition (the "Petition"), attached as Exhibit "A", filed pursuant to C.R.S. § 31-25-1205 for the organization of the Interquest Town Center Business Improvement District ("District"); and

WHEREAS, in accord with the Business Improvement District Act, a public notice of the Petition has been given and published in the Daily Transcript, calling for a public hearing on the organization request set forth in the Petition, proof of publication for which is attached and made a part of this ordinance as Exhibit "B"; and

WHEREAS, based upon the Petition and other evidence presented to City Council, the Petition has been signed in conformity with Part 12 of Article 25 of Title 31, C.R.S., the signatures on the Petition are genuine, and the signatures represent the persons who own real or personal property in the service area of the proposed District having a valuation for assessment of not less than fifty percent of the valuation for assessment of all real and personal property in the service area of the proposed District and who own at least fifty percent of the acreage in the proposed District; and

WHEREAS, the petitioner has also provided an initial 2017-2018 Operating Plan and Budget for this District ("the Initial Operating Plan and Budget") which is attached and made part of this ordinance as Exhibit "C"; and

WHEREAS, the Petition and the Operating Plan and Budget set forth, among other things:

- (a) The name of the proposed District, which shall include a descriptive name and the words "business improvement district", to wit "Interquest Town Center Business Improvement District";
- (b) A general description of the boundaries and service area of the District;
- (c) A general description of the types of service or improvements or both to be provided by the District;
- (d) The names of three persons to represent the petitioners, who have the power to enter into agreements relating to organization of the District;
- (e) A specific statement that the initial Board of Directors are to be appointed by City Council with subsequent Boards to be elected by the electors of the District pursuant to C.R.S. § 31-25-1209(1)(d);

(f) A request that City Council determine that the location of the proposed District be designated for new or redeveloped business or commercial development;

(g) A request for the organization of the District; and

WHEREAS, by Resolution No. 9-06, City Council approved the City Financial Policy Regarding the Use of Districts (the "Special District Policy") on January 24, 2006, providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure, which is attached and made part of this ordinance as Exhibit "D"; and

WHEREAS, City Council conducted a Public Hearing on October 24, 2017 and heard all persons having objections to the organization of the District.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. City Council finds and determines that it has jurisdiction in this matter pursuant to the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S.

Section 2. City Council declares the organization of the Interquest Town Center Business Improvement District ("District") in a location designated by the City as a location for new or redeveloped business or commercial development, which shall have the initial boundaries and service area set forth in Exhibit A, attached hereto and incorporated by reference.

Section 3. The District shall be a quasi-municipal corporation and political subdivision of the state with all powers and responsibilities thereof except as also limited by the Initial Operating Plan and Budget as well as the Special District Policy. See Exhibits C and D attached hereto and incorporated by reference.

Section 4. Pursuant to C.R.S. § 31-25-1209(1)(d), City Council provides for a board of directors for the District which shall have five members. Each member shall be an elector of the District and shall be elected by the eligible electors of the District as

provided by law. The initial members of the board of directors shall be appointed by City Council with an election called for on May 8, 2018. The board of directors shall carry out the responsibilities required of such board by the Business Improvement District Act and other law.

Section 5. The 2017-2018 Initial Operating Plan and Budget is approved and incorporated herein by reference, including the declaration of public interest and necessity for holding the May 8, 2018 elections contained therein. The District is authorized to proceed with an election on May 8, 2018 concerning the election of directors and such ballot issues and questions as have previously been certified.

Section 6. The board of directors of the District shall file its future operating plans and budgets and amendments with the City Clerk for approval by City Council as provided in C.R.S. §31-25-1211.

Section 7. The City Clerk is directed to file a certified copy of this ordinance with the County Clerk and Recorder of El Paso County, Colorado.

Section 8. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter.

Section 9. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance shall be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this 14th day of November, 2017.

Finally passed: November 28th, 2017



Council President

Mayor's Action:

- Approved on December 1, 2017.
- Disapproved on _____, based on the following objections:

John W. Suthers
Mayor

Council Action After Disapproval:

- Council did not act to override the Mayor's veto.
- Finally adopted on a vote of _____, on _____.
- Council action on _____ failed to override the Mayor's veto.

Council President


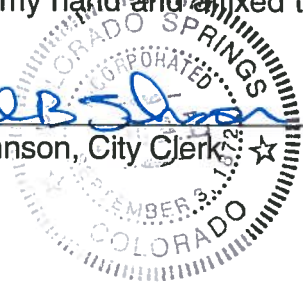
ATTEST:

Sarah B. Johnson
Sarah B. Johnson, City Clerk



I HEREBY CERTIFY, that the foregoing ordinance entitled “AN ORDINANCE ORGANIZING THE INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT, APPOINTING AN INTIAL BOARD OF DIRECTORS, AND PROVINDING FOR THE ELECTION OF THE BOARD OF DIRECTORS ON MAY 8, 2018 AND THEREAFTER” was introduced and read at a regular meeting of the City Council of the City of Colorado Springs, held on November 14th, 2017; that said ordinance was finally passed at a regular meeting of the City Council of said City, held on the 28th day of November, 2017, and that the same was published by title and summary, in accordance with Section 3-80 of Article III of the Charter, in the Transcript, a newspaper published and in general circulation in said City, at least ten days before its passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 1st day of December, 2017.


Sarah B. Johnson, City Clerk 

1st Publication Date: November 17th, 2017
2nd Publication Date: December 6th, 2017

Effective Date: December 11th, 2017

Initial: SBS
City Clerk

**WARNING:
IT IS AGAINST THE LAW:**

For anyone to sign this petition with any name other than one's own or to knowingly sign one's name more than once for the same measure or to knowingly sign the petition when not eligible to do so.
Do not sign this petition unless you are a person who owns real or personal property in the service area of the proposed district.
Do not sign this petition unless you have read and have had read to you the petition in its entirety and understand its meaning.

**PETITION FOR THE ORGANIZATION
OF THE INTERQUEST TOWN CENTER BUSINESS
IMPROVEMENT DISTRICT WITHIN THE
CITY OF COLORADO SPRINGS, COLORADO**

The undersigned owners of taxable real or personal property within the proposed service area described in **Exhibit A**, attached hereto and made a part hereof, (the "Service Area"), hereby petition the Mayor and City Council, of the City of Colorado Springs (the "City") for the organization of the **Interquest Town Center Business Improvement District** (the "District") in accordance with the provisions of the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. In support of this Petition, Petitioners state:

(a) The name of the District shall be the Interquest Town Center Business Improvement District.

(b) A description of the boundaries and service area of the District is in the attached **Exhibit A**. The service area shall be the commercial property within these general boundaries. Pursuant to Section 31-12-1203(10), C.R.S., the proposed service area includes property that the Petitioners request that the City, following a notice and a public hearing, designate as a location for new business or commercial development.

(c) A general description of the types of services or improvements or both to be provided by the District includes, but is not limited to:

The acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and improvements allowed under Colorado law for business improvement districts, including "Improvements" as that term is defined in Section 31-25-1203(5), C.R.S., services as described in Section 31-25-1212(1)(f), C.R.S., and other powers granted to such districts under Section 31-25-1212, C.R.S.

(d) The name(s) of three persons to represent the Petitioners, who have the power to enter into agreements relating to the organization of the District are:

1. Scott A. Bryan
2. Vincent C. Shoemaker
3. Michael P. Palmer

(e) Pursuant to Section 31-25-1205(2), C.R.S, this petition is signed by persons who own real or personal property in the service area of the District having a valuation for assessment of not less than fifty percent (50%) of the valuation for the assessment of all real and personal

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property in the service area of the District, and who own at least fifty percent (50%) of the acreage in the District.

(f) Pursuant to Section 31-25-1205(3), C.R.S., this petition is accompanied by a bond with security provided by the governing body or a cash deposit sufficient to cover all expenses connected with the proceedings in case the organization of the District is not effected. If at any time during the organization proceedings the governing body determines that the bond first executed or the amount of the cash deposited is insufficient in amount, it may require the Petitioners to execute an additional bond or the deposit of additional cash within a time to be fixed, not less than ten (10) days thereafter, and Petitioners acknowledge that upon failure of the Petitioners to file or deposit the same, the petition may be dismissed.

(g) Pursuant to Section 31-25-1209(1)(d), C.R.S., the City may provide by ordinance for a board of directors of the District consisting of five (5) members. That the five member Board of Directors of the proposed District will be elected at an election to be held on May 8, 2018. Petitioners request that the City pass such an ordinance and that the initial board of directors be the following electors of the District:

1. Scott A. Bryan
2. Theresa G. Bryan
3. Vincent C. Shoemaker
4. Sandra L. Shoemaker
5. Michael P. Palmer

Each member shall fulfill all statutory requirements prior to undertaking official duties.

(h) The District will have authority to create special improvement districts as provided in Section 31-25-1219, C.R.S., and may create and fund separate special improvement districts for improvements.

(i) The commercial property owners of the District request that the City, after public notice and hearing, designate the territory within the District as a location for new business or commercial development under Section 31-25-1203(10), C.R.S.

(j) Pursuant to Section 31-25-1213, C.R.S., the board of directors of the District shall have the power to issue indebtedness and to levy and collect ad valorem taxes on and against all taxable commercial property within the boundaries of the District in an amount authorized by election and allowed by the operating plan and budget to be approved by the City. The board of

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directors shall, in accordance with Sections 31-25-1214 and 39-5-128, C.R.S., certify the mill levy to the El Paso County Board of County Commissioners as appropriate.

(k) The board of directors of the District shall have all other powers as may be necessary, convenient, and authorized by statute set forth in the operating plan and budget of the District. The District shall file its operating plan and budget by September 30 of each year for approval by the City as provided by Section 31-25-1211, C.R.S.

THEREFORE, Petitioners respectfully request that the City approve the organization of the Interquest Town Center Business Improvement District and adopt the ordinances and take the actions requested in the petition to provide for its effective and efficient operation.

PETITIONER:

Interquest Town Center, LLC
a Colorado limited liability company

Date of Signing: 30 August 2017

By:


(Printed Name) Vincent C. Shoemaker

As its: Member

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EXHIBIT A

**Legal Description of the Area within the
Interquest Town Center Business Improvement District**

Parcel A:

Lot 1, Interquest Filing No. 7, City of Colorado Springs, County of El Paso, State of Colorado

Parcel B:

Lot 2, Interquest Filing No. 8, City of Colorado Springs, County of El Paso, State of Colorado

Parcel C:

Lot 3, Interquest Filing No. 8, City of Colorado Springs, County of El Paso, State of Colorado

Parcel D:

Lot 4, Interquest Filing No. 8, City of Colorado Springs, County of El Paso, State of Colorado

PUBLIC NOTICE OF HEARING ON

PETITION FOR THE ORGANIZATION OF THE INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT IN THE CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO, AND CONSIDERATION OF AN ORDINANCE ORGANIZING THE INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT, PROVIDING FOR THE ELECTION OF THE DIRECTORS THEREOF, AND APPROVING THE INITIAL OPERATING PLAN AND PRELIMINARY 2017/2018 BUDGET THEREFOR

PUBLIC NOTICE IS HEREBY GIVEN that there was filed in the office of the City Clerk of the City of Colorado Springs, Colorado a Petition for the Organization of the Interquest Town Center Business Improvement District ("Proposed District") in accordance with the provisions of the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. Said Petition is pending the hearing on the sufficiency of said Petition and action on an ordinance to organize the Proposed District by the City Council as the governing body of the City of Colorado Springs, Colorado (the "City").

Said Petition states, among other things:

(a) A description of the boundaries and service area of the Proposed District, as follows and incorporated herein by reference: the commercial property in the commercial areas of the Interquest Town Center Business Improvement District development consisting of approximately 19 acres, described as Parcel A: Lot 1, Interquest Filing No. 7; Parcel B: Lot 2, Interquest Filing No. 8; Parcel C: Lot 3, Interquest Filing No. 8; and Parcel D: Lot 4, Interquest Filing No. 8, in the City of Colorado Springs, Colorado. The legal description is available from the office of Spencer Fane LLP, 1700 Lincoln Street, Suite 2000, Denver, Colorado 80203.

(b) The Proposed District shall be empowered to provide all or part of the services and improvements allowed under Colorado law for business improvement districts, including "Improvements" as that term is defined in Section 31-25-1203(5), C.R.S., services as described in Section 31-25-1212(1)(f), C.R.S., and other powers granted to such districts under Section 31-25-1212, C.R.S., to the extent set forth in its Operating Plan;

(c) That a five (5) member Board of Directors of the Proposed District will be elected at an election to be held on May 8, 2018 pursuant to Section 31-25-1209(1)(d), C.R.S.

The petition is on file at the office of the City Clerk of the City of Colorado Springs, Colorado, and is available for public inspection.

NOTICE IS FURTHER GIVEN that by order of the Clerk to the Board of Trustees, a public hearing on said Petition shall be held at the hour of 1:00 p.m., on Tuesday, the 24th day of October, 2017, at the City Hall, 107 N. Nevada Avenue, Colorado Springs, Colorado, at which time and place any interested party may appear and be heard on the sufficiency of the Petition.

NOTICE IS FURTHER GIVEN that the City Council of the City of Colorado Springs, at the conclusion of said hearing, if it determines that the Petition satisfies the requirements of the Business Improvement District Act, will consider the adoption of a proposed ordinance creating and establishing the Interquest Town Center Business Improvement District, providing for the election of Board members of the District, and approving the Initial Operating Plan and preliminary 2017/2018 budget therefor.

By: Sarah B. Johnson, City Clerk
City of Colorado Springs, Colorado

EXHIBIT B

**2017-2018 OPERATING PLAN AND
BUDGET**

**INTERQUEST TOWN
CENTER BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2017-2018
OPERATING PLAN FOR THE
INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT**

1. PURPOSE AND SCOPE OF THIS DISTRICT

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

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

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

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

The Operating Plan and any subsequent Operating Plans approved by the City, will be incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

C Purposes. As articulated in this Operating Plan, the contemplated purposes of this District for 2017-2018 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

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

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

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

- A. **Organization.** The Interquest Town Center Business Improvement District is sought to be organized by the City of Colorado Springs, Colorado as requested in the Petition for Organization for the District.
- B. **Governance.** Pursuant to Section 31-25-1209(1)/(d), the City hereby appoints the initial board of directors for the District, which shall have up to five members. Each member shall be an elector of the District. The City will appoint the initial board of directors for the District after which the positions on the board shall be elected starting with an election on May 8, 2018.
- C. **Current Board.** If approved by the City, the District will be managed by a Board of Directors consisting of five electors all of whom shall be voting members. The proposed Board members are:
 - 1) Scott A. Bryan
 - 2) Theresa G. Bryan
 - 3) Vincent C. Shoemaker
 - 4) Sandra L. Shoemaker
 - 5) Michael P. Palmer

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

- D. **Term Limits.** At the May 8, 2018 election, a ballot question will be included to eliminate term limits.
- E. **Advisory Board.** The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District is proposed to include approximately 19 acres with boundaries as depicted in Exhibit C. In 2017 and 2018 the District does not anticipate inclusion or exclusion requests.

4. PUBLIC IMPROVEMENTS

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

District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

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

The property owners of the District request that the City designate the territory within the District as a location for new business or commercial development under Section 31-25-1203(10), C.R.S.

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.

The District does not anticipate having any employees.

6. FINANCIAL PLAN AND BUDGET

1. **2017-2018 Budget.** The 2017-2018 Budget for the District is attached as Exhibit B.
2. **Authorized Indebtedness.** It is anticipated that the District will hold an election on May 8, 2018 for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution, and the Operating Plan. The initial maximum debt authorization for the District shall be \$4,000,000.
3. **Property Tax and Mill Levy Caps.** The District taxing ability shall be constrained to mill levy limitations of up to 50 mills for debt service and up to 5 mills for general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.
4. **District Revenues.** The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District may utilize public improvement fees to support public improvement construction and future bonds for that purpose.

5. Existing Debt Obligations. The District has no current debt.
6. Future Debt Obligations. The District does not anticipate the issuance of any debt in 2017 or 2018.
7. Other Financial Obligations. The District may enter into agreements including reimbursement or similar agreements and leases; as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.
8. City Charter Limitations. In accordance with 7-100 of the City Charter, the District shall not issue any debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth in 7-100 of the City Charter, the total debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.
9. Non-Default Provisions. Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.
10. Privately Placed Debt. Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the debt.
11. The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District

7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

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

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

(c) **City Authorization Prior to Debt Issuance.** In accordance with the City's Special District Policy, and notwithstanding any statements of intent in the Budget and Operating Plan,

this District shall request and obtain approval of City Council prior to issuance of any debt in accordance with the financing plan for the District as previously approved. The standards for City approval shall generally be 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 may utilize revenues from a new, increased or expanded public improvement fee (PIF).

(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. 2017-2018 ACTIVITIES, PROJECTS AND CHANGES

1. Activities

It is anticipated that the District will primarily be engaged in the initial organization activities for the area in 2017 and 2018.

2. Projects and Public Improvements

The District will not be undertaking any projects or public improvements in its first year and second year.

3. Summary of 2017-2018 Activities and Changes from Prior Year

The District does not anticipate any major activities for the upcoming year and second year.

Boundary changes: No boundary changes anticipated

Changes to board or governance structure: The City will appoint the initial board of directors for the District after which the positions on the board shall be elected starting with an election on May 8, 2018

Mill levy changes: N/A

New, refinanced or fully discharged debt: Not anticipated

Elections: May 8, 2018 Regular Election

Major changes in development activity or valuation: Not anticipated

Ability to meet current financial obligations: The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District may enter into agreements and leases for ongoing services for general operations and maintenance of the District.

9 DISSOLUTION

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

10. CONCLUSION

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

EXHIBIT A

Director and Other Contact Information

BOARD OF DIRECTORS:

Scott A. Bryan
13975 South Perry Park Road
Larkspur, CO 80118

Theresa G. Bryan
13975 South Perry Park Road
Larkspur, CO 80118

Vincent C. Shoemaker
5934 Lees Lane
Larkspur, CO 80118

Sandra L. Shoemaker
5934 Lees Lane
Larkspur, CO 80118

Michael P. Palmer
1535 Northfield Road
Colorado Springs, CO 80910

DISTRICT MANAGER: None (at this time)

DISTRICT CONTACT:

Russ Dykstra
Spencer Fane LLP
1700 Lincoln St, Suite 2000
Denver, Colorado 80203
303-839-3845
rdykstra@spencerfane.com

INSURANCE AND DIRECTORS' BONDS: None (at this time)

ACCOUNTANT: None (at this time)

AUDITOR: None (at this time)

STAFF: None (at this time)

[Insert all contact information as applicable]

EXHIBIT B

**2017-2018 BID Budget
General Fund**

**Interquest Town Center Business Improvement District
2017-2018 Budget**

General Fund

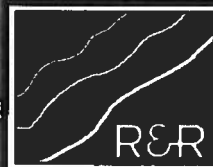
| <u>Expense</u> | <u>Actual 2015</u> | <u>Actual 2016</u> | <u>Proposed 2017</u> | <u>Proposed 2018</u> |
|---|------------------------|------------------------|--------------------------|--------------------------|
| Beginning Funds Balance | \$ - | \$ - | \$ - | \$ - |
| Revenue | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Specific Ownership Taxes | \$ - | \$ - | \$ - | \$ - |
| Developer Advances | \$ - | \$ - | \$ 50,000.00 | \$ 50,000.00 |
| Interest Income | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous Income | \$ - | \$ - | \$ - | \$ - |
| Total Revenue | \$ - | \$ - | \$ 50,000.00 | \$ 50,000.00 |
| Total Funds Available | \$ - | \$ - | \$ 50,000.00 | \$ 50,000.00 |
| Expenditures | | | | |
| Accounting / Audit | \$ - | \$ - | \$ 2,500.00 | \$ 2,500.00 |
| Election Expense | \$ - | \$ - | \$ - | \$ - |
| Engineering | \$ - | \$ - | \$ 10,000.00 | \$ 10,000.00 |
| Insurance/SDA Dues | \$ - | \$ - | \$ 2,500.00 | \$ 2,500.00 |
| Legal | \$ - | \$ - | \$ 15,000.00 | \$ 15,000.00 |
| Management | \$ - | \$ - | \$ 1,500.00 | \$ 1,500.00 |
| Contingency | \$ - | \$ - | \$ 15,000.00 | \$ 15,000.00 |
| Misc. Expenses | \$ - | \$ - | \$ 2,000.00 | \$ 2,000.00 |
| Treasurer's Fees | \$ - | \$ - | \$ - | \$ - |
| Repay Developer Advances | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | \$ - | \$ - | \$ 48,500.00 | \$ 48,500.00 |
| Emergency Reserve | \$ - | \$ - | \$ 1,500.00 | \$ 1,500.00 |
| Total Expenditures requiring appropriation | \$ - | \$ - | \$ 50,000.00 | \$ 50,000.00 |
| Ending Funds Balance | \$ - | \$ - | \$ - | \$ - |

EXHIBIT C

District Boundary Map



INTERQUEST BOUNDARY MAP



**ENGINEERS
SURVEYORS**

**R&R
ENGINEERS.COM**

Plot Scale 1:1
 Job No. BC17119
 Date 08/28/2017
 Drawn By GM
 Checked By SEL
 Sheet **EXBT-1**

Special District Policy
Approved January 24, 2006

1. This policy applies to Business Improvement Districts (BID), General Improvement Districts (GID), and Metropolitan Service Districts as allowed under Colorado Revised Statutes Titles 31 and 32.
2. Applicants must complete and submit a Titles 31 and 32 Special District Transmittal Form and applicants for Title 32 Metropolitan Districts must complete and submit a Service Plan. Any deviation from the Metropolitan District Model Service Plan will be reviewed by City Staff and, if deemed material by Staff, will require specific City Council review and approval as a Service Plan modification. For Title 32 Metropolitan Districts, the Model Service Plan contains the complete and comprehensive description of all Policy components.
3. 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.
4. 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.
5. Any proposed District must commit to the City that its mill levy dedicated to repaying any bonded debt will not exceed the greater of 30 mills for residential properties or 50 mills for commercial properties and may be Gallagher adjusted (or otherwise adjusted) to the extent permitted by law. The maximum allowed for operating is 10 mills for both residential and commercial properties which may be Gallagher adjusted (or otherwise adjusted) to the extent permitted by law.
6. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.
7. Districts shall not impose a debt service mill levy on any District initially established as a Residential District which exceeds 40 years after the year of the initial imposition of such debt service mill levy unless: (1) a majority of the Board of Directors of the District imposing the mill levy are residents of such District and (2) such Board has voted in favor of issuing debt with a term which requires or contemplates the imposition of a debt service mill levy for a longer period of time than the limitation contained herein.

8. The District cannot issue debt or certify a debt service mill levy until the property included within the District has a City approved Master Plan and other more detailed land use approvals.
9. Limited tax general obligation bonds issued by a 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. 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 bonds or other debt instruments of Districts will be limited to those that are payable either from ad valorem property taxes, assessments, permitted user fees, reimbursements and interest earnings of the District, and from other revenues made available to the District. No District will be allowed to impose a sales tax.
12. The debt of any 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 any District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District. Districts formed under Title 32, CRS shall not utilize the City of Colorado Springs' name in the name of the District.
13. The issuance of all bonds or other debt instruments of Districts shall be subject to the approval of the City Council. City Council's review of the bonds or other debt instruments of the Districts shall be conducted to ensure compliance with the Service Plan and all applicable laws.
14. All District bonds or other debt instrument, if not rated as investment grade, must be issued in minimum denominations of \$100,000 and sold only to either accredited investors as defined in rule 501 (a) promulgated under the Securities Act of 1933 or to the developer(s) of property within the District.
15. Proceeds from the sale of debt instruments and other revenue of Districts may not be used to pay landowners within the District for any real property required to be dedicated for public use by annexation agreements or land use codes. Examples of ineligible reimbursements include but are not limited to: the acquisition of rights of way, easements, water rights, land for prudent line drainage, parkland, or open space unless consent from the City Council is given. Proceeds from the sale of debt instruments and other revenue of Districts also may not be used to pay for the construction of any utility infrastructure except for those categories of utility infrastructure covered by utility tariffs, rules, and regulations. Additionally, if the landowner/developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive the report of an independent engineer or accountant confirming that the amount of the reimbursement is reasonable.

16. Should the District construct infrastructure subject to a recovery agreement with the City or other entity, the District retains all benefits under the recovery agreement. Any such reimbursements for public improvements installed or financed by a District will remain the property of the District and be applied towards the repayment of its bonded debt, if any. Any reimbursement revenue not necessary to repay District bonded debt may be utilized by the District to construct additional public improvements as approved by City Council. The above provisions also apply in their entirety to circumstances where the public infrastructure has been constructed by the landowner/developer and subsequently conveyed to the District in return for a reimbursement obligation from the District; under those circumstances all applicable recovery agreements will be assigned to the District.
17. The existence of the District will not be considered a substitute for a financial assurance.
18. The City will establish and charge review and filing fees commensurate with the actual cost of processing and reviewing new and amended plans. Such fees are established by separate Council resolution and made available to all Service Plan applicants.
19. Districts shall take all reasonable steps necessary to ensure adequate disclosure of the existence, financial condition, and status of the District to all property owners within its boundaries. Specific written disclosure will be provided to all buyers of property within the District as required in 38-35.7-101 CRS. As required by 7-100 of the City Charter, the City will make available to the public all information regarding the financial condition and status of all General Improvement Districts within the City. Within 90 days of District formation, the District will record the approved Disclosure form included as an Exhibit in the approved Service Plan with the El Paso County Clerk and Recorder against all property included in the District.
20. All BIDs are required to submit an annual audit by March 31 performed by an independent certified public accounting firm.
21. No District shall have the authority of eminent domain or dominant eminent domain without prior City Council approval.
22. The Districts shall not include within any of their boundaries any property outside the Service Area (as described in the Service Plan) without the prior written consent of the City Council.