

2021 OPERATING PLAN AND BUDGET

**FIRST AND MAIN
NORTH BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2021
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.*, 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. 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 owns certain street improvements, parking facilities, water improvements, and drainage improvements.

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:

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 held a regular election in May 8, 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 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 \$2,100,000 for street improvements, \$2,000,000 for parking facilities, and \$5,000,000 for refinancing of District debt. 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. On November 1, 2005, the District authorized additional indebtedness of \$225,000 for water and \$50,000 for storm drainage.

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. Due to lower than projected revenues from the limited mill levy, the Board of Directors of the District approved keeping the mill levy at 39.000 mills. However, pursuant to the Second Amendment to Bond Resolution, Series 2005, dated November 29, 2017, the District authorized the mill levy limitation to not exceed 50.000 mills for payment of principal, premium, and interest on the bonds and any parity bonds. 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.

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 1 mill.

4. *District Revenues.*

See 2021 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, and sewer improvements.

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 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.*

The District currently has outstanding developer advances of \$206,253, which accrues interest at a rate of 7%. 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 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.*

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. 2021 ACTIVITIES, PROJECTS AND CHANGES

1. Activities.

The District does not anticipate activity for commercial development in 2021. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities and landscaping consistent with prior years' activities.

2. Projects and Public Improvements.

The District does not 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 existing bonds, as well as operating and maintaining parking facilities, roadways, lighting, driveways, public utilities and landscaping services.

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: Not anticipated for the upcoming year.

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

Elections: There will be 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
First and Main North Business Improvement District

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM(S)	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

Debt Service Fund

Capital Projects Fund

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

**FIRST & MAIN NORTH
BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021**

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/16/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 6,581	\$ 6,961	\$ 7,049	\$ 7,049	\$ 11,520
REVENUE					
Property Taxes	200,703	206,223	205,261	206,223	207,817
Specific Ownership Taxes	24,411	22,685	10,405	22,685	20,782
Interest Income	2,399	126	809	1,626	43
Developer Advance	-	7,000	-	7,000	5,500
Total revenue	<u>227,513</u>	<u>236,034</u>	<u>216,475</u>	<u>237,534</u>	<u>234,142</u>
TRANSFERS IN	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>55,000</u>
Total funds available	<u>284,094</u>	<u>292,995</u>	<u>223,524</u>	<u>294,583</u>	<u>300,662</u>
EXPENDITURES					
General Fund	25,952	33,000	19,289	31,977	33,000
Debt Service Fund	151,093	152,000	151,065	151,086	152,000
Capital Projects Fund	50,000	50,000	-	50,000	55,000
Total expenditures	<u>227,045</u>	<u>235,000</u>	<u>170,354</u>	<u>233,063</u>	<u>240,000</u>
TRANSFERS OUT	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>277,045</u>	<u>285,000</u>	<u>170,354</u>	<u>283,063</u>	<u>295,000</u>
ENDING FUND BALANCES	<u>\$ 7,049</u>	<u>\$ 7,995</u>	<u>\$ 53,170</u>	<u>\$ 11,520</u>	<u>\$ 5,662</u>
EMERGENCY RESERVE	\$ 900	\$ 900	\$ 500	\$ 900	\$ 800
AVAILABLE FOR OPERATIONS	1,044	748	(3,352)	2,922	392
TOTAL RESERVE	<u>\$ 1,944</u>	<u>\$ 1,648</u>	<u>\$ (2,852)</u>	<u>\$ 3,822</u>	<u>\$ 1,192</u>

No assurance provided. See summary of significant assumptions.

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

9/16/20

ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
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ASSESSED VALUATION

Commercial	\$ 3,953,480	\$ 4,043,580	\$ 4,043,580	\$ 4,043,580	\$ 4,074,830
Certified Assessed Value	\$ 3,953,480	\$ 4,043,580	\$ 4,043,580	\$ 4,043,580	\$ 4,074,830

MILL LEVY

General	1.000	1.000	1.000	1.000	1.000
Debt Service	50.000	50.000	50.000	50.000	50.000
Total mill levy	51.000	51.000	51.000	51.000	51.000

PROPERTY TAXES

General	\$ 3,953	\$ 4,044	\$ 4,044	\$ 4,044	\$ 4,075
Debt Service	197,673	202,179	202,179	202,179	203,742
Levied property taxes	201,627	206,223	206,223	206,223	207,817
Adjustments to actual/rounding	(924)	-	(962)	-	-
Budgeted property taxes	\$ 200,703	\$ 206,223	\$ 205,261	\$ 206,223	\$ 207,817

BUDGETED PROPERTY TAXES

General	\$ 3,935	\$ 4,044	\$ 4,025	\$ 4,044	\$ 4,075
Debt Service	196,768	202,179	201,236	202,179	203,742
	\$ 200,703	\$ 206,223	\$ 205,261	\$ 206,223	\$ 207,817

No assurance provided. See summary of significant assumptions.

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

9/16/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (488)	\$ 900	\$ 1,944	\$ 1,944	\$ 3,822
REVENUE					
Property Taxes	3,935	4,044	4,025	4,044	4,075
Specific ownership Taxes	24,411	22,685	10,405	22,685	20,782
Interest Income	38	19	63	126	13
Developer advance	-	7,000	-	7,000	5,500
Total revenue	<u>28,384</u>	<u>33,748</u>	<u>14,493</u>	<u>33,855</u>	<u>30,370</u>
Total funds available	<u>27,896</u>	<u>34,648</u>	<u>16,437</u>	<u>35,799</u>	<u>34,192</u>
EXPENDITURES					
General and administrative					
Accounting	12,066	16,000	7,579	16,000	16,000
Audit	3,100	3,150	3,200	3,200	3,250
County Treasurer's Fee	60	67	67	67	61
Dues	282	295	275	275	275
Insurance	1,832	1,850	1,834	1,834	1,900
District Management	3,807	3,500	2,598	3,500	3,500
Legal	4,245	5,000	1,884	5,000	5,000
Miscellaneous	560	600	251	500	500
Election	-	1,000	1,601	1,601	-
Contingency	-	1,538	-	-	2,514
Total expenditures	<u>25,952</u>	<u>33,000</u>	<u>19,289</u>	<u>31,977</u>	<u>33,000</u>
Total expenditures and transfers out requiring appropriation	<u>25,952</u>	<u>33,000</u>	<u>19,289</u>	<u>31,977</u>	<u>33,000</u>
ENDING FUND BALANCE	<u>\$ 1,944</u>	<u>\$ 1,648</u>	<u>\$ (2,852)</u>	<u>\$ 3,822</u>	<u>\$ 1,192</u>
EMERGENCY RESERVE	\$ 900	\$ 900	\$ 500	\$ 900	\$ 800
AVAILABLE FOR OPERATIONS	<u>1,044</u>	<u>748</u>	<u>(3,352)</u>	<u>2,922</u>	<u>392</u>
TOTAL RESERVE	<u>\$ 1,944</u>	<u>\$ 1,648</u>	<u>\$ (2,852)</u>	<u>\$ 3,822</u>	<u>\$ 1,192</u>

No assurance provided. See summary of significant assumptions.

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

9/16/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 7,069	\$ 6,061	\$ 5,105	\$ 5,105	\$ 7,698
REVENUE					
Property Taxes	196,768	202,179	201,236	202,179	203,742
Interest Income	2,361	107	746	1,500	30
Total revenue	<u>199,129</u>	<u>202,286</u>	<u>201,982</u>	<u>203,679</u>	<u>203,772</u>
Total funds available	<u>206,198</u>	<u>208,347</u>	<u>207,087</u>	<u>208,784</u>	<u>211,470</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	2,951	3,033	3,012	3,033	3,056
Contingency	-	914	-	-	891
Debt Service					
Bond Interest	92,353	89,005	89,005	89,005	85,463
Bond Principal	55,789	59,048	59,048	59,048	62,590
Total expenditures	<u>151,093</u>	<u>152,000</u>	<u>151,065</u>	<u>151,086</u>	<u>152,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>201,093</u>	<u>202,000</u>	<u>151,065</u>	<u>201,086</u>	<u>207,000</u>
ENDING FUND BALANCE	<u>\$ 5,105</u>	<u>\$ 6,347</u>	<u>\$ 56,022</u>	<u>\$ 7,698</u>	<u>\$ 4,470</u>

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/16/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Total revenue	-	-	-	-	-
TRANSFERS IN					
Transfers from Other Fund	50,000	50,000	-	50,000	55,000
Total funds available	50,000	50,000	-	50,000	55,000
EXPENDITURES					
Capital Projects					
Repay developer advance	50,000	50,000	-	50,000	55,000
Total expenditures	50,000	50,000	-	50,000	55,000
Total expenditures and transfers out requiring appropriation	50,000	50,000	-	50,000	55,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN NORTH 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, 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. On November 29, 2017, the District's Board of Directors approved keeping the mill levy at 50.000 mills until further notice. 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 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.

**FIRST & MAIN NORTH 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%.

Developer Advance

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the Developer

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 2021 are provided based on the debt amortization schedule from the Series 2005 General Obligation Bonds.

Developer Advance

In 2016, the District accepted infrastructure improvements from the Developer. The District anticipates repayment of the advances for these improvements in 2021.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 entered into a Reimbursement Agreement (Agreement) with the Developer. The District agrees to reimburse the Developer for operational advances made on behalf of the District. The District agrees to repay the Developer along with accrued interest, at a rate of 7% on the first day of the following year in which the advances were made. The Agreement does not constitute a multiple-fiscal year obligation.

On March 30, 2011, the District entered into the Amendment to the Reimbursement Agreement to recognize advances, and accrued interest, made to the District prior to 2006. Such advances were originally recorded in the District's records as a contribution.

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 2021, 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**

\$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>
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>\$ 1,424,376</u>	<u>\$ 763,673</u>	<u>\$ 2,188,049</u>


No assurance provided. See summary of significant assumptions.

EXHIBIT C

District Boundary Map

FIRST & MAIN NORTH BID

 Tax Boundary


1 inch = 117.54 feet

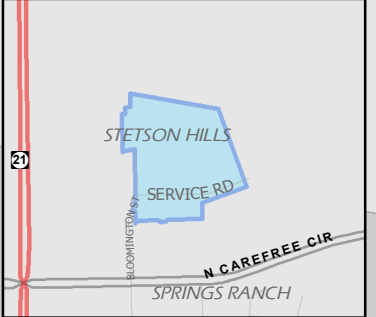
08/24/2020 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

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LAYTON
TRUCK SUB

TUTT
POWERS
SUB

TUTT COMMERCIAL
CENTER AT SPRINGS
RANCH SUB



TUTT
OFFICE
PARK SUB

TUTT OFFICE
PARK
FILING SUB

TUTT BLD

STETSON HILLS

FIRST AND MAIN
TOWN CENTER
NORTH SUB

BLOOMINGTON ST

SERVICE RD

BOCHNAK FAMILY
ENTERTAINMENT
CENTER SUB

SPRINGS
RANCH FIRE
STATION SUB

HARRIS FAMILY
ENTERPRISES
SUB

COMMUNITY
CHEST LLC SUB