

2022 OPERATING PLAN AND BUDGET

Greater Downtown Colorado Springs
BUSINESS IMPROVEMENT DISTRICT

City of Colorado Springs, El Paso County,
Colorado

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2022
OPERATING PLAN FOR THE GREATER DOWNTOWN COLORADO SPRINGS
BUSINESS IMPROVEMENT DISTRICT

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 Greater Downtown Colorado Springs 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 plan, 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 year's Operating Plans, the ongoing and/or contemplated purposes of this District for 2022 include public space management, supplemental private security and consumer marketing.

D. Ownership of Property or Major Assets The BID owns a truck, an ATV, small equipment and supplies valued at \$22,713 after depreciation and Van Briggie tile inventory valued at \$3,602; such assets are used in the maintenance of public spaces downtown.

- E. Contracts and Agreements** The BID engages in contracts for its services, primarily:
- Robertson's Landscaping for daily cleaning and landscaping, Jan. 1, 2022-December 31, 2022, approximately \$325,000.
 - Robertson's Landscaping for holiday décor installation and deinstallation, Jan. 1, 2022-Dec. 31, 2022, approximately \$10,000.
 - Downtown Partnership, Jan. 1, 2022-Dec. 31, 2022, for financial services, administrative services, public space management oversight and marketing services, \$208,000.
 - Mercurial Solutions, for supplemental private security, Jan. 1, 2022-Dec. 31, 2022, approximately \$150,000.

ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

- A. Organization. The Greater Downtown Colorado Springs Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 01-98 dated July 10, 2001.
- B. Governance. The District is governed by an appointed board of directors.
- C. Current Board. The persons who currently serve as the Board of Directors are:
 - 1) Simon Penner
 - 2) John Wolfe
 - 3) Chris Senger
 - 4) Peri Bolts
 - 5) Uyen Le
 - 6) Mark Earle
 - 7) Ann Sebastian
 - 8) Carrie Hibbard Baker
 - 9) Frank Frey
 - 10) Julie Brooks
 - 11) Eric Brenner

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

- C. Term Limits. Board members may serve a maximum of two, full, three-year terms. Bylaws stipulate seven directors representing owners of real estate, of which two of these must represent real estate of 50,000 square feet or greater; a minimum one retail/restaurant tenant; a minimum of one service business tenant; a minimum of one office tenant; and one resident.
- E. Advisory Board. No Advisory Board has been appointed.

BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District currently includes 32 city blocks with boundaries as depicted in Exhibit C. The BID continues to examine possible limited expansion due to growing demand for BID services. In particular, the east side of the 500 block of South Tejon Street as well as the 600 blocks of South Tejon Street, east and west, are under consideration, due to improved properties and public usage in that block and inquiries by property owners concerning desire for BID services.

PUBLIC IMPROVEMENTS

BID does not anticipate financing major public improvements in 2022. BID services exist primarily to clean and maintain improved sidewalks and public spaces on an everyday basis.

ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

The BID seeks to protect public and private investment in Downtown Colorado Springs in order to attract new investments to the Downtown. The BID works to preserve and improve economic, cultural and civic conditions within the BID by facilitating partnerships of people and organizations to achieve mutual goals. The BID can provide funding to plan, evaluate, facilitate and implement the BID objectives, services and promotional activities that will help to acquire and grow viable and sustainable markets, thus strengthening competitiveness in the regional marketplace. Since the inception of the district, the objectives of the BID have been, and continue to be, revitalization of Downtown to support the attraction of residents, merchants, businesses, office users, entrepreneurs, corporate headquarters, entertainment, culture and the arts; all will increase the customer experience and traffic downtown, better enabling the Downtown to compete for customers and tenants and to position it as a destination point. Key focus areas are public space management, security and consumer marketing.

The services, facilities and improvements to be provided by the BID are not intended to duplicate or supplant the services, facilities and improvements provided by the City of Colorado Springs within the boundaries of the BID.

The BID contracts for cleaning, landscaping, administrative, financial, management, security and marketing services, as described previously. Specific activities are listed in the Activities section below.

FINANCIAL PLAN AND BUDGET

1. 2022 Budget. The 2022 Budget for the District is attached as Exhibit B. BID anticipates no significant changes in budget and services. However, the board has designated a contingency from reserves which may, at a date to be determined, be allocated to support extraordinary expenses such capital replacement or snow removal beyond what is typically seasonal.
2. Authorized Indebtedness. None currently and none anticipated for 2022.
3. Property Tax and Mill Levy Caps. The original 5 mill levy was established when the Greater Downtown Business Improvement District was created. It cannot be increased without approval by District voters. In the November 4, 2003, election District voters approved the de-TABORing of revenues received by the District under Section X, Article 20 of the Colorado Constitution. At that election the District voters also approved the exemption of the 5 mill levy from the property tax increase limitations contained in Colorado Revised Statutes 29-1-301 and 29-1-302. There is no Gallagher adjustment authorized. There are no property tax abatements at this time.
4. District Revenues. The BID is financed, in whole or in part, by a 5 mill levy on real and personal property within the district. The revenue so derived is used to fund legally authorized programs and services of the BID. Unexpended monies at the end of the fiscal year may be placed in one or more reserve funds to be expended as determined by the BID Board of Directors, including for capital expenses and operating expenses.
5. Existing Debt Obligations. The BID has no existing debt obligations.
6. Future Debt Obligations. The BID does not anticipate future debt obligations for 2022.

7. Other Financial Obligations. The BID has no existing financial obligations beyond standard legal requirements and the aforementioned contracts.
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

MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

(a) Audit. The District will submit an annual audit to the City Finance Department no later than March 1 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.

(f) Concealed Carry Prohibition. The District shall not adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying a

concealed handgun in a building or specific area under the direct control or management of the District as provided in C.R.S. § 18-12-214.

2022 ACTIVITIES, PROJECTS AND CHANGES

1. Activities

Public space management programs are designed to keep the BID clean, safe and welcoming for customers, workers, property owners and pedestrians. Services include but are not limited to: seven-day-a-week removal of litter, cigarette butts and waste on sidewalks, alleys and public amenities such as benches; limited snow removal; power-washing and spot washing of sidewalks; monitoring and reporting of safety concerns to CSPD; supplemental private security; graffiti and gum removal; watering and maintenance of more than 100 flowerbeds and nearly 50 flowerpots; installation and deinstallation of holiday décor; maintenance of tree lights; installation and deinstallation of lamppost banners for downtown promotions and through contracts with local nonprofits.

Consumer marketing drives patrons and customers downtown and supports the economic viability of the scores of primarily locally owned and operated stores and restaurants. Activities include but are not limited to: maintenance of a robust website; communication through an e-blast and use of social media such as Facebook and Twitter; print advertisements in The Gazette, Independent and Colorado Springs Business Journal; radio and TV broadcast promotion; design and distribution of 80,000 copies of a downtown map; targeted digital ad campaigns and more.

Marketing campaigns include but are not limited to Mother's Day; Summer Sidewalk Sale; and, especially, significant holiday campaign initiatives to include promotion of Small Business Saturday and the Holiday Stroll. The BID also promotes and sells a gift card redeemable at more than 100 merchants and restaurants to encourage downtown shopping and dining.

Supplemental security efforts are provided on a contract basis with a team of two officers walking and/or biking throughout the BID, providing assistance to merchants with safety concerns and relaying information to Colorado Springs Police Department.

Additionally, the BID hosts regular meetings to inform and seek feedback from merchants. The BID partners with CSPD in support of its volunteer Ambassadors program. The BID creates awareness of City parking options and educates regarding safety and vagrancy concerns in the downtown area. BID contractors attend monthly city event permitting meetings to ensure events enhance the downtown experience and do not unduly burden retail; BID informs BID owners and tenants regarding frequent street closures and other issues.

2. Projects and Public Improvements

No major projects or public improvements scheduled.

3. Summary of 2022 Activities and Changes from Prior Year

- **Boundary changes:** Possible addition of one or more blocks on the southern boundary, based on increased public usage of those blocks and inquiries by property owners regarding a desire for BID services.
- **Changes to board or governance structure:** None anticipated.
- **Mill levy changes:** None anticipated.

- New, refinanced or fully discharged debt: None anticipated.
- Elections: None anticipated
- Major changes in development activity or valuation: None anticipated.
- Ability to meet current financial obligations: Not applicable.

DISSOLUTION

The BID will have perpetual existence unless a budget is not submitted to City Council for two consecutive years, in which case the BID will be dissolved by operation of law.

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

- Simon Penner, chair, principal, Newmark Grubb Knight Frank. *Appointed second full term July 2020. Simon.penner@nmrk.com*
- Uyen Le, owner, Beauty Bar. *Appointed first full term July 2020. Beautybar.um@gmail.com*
- Mark Earle, chair, Giddings Lofts HOA. *Appointed first full term July 2020. Mearle120@gmail.com*
- Ann Sebastian, senior property manager, Cushman Wakefield. *Appointed first full term July 2020. Ann.Sebastian@cis.cushwake.com*
- Carrie Hibbard Baker, assistant manager, Terra Verde. *Appointed first full term July 2019, cbaker@terraverdestyle.com*
- Julie Brooks, manager, Paramount Group. *Appointed first full term July 2019, Julie.Brooks@Paramountam.com*
- Frank Frey, manager, Epicentral Coworking. *Appointed first full term July 2019, frank@epicentral.org*
- Chris Senger, director, Senger Design Group. *Appointment first full term July 2021, chrissenger@sengerdesigngroup.com*
- John Wolfe, co-owner, ICONS. *Appointed first full term July 2021, jtwolfe88@gmail.com*
- Peri Bolts, owner, Eclectic CO. *Appointed first full term July 2021, peri@shopeclecticco.com*

DISTRICT MANAGER: Downtown Partnership provides day-to-day management through a contract for services.

DISTRICT CONTACT: Susan Edmondson, President & CEO, Downtown Partnership, 111 S. Tejon St. Ste. 703, Colorado Springs, CO 80903. 719-886-0088. susan@downtowncs.com.

INSURANCE AND DIRECTOR'S BONDS:

Directors & Officers Liability
Philadelphia Insurance Companies
Policy No. PHSD1189886, Policy Period 12/03/19-12/03/20

Commercial Policy to include Property, General Liability, Crime, Auto and Inland Marine
Philadelphia Insurance Companies
Policy No. PHPK1583817, Policy Period 12/03/19-12/3/2020
Travelers Insurance Company
Policy No. 105488510, Policy Period 12/03/19-12/03/2020

ACCOUNTANT: Downtown Partnership

AUDITOR: Osborne, Parsons, Rosacker, 601 N. Nevada Ave., Colorado Springs, CO 80903, 719-636-2321.

STAFF: The BID does not have staff. Day-to-day management is provided through a contract for services with Downtown Partnership.

EXHIBIT B – BUDGET

EXHIBIT B - 2022 BID BUDGET
General Fund

	2018 Actual	2019 Actual	2020 Actuals	2021 Budget	2021 Estimate	2022 Budget
Beginning balance - January 1	\$ 392,021.00	\$ 439,487.00	\$ 491,390.00	\$ 516,331.00	\$ 516,331.00	\$ 478,882.00
REVENUES						
Property taxes (less abatements)	\$ 498,318.00	\$ 501,027.00	\$ 516,719.00	\$ 515,858.00	\$ 518,636.00	\$ 592,729.00
Specific ownership taxes	\$ 67,937.00	\$ 64,494.00	\$ 61,719.00	\$ 52,084.00	\$ 52,364.00	\$ 59,773.00
Interest income	\$ 1,001.00	\$ 7,912.00	\$ 3,882.00	\$ 4,000.00	\$ 300.00	\$ 300.00
Other	\$ 51,235.00	\$ 132,912.00	\$ 182,996.00	\$ 162,012.00	\$ 164,050.00	\$ 181,050.00
Proceeds from sale of capital assets, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 618,491.00	\$ 706,345.00	\$ 765,316.00	\$ 733,954.00	\$ 735,350.00	\$ 833,852.00
Total Funds Available	\$ 1,010,512.00	\$ 1,145,832.00	\$ 1,256,706.00	\$ 1,250,285.00	\$ 1,251,681.00	\$ 1,312,734.00
EXPENDITURES						
Public Space Management	\$ 386,566.00	\$ 378,039.00	\$ 452,071.00	\$ 458,525.00	\$ 482,789.00	\$ 513,226.00
Security	\$ 35,167.00	\$ 121,326.00	\$ 126,864.00	\$ 150,000.00	\$ 130,000.00	\$ 150,000.00
Marketing Services	\$ 99,734.00	\$ 106,200.00	\$ 113,154.00	\$ 107,050.00	\$ 109,050.00	\$ 117,000.00
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Overhead	\$ 49,559.00	\$ 48,877.00	\$ 48,286.00	\$ 51,373.00	\$ 50,960.00	\$ 53,626.00
Contingency Budget Expense	\$ -	\$ -	\$ -	\$ 80,000.00	\$ -	\$ 80,000.00
Fund Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 571,025.00	\$ 654,442.00	\$ 740,375.00	\$ 846,948.00	\$ 772,799.00	\$ 913,852.00
Ending Balance - December 31	\$ 439,487.00	\$ 491,390.00	\$ 516,331.00	\$ 403,337.00	\$ 478,882.00	\$ 398,882.00

EXHIBIT C - MAP

