

**2020 OPERATING PLAN AND BUDGET**

**CREEKWALK  
MARKETPLACE  
BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2020**  
**OPERATING PLAN FOR THE**  
**CREEKWALK MARKETPLACE 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 Creekwalk Marketplace 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 2016 Operating 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 years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2020 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

**D. Ownership of Property or Major Assets.** The District will own public improvements as constructed if such improvements are not otherwise dedicated to other public entities for operation and maintenance, including certain street, parking, roads, water, sanitation, storm sewer, and landscaping improvements.

**E. Contracts and Agreements.** It is anticipated that the District may enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements including agreements with the urban renewal entity overlapping the boundaries of the District. The District is party to that certain Cooperation Agreement with the Colorado Springs Urban Renewal Authority, dated June 3, 2019, which sets forth the parties’ intent to cooperate as to the provision and financing of certain public improvements. The District is also party to that certain Intergovernmental Agreement for Street Maintenance with the City of

Colorado Springs, dated June 6, 2019, which sets forth the District’s responsibility to operate and maintain certain streets and rights of way within the District. 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 Creekwalk Marketplace Business Improvement District was organized by the City of Colorado Springs, Colorado, by Ordinance No. 16-18 on February 23, 2016.

**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:

- 1) Danny Mientka
- 2) Rebecca Mientka
- 3) Deirdre Aden-Smith
- 4) Melissa Harrison
- 5) Kelly Nelson

Director and other pertinent contact information is provided in **EXHIBIT A**.

**D. Term Limits.** The District’s election on May 3, 2016 included a ballot question to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The question passed.

**E. Advisory Board.** The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

## **3. BOUNDARIES, INCLUSIONS AND EXCLUSION**

The current District boundary map is depicted in **EXHIBIT C**. The District’s boundaries include approximately 6.44 acres of property following inclusions occurring in 2017-2019 pursuant to Ordinance No. 17-87 approved on September 26, 2017, Ordinance No. 17-119 approved on March 1, 2018, and Ordinance No. 19-19 approved on March 27, 2019. In 2020 and subsequent years, the District anticipates inclusion requests for additional property as additional property owners participate in the District.

## **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 part of the urban renewal 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."

## **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**

**A. 2020 Budget.** The proposed 2020 Budget for the District is attached as **EXHIBIT B**.

**B. Authorized Indebtedness.** The District held an election on May 3, 2016 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 is \$50,000,000.

**C. 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 10 mills for general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.

**D. District Revenues.** The District receives developer funding for initial revenue sources and thereafter revenues derived from property taxes and urban renewal funds. The District also receives public improvement fees to support public improvement construction and existing bonds. See proposed 2020 budget attached as **EXHIBIT B**.

**E. Existing Debt Obligations.** On July 31, 2019, the District issued its \$24,230,000 Limited Tax Supported and Special Revenue Senior Bonds Series 2019A and \$2,500,000 Limited Tax Supported and Special Revenue Subordinate Bonds Series 2019B (together, the "2019 Bonds") for the purpose of constructing capital improvements with a public purpose necessary for development. The City Council approved this issuance by Resolution No. 51-19 as

required by the 2019 Operating Plan. Following the issuance of the 2019 Bonds, the District has \$23,270,000 in remaining debt authorization.

**F. Future Debt Obligations.** In accordance with the City's Special District Policy, the District shall request and obtain approval of City Council prior to issuance of any debt in accordance with the financing plan for the District as previously approved. The standards for City approval shall generally be consistent with the City's Special District Policy, as it may be amended, along with the most recently approved Operating Plan and Budget and any requirements or limitations contained therein to the extent that they are consistent with the financing plans for the District.

**G. Other Financial Obligations.** The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer and through the 2019 Bonds. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue. The District may also 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.

**H. 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.

**I. 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.

**J. 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.

**K.** 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.** The District utilizes public improvement fees (PIF) to provide necessary funding revenues for the improvements to be financed by the District. In addition to the PIF the District currently receives, the District may also utilize revenues from a new, increased or expanded PIF specifically authorized in this Operating Plan and Budget.

**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. 2020 ACTIVITIES, PROJECTS AND CHANGES**

### **A. Activities**

It is anticipated that the District will primarily be engaged in activities in connection with the urban renewal project for the area.

### **B. Projects and Public Improvements**

The District will continue undertaking projects for public improvements during 2020.

### **C. Summary of 2020 Activities and Changes from Prior Year**

**Boundary changes:** In 2020 and subsequent years, the District anticipates inclusion requests for additional property as additional property owners participate in the District.

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

**Mill levy changes:** Mill levies remain the same for the upcoming year, 1.000 mill for general operating and 50.000 mills for debt service, for a total of 51.000 mills.

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

**Elections:** May 5, 2020 Regular Election.

**Major changes in development activity or valuation:** The District will continue undertaking projects for public improvements during 2020.

**Ability to meet current financial obligations:** See attached 2020 Budget attached as **EXHIBIT B.**

## **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:**

Danny Mientka  
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Kelly Nelson  
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**DISTRICT MANAGER:** N/A

**DISTRICT CONTACT:**

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**EXHIBIT B**

**2020 BID Budget  
General Fund  
Debt Service Fund  
Capital Projects Fund**



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
CLAAconnect.com

## **Accountant's Compilation Report**

Board of Directors  
Creekwalk Marketplace Business Improvement District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Creekwalk Marketplace Business Improvement District for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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

We are not independent with respect to Creekwalk Marketplace Business Improvement District.

Colorado Springs, Colorado  
\_\_\_\_\_, 2019



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**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 7,569	\$ 42,592	\$ (196)	\$ (196)	\$ 8,818,785
REVENUES					
Property taxes	23,402	49,855	42,230	49,855	51,530
Specific ownership taxes	2,957	6,225	3,524	6,000	6,190
Interest income	-	400	5,409	70,244	105,000
PIF revenue	-	-	-	-	-
Developer advance	143,903	16,368,000	14,528,559	17,022,312	4,432,812
Public improvement fees	644	24,000	1,040	1,700	167,300
Other revenue	327	-	-	-	-
CSURA TIF revenues	-	-	-	-	177,400
Bond issuance	-	18,430,000	26,730,000	26,730,000	-
Total revenues	171,233	34,878,480	41,310,762	43,880,111	4,940,232
TRANSFERS IN	29,500	1,695,720	4,982,778	4,982,778	-
Total funds available	208,302	36,616,792	46,293,344	48,862,693	13,759,017
EXPENDITURES					
General Fund	101,251	75,103	99,046	122,300	89,500
Debt Service Fund	344	483,734	701	529,148	1,357,759
Capital Projects Fund	77,403	33,034,280	29,313,886	34,409,682	8,688,884
Total expenditures	178,998	33,593,117	29,413,633	35,061,130	10,136,143
TRANSFERS OUT	29,500	1,695,720	4,982,778	4,982,778	-
Total expenditures and transfers out requiring appropriation	208,498	35,288,837	34,396,411	40,043,908	10,136,143
ENDING FUND BALANCES	\$ (196)	\$ 1,327,955	\$ 11,896,933	\$ 8,818,785	\$ 3,622,874
EMERGENCY RESERVE	\$ 100	\$ 200	\$ 100	\$ 100	\$ 100
DEBT SERVICE RESERVE	-	781,270	2,119,525	2,119,525	2,119,525
DEBT SERVICE SURPLUS	-	-	-	84,879	517,410
TOTAL RESERVE	\$ 100	\$ 781,470	\$ 2,119,625	\$ 2,204,504	\$ 2,637,035

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

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>					
Commercial	\$ 350,940	\$ 946,840	\$ 946,840	\$ 946,840	\$ 987,790
Industrial	32,680	38,200	38,200	38,200	-
Vacant land	-	32,200	32,200	32,200	116,060
	<u>383,620</u>	<u>1,017,240</u>	<u>1,017,240</u>	<u>1,017,240</u>	<u>1,103,850</u>
Adjustments	-	(39,690)	(39,690)	(39,690)	(93,460)
Certified Assessed Value	<u>\$ 383,620</u>	<u>\$ 977,550</u>	<u>\$ 977,550</u>	<u>\$ 977,550</u>	<u>\$ 1,010,390</u>
<b>MILL LEVY</b>					
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	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>
<b>PROPERTY TAXES</b>					
General	\$ 384	\$ 978	\$ 978	\$ 978	\$ 1,010
Debt Service	19,181	48,878	48,878	48,878	50,520
	<u>19,565</u>	<u>49,856</u>	<u>49,856</u>	<u>49,856</u>	<u>51,530</u>
Levied property taxes	19,565	49,856	49,856	49,856	51,530
Adjustments to actual/rounding	3,837	(1)	(7,625)	(1)	-
Budgeted property taxes	<u>\$ 23,402</u>	<u>\$ 49,855</u>	<u>\$ 42,231</u>	<u>\$ 49,855</u>	<u>\$ 51,530</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 459	\$ 978	\$ 828	\$ 978	\$ 1,010
Debt Service	22,943	48,877	41,403	48,877	50,520
	<u>\$ 23,402</u>	<u>\$ 49,855</u>	<u>\$ 42,231</u>	<u>\$ 49,855</u>	<u>\$ 51,530</u>

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

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ (11,324)	\$ 100	\$ (12,832)	\$ (12,832)	\$ 100
REVENUES					
Property taxes	459	978	930	978	1,010
Specific ownership taxes	2,957	6,225	3,524	3,600	120
Developer advance	96,000	68,000	93,930	130,410	88,370
Other revenue	327	-	-	-	-
Total revenues	<u>99,743</u>	<u>75,203</u>	<u>98,628</u>	<u>135,232</u>	<u>89,500</u>
Total funds available	<u>88,419</u>	<u>75,303</u>	<u>85,796</u>	<u>122,400</u>	<u>89,600</u>
EXPENDITURES					
General and administrative					
Accounting	21,147	20,000	19,889	26,000	25,000
Auditing	2,150	2,150	2,200	2,200	2,300
County Treasurer's fee	7	15	14	15	15
Directors' fees	4,000	6,000	500	2,000	3,000
Dues and subscriptions	265	300	-	-	350
Insurance and bonds	921	1,500	1,795	1,795	1,800
District management	-	1,200	-	-	-
Legal services	64,859	40,000	66,841	80,000	40,000
Miscellaneous	7,306	3,020	6,552	8,000	9,805
PIF collection expense	223	-	1,079	2,000	5,000
Payroll taxes	168	918	176	290	230
Election expense	205	-	-	-	2,000
Total expenditures	<u>101,251</u>	<u>75,103</u>	<u>99,046</u>	<u>122,300</u>	<u>89,500</u>
Total expenditures and transfers out requiring appropriation	<u>101,251</u>	<u>75,103</u>	<u>99,046</u>	<u>122,300</u>	<u>89,500</u>
ENDING FUND BALANCE	<u>\$ (12,832)</u>	<u>\$ 200</u>	<u>\$ (13,250)</u>	<u>\$ 100</u>	<u>\$ 100</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ 200</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 200</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>

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

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 18,893	\$ 42,492	\$ 12,636	\$ 12,636	\$ 4,539,243
REVENUES					
Property taxes	22,943	48,877	41,300	48,877	50,520
Specific ownership taxes	-	-	-	2,400	6,070
Public improvement fees	644	24,000	1,040	1,700	167,300
CSURA TIF revenues	-	-	-	-	177,400
Interest income	-	400	5,165	20,000	40,000
Total revenues	<u>23,587</u>	<u>73,277</u>	<u>47,505</u>	<u>72,977</u>	<u>441,290</u>
TRANSFERS IN					
Transfers from other funds	-	1,695,720	4,982,778	4,982,778	-
Total funds available	<u>42,480</u>	<u>1,811,489</u>	<u>5,042,919</u>	<u>5,068,391</u>	<u>4,980,533</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	344	734	701	734	759
Miscellaneous	-	-	-	-	5,000
Paying agent fees	-	3,000	-	-	3,000
Debt Service					
Bond interest	-	480,000	-	528,414	1,349,000
Total expenditures	<u>344</u>	<u>483,734</u>	<u>701</u>	<u>529,148</u>	<u>1,357,759</u>
TRANSFERS OUT					
Transfers to other fund	<u>29,500</u>	-	-	-	-
Total expenditures and transfers out requiring appropriation	<u>29,844</u>	<u>483,734</u>	<u>701</u>	<u>529,148</u>	<u>1,357,759</u>
ENDING FUND BALANCE	<u>\$ 12,636</u>	<u>\$ 1,327,755</u>	<u>\$ 5,042,218</u>	<u>\$ 4,539,243</u>	<u>\$ 3,622,774</u>
DEBT SERVICE RESERVE	\$ -	\$ 781,270	\$ 2,119,525	\$ 2,119,525	\$ 2,119,525
DEBT SERVICE CAPITALIZED INTEREST	\$ -	\$ -	\$ 2,863,253	\$ 2,334,839	\$ 985,839
DEBT SERVICE SURPLUS	-	-	-	84,879	517,410
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 781,270</u>	<u>\$ 4,982,778</u>	<u>\$ 4,539,243</u>	<u>\$ 3,622,774</u>

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

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT  
CAPITAL PROJECTS FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 4,279,442
REVENUES					
Interest income	-	-	-	50,000	65,000
Developer advance	47,903	16,300,000	14,434,629	16,891,902	4,344,442
Bond issuance	-	18,430,000	26,730,000	26,730,000	-
Total revenues	<u>47,903</u>	<u>34,730,000</u>	<u>41,164,629</u>	<u>43,671,902</u>	<u>4,409,442</u>
TRANSFERS IN					
Transfers from other funds	<u>29,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>77,403</u>	<u>34,730,000</u>	<u>41,164,629</u>	<u>43,671,902</u>	<u>8,688,884</u>
EXPENDITURES					
General and Administrative					
Organization costs	7,303	-	-	-	-
Capital Projects					
Repay developer advance	29,500	16,217,832	14,243,307	16,881,831	4,344,442
Bond issue costs	-	516,448	646,020	646,020	-
Capital outlay	-	16,300,000	14,424,559	16,881,831	4,344,442
Total expenditures	<u>77,403</u>	<u>33,034,280</u>	<u>29,313,886</u>	<u>34,409,682</u>	<u>8,688,884</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>1,695,720</u>	<u>4,982,778</u>	<u>4,982,778</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>77,403</u>	<u>34,730,000</u>	<u>34,296,664</u>	<u>39,392,460</u>	<u>8,688,884</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,867,965</u>	<u>\$ 4,279,442</u>	<u>\$ -</u>

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



**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT  
2020 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 water services, traffic and safety protection, sanitation services, street improvements, parks and recreation, transportation, television relay and translation, mosquito control, security, fire protection and emergency medical. 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 February 23, 2016.

At an election held on May 3, 2016, the voters approved general indebtedness of \$600,000,000 at a maximum interest rate of 18% for each of the following improvements and services: streets, water supply, sanitary sewer, traffic and safety controls, parks and recreation, transportation, television relay and translation, mosquito control, security, fire protection and emergency medical. The election authorized indebtedness of \$50,000,000 each for operations and maintenance, reimbursement agreements, and debt refunding. The voters also approved an annual increase in taxes of up to \$5,000,000 at a mill levy rate without limitation or with such limitations as may be determined by the board for the purpose of the District's operations, maintenance, and other expenses and an annual increase in taxes of up to \$25,000,000 at a mill levy rate without limitation or with such limitations as my by determined by the board for the purpose of the District's capital expenditures. 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 mill levy is 50 mills, and the maximum operating mill levy for the payment of administrative, operations and maintenance expenses is 10 mills. The maximum debt authorization for the District is \$50,000,000.

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 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 differences 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.

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

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.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 11% of the property taxes collected.

**Developer Advance**

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**Public Improvement Fees**

The District charges public improvement fees (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods and services at a rate of 2.5%, in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District and remitted to the District within 20 days after month end.

**Urban Renewal TIF**

Pursuant to the Urban Renewal Plan, the City-Authority Agreement, the Redevelopment Agreement, and the Cooperation Agreement, dated July 26, 2019, with the Colorado Springs Urban Renewal Authority ("CSURA"), the District will receive tax increment financing ("TIF") generated from the District's project to be used toward the repayment of the District's bonds.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative Expenditures**

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, 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 are provided based on the debt amortization schedule from the Series 2019A Bonds and Series 2019B (discussed under Debt and Leases).

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**Debt and Leases**

On July 31, 2019, the District issued \$26,730,000 in Series 2019A Limited Tax Supported and Special Revenue Senior Bonds and Series 2019B Subordinate Bonds for the purpose of defraying the cost of a portion of the Authorized Projects. The Bonds are limited obligations of the District secured by and payable from revenues. The Series 2019A Bonds, in the amount of \$24,230,000, are term bonds due on December 1, 2029 at an interest rate of 5.000%. The Series 2019B Subordinate Bonds, in the amount of \$2,500,000, are term bonds due December 15, 2049 at an interest rate of 8.000%.

**Reserves**

**Debt Service Reserve**

The District maintains a Debt Service Reserve as required with the issuance of the Series 2019 Bonds.

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending as defined under TABOR.

**This information is an integral part of the accompanying budget.**

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>Limited Property Tax Supported Revenue Bonds, Series 2019A Dated July 31, 2019 Interest Rates: 5.000% - 5.750% Interest Payable June 15 and December 15 Principal Due December 15</b>			<b>Limited Property Tax Supported Revenue Bonds, Series 2019B Dated July 31, 2019 Interest Rate: 8.000% Interest Payable June 15 and December 15 Principal Due December 15</b>			<b>Totals</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
	2020	\$ -	\$ 1,349,000	\$ 1,349,000	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ 1,549,000	\$ 1,549,000
	2021	-	1,349,000	1,349,000	-	200,000	200,000	-	1,549,000	1,549,000
2022	-	1,349,000	1,349,000	-	200,000	200,000	-	1,549,000	1,549,000	
2023	245,000	1,349,000	1,594,000	-	200,000	200,000	245,000	1,549,000	1,794,000	
2024	300,000	1,336,750	1,636,750	-	200,000	200,000	300,000	1,536,750	1,836,750	
2025	335,000	1,321,750	1,656,750	-	200,000	200,000	335,000	1,521,750	1,856,750	
2026	390,000	1,305,000	1,695,000	-	200,000	200,000	390,000	1,505,000	1,895,000	
2027	430,000	1,285,500	1,715,500	-	200,000	200,000	430,000	1,485,500	1,915,500	
2028	490,000	1,264,000	1,754,000	-	200,000	200,000	490,000	1,464,000	1,954,000	
2029	540,000	1,239,500	1,779,500	-	200,000	200,000	540,000	1,439,500	1,979,500	
2030	605,000	1,212,500	1,817,500	-	200,000	200,000	605,000	1,412,500	2,017,500	
2031	665,000	1,179,225	1,844,225	-	200,000	200,000	665,000	1,379,225	2,044,225	
2032	740,000	1,142,650	1,882,650	-	200,000	200,000	740,000	1,342,650	2,082,650	
2033	805,000	1,101,950	1,906,950	-	200,000	200,000	805,000	1,301,950	2,106,950	
2034	900,000	1,057,675	1,957,675	-	200,000	200,000	900,000	1,257,675	2,157,675	
2035	965,000	1,008,175	1,973,175	-	200,000	200,000	965,000	1,208,175	2,173,175	
2036	1,060,000	955,100	2,015,100	-	200,000	200,000	1,060,000	1,155,100	2,215,100	
2037	1,150,000	896,800	2,046,800	-	200,000	200,000	1,150,000	1,096,800	2,246,800	
2038	1,255,000	833,550	2,088,550	-	200,000	200,000	1,255,000	1,033,550	2,288,550	
2039	1,355,000	764,525	2,119,525	-	200,000	200,000	1,355,000	964,525	2,319,525	
2040	1,425,000	690,000	2,115,000	-	200,000	200,000	1,425,000	890,000	2,315,000	
2041	665,000	608,063	1,273,063	-	200,000	200,000	665,000	808,063	1,473,063	
2042	730,000	569,825	1,299,825	-	200,000	200,000	730,000	769,825	1,499,825	
2043	790,000	527,850	1,317,850	-	200,000	200,000	790,000	727,850	1,517,850	
2044	860,000	482,425	1,342,425	-	200,000	200,000	860,000	682,425	1,542,425	
2045	930,000	432,975	1,362,975	-	200,000	200,000	930,000	632,975	1,562,975	
2046	1,010,000	379,500	1,389,500	-	200,000	200,000	1,010,000	579,500	1,589,500	
2047	1,085,000	321,425	1,406,425	-	200,000	200,000	1,085,000	521,425	1,606,425	
2048	1,175,000	259,038	1,434,038	-	200,000	200,000	1,175,000	459,038	1,634,038	
2049	3,330,000	191,475	3,521,475	2,500,000	200,000	2,700,000	5,830,000	391,475	6,221,475	
	<u>\$ 24,230,000</u>	<u>\$ 28,216,639</u>	<u>\$ 52,446,639</u>	<u>\$ 2,500,000</u>	<u>\$ 6,075,000</u>	<u>\$ 8,575,000</u>	<u>\$ 26,730,000</u>	<u>\$ 34,291,639</u>	<u>\$ 61,021,639</u>	

**EXHIBIT C**

**District Boundary Map**

