

**2023 OPERATING PLAN AND BUDGET**  
**INTERQUEST TOWN**  
**CENTER BUSINESS**  
**IMPROVEMENT**  
**DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2023**  
**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.*, 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 2017-2018 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 contemplated purposes of this District for 2023 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. The District does not currently own any real property.

**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 was organized by the City of Colorado Springs, Colorado by Ordinance No. 17-105.

**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) Scott A. Bryan
- 2) Theresa G. Bryan
- 3) Vincent C. Shoemaker
- 4) Michael P. Palmer
- 5) Vacant

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

**D. Term Limits.** The District's election held on May 8, 2018 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 EXCLUSIONS

The District map is depicted in **EXHIBIT C**. The District does not anticipate inclusion or exclusion requests in 2023.

## 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.

## **5. ADMINISTRATION, OPERATIONS, SERVICES, PROPERTY OWNERSHIP, 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. 2023 Budget.** The 2023 Budget for the District is attached as **EXHIBIT B**.

**B. Authorized Indebtedness.** The District held an election on May 8, 2018 for the purpose of electing directors, 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. As set forth in the District's 2017 – 2018 Operating Plan, the District's initial maximum debt authorization is \$4,000,000. This maximum debt authorization amount shall not be exceeded without express prior approval by the City.

**C. Maximum Debt and Operating Mill Levies.** The mill levy limitations in the District's previous Operating Plan (being 50 mills for debt service and five (5) mills for general operations and administrative expenses) remain unchanged. The mill levy caps set forth in this paragraph may be subject to upward or downward adjustments addressing any Mill Levy Adjustment or any abatement occurring after, but not before January 1, 2006. Such upward or downward adjustments are to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes.

**D. District Revenues.** See the 2023 Budget for the District attached as **EXHIBIT B**.

**E. Existing Debt Obligations.** The District has been authorized to issue debt pursuant to City Council Resolution No. 54-20. On December 29, 2020, the District issued \$2,860,000 in Series 2020 Limited Tax General Obligation Bonds ("Series 2020 Bonds") to fund Public Improvements. The Series 2020 Bonds bear interest at a rate of 7%, paid semi-annually on June 1 and December 1 of each year, commencing on June 1, 2021. The 2020 Bonds mature on December 1, 2049.

**F. Future Debt Obligations.** The District does not anticipate the issuance of additional debt in 2023.

**G. *Developer Funding Agreements.*** The District entered into a Facilities Funding and Acquisition Agreement (8% interest rate) and a Reimbursement Agreement (8% interest rate) with Interquest Town Center, LLC on January 24, 2018. It is anticipated that at the end of 2023, the District will have a total developer advances of \$3,032,491, including principal and interest.

Developer Funding Agreements entered into by this District after January 1, 2023 shall be limited to a term of no greater than twenty (20) years, from the time of the first such agreement, after which time any remaining balances must be either converted to Debt or shall no longer be considered an obligation of the District. The Interest Rate on any Agreements initially entered into, or with additional costs added to after January 1, 2023, shall not exceed the Index Rate plus 400 basis points, and interest shall only accrue on the principal balance.

**H. *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.

**I. *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.

**J. *Limited 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.

**K. *Privately Placed Debt and Related Party 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. The Interest Rate for Related Party Privately Placed Debt shall not exceed the Index Rate by more than 400 basis points. Related Party Privately Placed Debt shall not be issued with an optional call date of greater than five (5) years from the date of issuance.

**L. *End User Fee Limitation.*** The District shall not impose an End User Fee for the purpose of servicing District Debt without prior approval of City Council.

**M. *Debt Not an Obligation of the City.*** 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.

**N. *Land Development Entitlements.*** The District shall not issue Debt, enter into any other Long Term Financial Obligation or certify a Debt Mill Levy unless a Land Development Entitlement has been approved for the property.

## 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 or Authority within its boundaries in the future.

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

**D. *Public Improvement Fees.*** The District utilizes revenues from a public improvement fee. The District may also be the beneficiary of a new, increased or expanded public improvement fee this coming year or in the future.

**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.

**G. *Eligible Expenses or Costs for Reimbursement.*** In addition to any limits or prohibitions contained in Colorado Revised Statutes, the District shall not issue debt for or otherwise fund any costs or expenses not allowed for by the Special District Policy.

**H. *Intergovernmental Agreements.*** The District is not party to any intergovernmental agreements and does not anticipate entering into any intergovernmental agreements in 2023.

**I. *Overlapping Districts.*** There are no overlapping Districts within the District's boundaries.

## 8. 2023 ACTIVITIES, PROJECTS AND CHANGES

### A. *Activities*

The District will continue with development activity in 2023.

### B. *Projects and Public Improvements*

The District anticipates funding the design, installation, or acquisition of additional public improvements during 2023, including streets, water, wastewater, and transportation improvements. The District anticipates providing landscaping services.

### C. *Summary of 2023 Activities and Changes from Prior Year*

**Boundary changes:** No boundary changes anticipated.

**Changes to board or governance structure:** An appointment may be made to the Board of Directors to fill the vacancy.

**Mill levy changes:** Mill levies are anticipated to remain the same in 2023.

**New, refinanced or fully discharged debt:** The District does not anticipate issuing debt in 2023.

**Elections:** Regular Election May 2, 2023.

**Major changes in development activity or valuation:** Development activity is anticipated to continue for the upcoming year.

**Ability to meet current financial obligations:** See 2023 Budget attached as **EXHIBIT B**.

## 9. DISCLOSURE AND COMMUNICATION

The District shall maintain a website that includes content similar to that required for metropolitan districts by Colorado Revised Statutes § 32-1-104.5 and as required by Section K of the Special District Policy, to the extent this content is applicable to BIDs. The District's website is [interquesttowncenterbid.com](http://interquesttowncenterbid.com).

## 10. 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 C.R.S. § 31-25-1225.

## 11. 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**  
**Interquest Town Center Business Improvement District**

**BOARD OF DIRECTORS:**

<b>NAME &amp; ADDRESS</b>	<b>POSITION</b>	<b>TERM</b>
Scott A. Bryan 13975 S. Perry Park Road Larkspur, CO 80118	President	2022-2025
Vincent C. Shoemaker 5934 Lees Lane Larkspur, CO 80118	Treasurer	2022-2025
Michael P. Palmer 1535 Northfield Road Colorado Springs, CO 80919	Secretary	2022-2025
Theresa G. Bryan 13975 S. Perry Park Road Larkspur, CO 80118	Assistant Secretary	2020-2023
Vacancy		2020-2023

**DISTRICT CONTACT**

**ACCOUNTANT:**

Russ Dykstra Spencer Fane LLP 1700 Lincoln St., Suite 2000 Denver, Colorado 80203 303-839-3845 rdykstra@spencerfane.com	Carrie Bartow, CPA CliftonLarsonAllen LLP 102 South Tejon, Suite 350 Colorado Springs, CO 80903 (w) 719-635-0300 x 77839 (f) 719-473-3630 <a href="mailto:carrie.bartow@claconnect.com">carrie.bartow@claconnect.com</a>
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**INSURANCE AND BONDS:**

**MANAGER AND STAFF:**

T. Charles Wilson Insurance Service 384 Inverness Parkway Centennial, CO 80112 303-368-5757	N/A
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**EXHIBIT B**  
**2023 BID Budget**

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

9/18/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,011,601	\$ 916,269	\$ 920,551	\$ 920,551	\$ 930,237
REVENUES					
Property taxes	77,135	170,749	170,747	170,747	237,634
Specific ownership tax	9,058	17,075	9,983	17,075	23,763
Interest income	590	-	156	273	600
Developer advance	24,572	43,000	9,943	10,943	27,000
Public Improvement fees	26,878	51,500	40,946	78,827	85,000
Total revenues	<u>138,233</u>	<u>282,324</u>	<u>231,775</u>	<u>277,865</u>	<u>373,997</u>
Total funds available	<u>1,149,834</u>	<u>1,198,593</u>	<u>1,152,326</u>	<u>1,198,416</u>	<u>1,304,234</u>
EXPENDITURES					
General Fund	41,050	79,500	22,588	47,000	75,500
Debt Service Fund	187,337	210,477	112,998	220,179	217,000
Capital Projects Fund	896	670,640	1,000	1,000	674,640
Total expenditures	<u>229,283</u>	<u>960,617</u>	<u>136,586</u>	<u>268,179</u>	<u>967,140</u>
Total expenditures and transfers out requiring appropriation	<u>229,283</u>	<u>960,617</u>	<u>136,586</u>	<u>268,179</u>	<u>967,140</u>
ENDING FUND BALANCES	<u>\$ 920,551</u>	<u>\$ 237,976</u>	<u>\$ 1,015,740</u>	<u>\$ 930,237</u>	<u>\$ 337,094</u>
EMERGENCY RESERVE	\$ 400	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,600
AVAILABLE FOR OPERATIONS	1,420	608	17,043	733	2,000
TOTAL RESERVE	<u>\$ 1,820</u>	<u>\$ 1,708</u>	<u>\$ 18,143</u>	<u>\$ 1,833</u>	<u>\$ 3,600</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

9/18/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>					
Commercial	\$ 707,860.00	\$ 898,770	\$ 898,770	\$ 898,770	\$ 2,850,040
Vacant land	1,006,240	2,895,650	2,895,650	2,895,650	2,430,700
Certified Assessed Value	<u>\$ 1,714,100</u>	<u>\$ 3,794,420</u>	<u>\$ 3,794,420</u>	<u>\$ 3,794,420</u>	<u>\$ 5,280,740</u>
<b>MILL LEVY</b>					
General	5.000	5.000	5.000	5.000	5.000
Debt Service	40.000	40.000	40.000	40.000	40.000
Total mill levy	<u>45.000</u>	<u>45.000</u>	<u>45.000</u>	<u>45.000</u>	<u>45.000</u>
<b>PROPERTY TAXES</b>					
General	\$ 8,571	\$ 18,972	\$ 18,972	\$ 18,972	\$ 26,404
Debt Service	68,564	151,777	151,777	151,777	211,230
Levied property taxes	<u>77,135</u>	<u>170,749</u>	<u>170,749</u>	<u>170,749</u>	<u>237,634</u>
Adjustments to actual/rounding	-	-	(2)	(2)	-
Budgeted property taxes	<u>\$ 77,135</u>	<u>\$ 170,749</u>	<u>\$ 170,747</u>	<u>\$ 170,747</u>	<u>\$ 237,634</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 8,571	\$ 18,972	\$ 18,972	\$ 18,972	\$ 26,404
Debt Service	68,564	151,777	151,775	151,775	211,230
	<u>\$ 77,135</u>	<u>\$ 170,749</u>	<u>\$ 170,747</u>	<u>\$ 170,747</u>	<u>\$ 237,634</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

9/18/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 601	\$ 2,161	\$ 1,820	\$ 1,820	\$ 1,833
REVENUES					
Property taxes	8,571	18,972	18,972	18,972	26,404
Specific ownership tax	9,058	17,075	9,983	17,075	23,763
Developer advance	24,572	43,000	9,943	10,943	27,000
Interest income	68	-	13	23	100
Total revenues	<u>42,269</u>	<u>79,047</u>	<u>38,911</u>	<u>47,013</u>	<u>77,267</u>
Total funds available	<u>42,870</u>	<u>81,208</u>	<u>40,731</u>	<u>48,833</u>	<u>79,100</u>
EXPENDITURES					
General and administrative					
Accounting	19,292	23,000	11,087	20,000	23,000
Auditing	3,000	3,500	3,225	3,225	3,500
County Treasurer's fee	130	285	285	285	396
District management	-	1,500	-	-	-
Dues and subscriptions	420	1,500	328	328	1,500
Election expense	-	3,000	1,219	1,219	3,000
Insurance and bonds	2,721	2,800	2,521	2,521	3,000
Legal services	14,552	20,000	1,093	5,000	20,000
Miscellaneous	-	1,500	-	-	1,500
Contingency	-	9,915	-	3,922	4,604
Utilities	-	5,000	-	5,000	5,000
Operations and maintenance					
Landscape Maintenance	935	7,500	2,830	5,500	10,000
Total expenditures	<u>41,050</u>	<u>79,500</u>	<u>22,588</u>	<u>47,000</u>	<u>75,500</u>
Total expenditures and transfers out requiring appropriation	<u>41,050</u>	<u>79,500</u>	<u>22,588</u>	<u>47,000</u>	<u>75,500</u>
ENDING FUND BALANCES	<u>\$ 1,820</u>	<u>\$ 1,708</u>	<u>\$ 18,143</u>	<u>\$ 1,833</u>	<u>\$ 3,600</u>
EMERGENCY RESERVE	\$ 400	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,600
AVAILABLE FOR OPERATIONS	\$ 1,420	\$ 608	\$ 17,043	\$ 733	\$ 2,000
TOTAL RESERVE	<u>\$ 1,820</u>	<u>\$ 1,708</u>	<u>\$ 18,143</u>	<u>\$ 1,833</u>	<u>\$ 3,600</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

9/18/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 334,464	\$ 243,468	\$ 243,091	\$ 243,091	\$ 253,764
REVENUES					
Property taxes	68,564	151,777	151,775	151,775	211,230
Public improvement fees	26,878	51,500	40,946	78,827	85,000
Interest income	522	-	143	250	500
Total revenues	<u>95,964</u>	<u>203,277</u>	<u>192,864</u>	<u>230,852</u>	<u>296,730</u>
Total funds available	<u>430,428</u>	<u>446,745</u>	<u>435,955</u>	<u>473,943</u>	<u>550,494</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	1,036	2,277	2,279	2,279	3,168
Paying agent fees	-	3,000	-	3,000	3,000
Legal services	-	-	6,461	7,000	-
PIF Collection Expense	1,647	3,500	4,145	7,200	8,300
Miscellaneous	25	1,500	13	500	2,332
Debt Service					
Bond interest	184,629	200,200	100,100	200,200	200,200
Total expenditures	<u>187,337</u>	<u>210,477</u>	<u>112,998</u>	<u>220,179</u>	<u>217,000</u>
Total expenditures and transfers out requiring appropriation	<u>187,337</u>	<u>210,477</u>	<u>112,998</u>	<u>220,179</u>	<u>217,000</u>
ENDING FUND BALANCES	<u>\$ 243,091</u>	<u>\$ 236,268</u>	<u>\$ 322,957</u>	<u>\$ 253,764</u>	<u>\$ 333,494</u>
CAPITALIZED INTEREST RESERVE	\$ 88,876	\$ -	\$ -	\$ -	\$ -
TOTAL RESERVE	<u>\$ 88,876</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

9/18/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 676,536	\$ 670,640	\$ 675,640	\$ 675,640	\$ 674,640
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	676,536	670,640	675,640	675,640	674,640
EXPENDITURES					
General and Administrative					
Accounting	175	-	-	-	-
Capital Projects					
Bond issue costs	721	-	1,000	1,000	-
Capital outlay	-	670,640	-	-	674,640
Total expenditures	896	670,640	1,000	1,000	674,640
Total expenditures and transfers out requiring appropriation	896	670,640	1,000	1,000	674,640
ENDING FUND BALANCES	\$ 675,640	\$ -	\$ 674,640	\$ 674,640	\$ -

No assurance provided. See summary of significant assumptions.



**INTERQUEST TOWN CENTER BID  
2023 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 in 2017.

At an election held on May 8, 2018, the voters approved general indebtedness of \$4,800,000 at a maximum interest rate of 18% for each of the following improvements and services: in-district special assessment debt, water, sanitation, streets, traffic and safety, parks and recreation, transportation, security, business recruitment, operations and maintenance, refunding, and reimbursement agreements. The voters also approved an annual increase in taxes 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 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 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 5 mills. The initial maximum debt authorization for the District is \$4,000,000.

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.

**INTERQUEST TOWN CENTER BID  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Property Taxes (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 10% 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 along with property tax revenue. 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 a public improvement fee (PIF). The nature of the PIF is that 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 1.5% 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.

**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 fees have been computed at 1.5% of property tax collections.

**INTERQUEST TOWN CENTER BID  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (continued)**

**Capital Outlay**

The District anticipates infrastructure improvements for capital outlay in 2023 include street improvements, water and wastewater improvements, and transportation projects. These will be funded with the remaining bond proceeds.

**Debt Service**

Interest payments are based on the attached debt service schedule from the Series 2020 bonds (discussed under Debts and Leases).

**Debt and Leases**

On December 29, 2020, the District issued Series 2020 Limited Tax Obligation Bonds (the Bonds) in the par amount of \$2,860,000.

The proceeds of the Bonds were used to: (i) pay infrastructure costs, (ii) pay bond issue costs, and (iii) fund capitalized interest.

**Bond Details**

The Bonds bear interest at 7.000% per annum and are payable semiannually on June 1 and December 1, beginning on June 1, 2021 to the extent of available Pledged Revenue. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025. The Bonds mature on December 1, 2049.

If the Bonds are not paid upon presentation at maturity or upon prior redemption, interest shall continue to accrue thereon at the rate borne prior to maturity or prior redemption until the principal thereof is paid in full.

**Optional Redemption**

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, and without premium, on December 1, 2030, and on any date thereafter, upon payment of the redemption price (expressed as a percentage of the principal amount of the Bond being redeemed) of 100%, plus accrued interest to the redemption date.

**Pledged Revenue**

The Bonds are secured by and payable from Pledged Revenue, which means the moneys derived by the District from the following sources: (i) the Required Mill Levy, (ii) PIF revenue, and (iii) any other legally available moneys that the District determines to credit to the Pledged Revenue Fund.

**INTERQUEST TOWN CENTER BID  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**Required Mill Levy**

The Required Mill Levy is an ad valorem property tax imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium, if any, and interest on the Bond as the same becomes due and payable, subject to the following limitations:

(i) Subject to paragraph (b) below, the Required Mill Levy (one mill being equal to 1/10 of 1 cent) shall be limited to a maximum of 50.00 mills; provided, however, that such limitation shall be adjusted upward or downward in response to (or to offset) changes in the assessment ratio used for property not classified for assessment as residential or agricultural brought about by changes in the State Constitution or other law. In such event, the Required Mill Levy limitation provided herein shall be increased or decreased, as determined by the Board in good faith, as to all taxable property in the District so that to the extent possible the actual tax revenues generated by the Required Mill Levy, as adjusted, are neither diminished nor enhanced as a result of such changes. Such determination of the Board shall be binding and final.

(ii) Notwithstanding the foregoing, in no event may the Required Mill Levy be established at a rate that would exceed the rate authorized in the District's approved Operating Plan and Budget or cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization.

The District has outstanding debt with anticipated activity as follows:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022*
Limited Tax General Obligation				
Bonds, Series 2020	\$ 2,860,000	\$ -	\$ -	\$ 2,860,000
Developer Advances -				
Operations	76,138	10,943	-	87,081
Accrued Interest:				
Developer Advances -				
Operations	8,283	6,898	-	15,181
Developer Advances -				
Capital	28,102	-	-	28,102
Accrued Interest:				
Developer Advances -				
Capital	2,260	2,248	-	4,508
Total	<u>\$ 114,783</u>	<u>\$ 20,089</u>	<u>\$ -</u>	<u>\$ 2,994,872</u>

**INTERQUEST TOWN CENTER BID  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

	Balance at December 31, 2022*	Additions	Reductions	Balance at December 31, 2023*
Limited Tax General Obligation Bonds, Series 2020	\$ 2,860,000	\$ -	\$ -	\$ 2,860,000
Developer Advances - Operations	87,081	27,000	-	114,081
Accrued Interest: Developer Advances - Operations	15,181	8,371	-	23,552
Developer Advances - Capital	28,102	-	-	28,102
Accrued Interest: Developer Advances - Capital	4,508	2,248	-	6,756
Total	<u>\$ 134,872</u>	<u>\$ 37,619</u>	<u>\$ -</u>	<u>\$ 3,032,491</u>

\*Estimate

**Reserves**

**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.**

**INTERQUEST TOWN CENTER BID  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$2,860,000 General Limited Obligation Bonds  
Dated December 29, 2020  
Interest Rate 7.0%  
Principal Due December 1  
Interest Payable Due June 1 and December 1**


<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Due</b>
2023	\$ -	\$ 200,200	\$ 200,200
2024	-	200,200	200,200
2025	30,000	200,200	230,200
2026	35,000	198,100	233,100
2027	40,000	195,650	235,650
2028	45,000	192,850	237,850
2029	50,000	189,700	239,700
2030	60,000	186,200	246,200
2031	65,000	182,000	247,000
2032	70,000	177,450	247,450
2033	80,000	172,550	252,550
2034	85,000	166,950	251,950
2035	90,000	161,000	251,000
2036	95,000	154,700	249,700
2037	105,000	148,050	253,050
2038	110,000	140,700	250,700
2039	120,000	133,000	253,000
2040	130,000	124,600	254,600
2041	135,000	115,500	250,500
2042	145,000	106,050	251,050
2043	155,000	95,900	250,900
2044	170,000	85,050	255,050
2045	180,000	73,150	253,150
2046	195,000	60,550	255,550
2047	210,000	46,900	256,900
2048	220,000	32,200	252,200
2049	240,000	16,800	256,800
	<b>\$ 2,860,000</b>	<b>\$ 3,756,200</b>	<b>\$ 6,616,200</b>

No assurance provided. See summary of significant assumptions.

**EXHIBIT C**

**District Boundary Map**

*INTERQUEST TOWN CENTER BID*

 Tax Boundary

1 inch = 270.83 feet

08/19/2022 EPC Assessor's Office  
NAD\_1983\_StatePlane\_Colorado\_Central\_FIPS\_0502\_Feet  
Projection: Lambert\_Conformal\_Conic

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## **EXHIBIT D**

### **Terms and Definitions**

The following terms and definitions from the City of Colorado Springs Special District Policy are specifically incorporated for use in this Operating Plan and Budget.

- a. Authority-** An entity with separate legal powers or authorities, created by intergovernmental agreement (IGA) between or among Districts, or between or among one or more Districts, and another governmental entity.
- b. City-** The City of Colorado Springs, acting legislatively through its City Council or administratively through its mayor or chief of staff, consistent with Colorado Revised Statutes and the City Charter.
- c. Combination of Districts-** Any combination of Metropolitan Districts, BIDs and/or GIDs that overlay each other that are organized by petition of a property developer that are specific to property within a single development project and do not serve any property outside of that project such as regional service district or non-developer controlled existing district.
- d. C.R.S.-** Colorado Revised Statutes.
- e. Debt-** Any bond, note debenture, contract or other multiple year financial obligation of a District which is payable in whole or in part from, or which constitutes an encumbrance on, the proceeds of ad valorem property tax or End User Debt Service Fee imposed by the District, or pledged for the purposes of meeting the obligation.
- f. Debt Mill Levy-** For the purpose of this Policy and its associated plans the debt mill levy is that portion of the overall mill levy of the District, pledged, dedicated or otherwise used to repay formally issued Debt or long terms.
- g. Developer Funding Agreements-** Short or long-term obligations of Districts entered into between Districts and developers related to advancement of reimbursement of Public Improvements or operations and maintenance costs. Such agreements may or may not accrue interest, but do not qualify as formally issued Debt as defined under this Policy or under TABOR.
- h. District –** This Interquest Town Center Business Improvement District.
- i. End User-** A property owner anticipated to have long term, multi-year responsibility for the tax and/or fee obligations of a District. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an end user. A master property developer or business entity that constructs homes or commercial structures for occupancy or ownership primarily by third parties, is not an end user.
- j. End User Debt Service Fees-** Any fees, rates, tolls or charges assessed or pledged or otherwise obligated to End Users by a District for the payment of Debt. End User Debt Service Fees are not intended to include public improvement fees (PIFs) if authorized by this Operating Plan and Budget. .
- k. External Financial Advisor-** A consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance

advisor in the Bond Buyer's Municipal Market Place (also known as the Redbook); and (3) is not an officer of the District.

- l. Index Interest Rate-** The AAA 30-year MMD (Municipal Market Data) index interest rate.
- m. Interest Rate-**The annual rate of charge applied to Debt or other District financial obligations.
- n. Land Development Entitlement** – A City-approved master plan, concept plan or other more detailed land use plan, zoning or combinations thereof, applicable to a substantial proportion of the property to be included in the District and sufficient to support the need for the District along with relevant public improvements financing assumptions and proposed limits.
- o. Maximum Debt Mill Levy-** The maximum mill levy a District or Combination of Districts is permitted to impose for the payment of Debt. For the purpose of this Policy, a mill levy certified for contractual obligations is part of the Maximum Debt Mill Levy.
- p. Maximum Operating Mill Levy-** The maximum mill levy a District or Combination of Districts is permitted to impose for operating and maintenance expenses.
- q. Mill Levy Adjustment** -Any statutory, legislative or constitutional changes that adjust or impact the assessed or actual valuation of property or the assessment ratio pursuant to which taxes are calculated.
- r. Model BID Operating Plan and Budget-** The most recent version of the template for BID Operating Plans and Budgets adopted in accordance with this Policy.
- s. Planning and Community Development Department Director-** The Director of the Colorado Springs Planning and Community Development Department or other position which may be established for the purpose of administering this Policy, or their designee.
- t. Policy or Special District Policy** -The City's adopted Special District Policy as may be amended from time to time.
- u. Privately Placed Debt-** Debt that is not marketed to multiple independent accredited investors as defined in Rule 501(a) promulgated under the Securities Act of 1933 by a registered bond underwriter or placed directly with a chartered lending institution or credit union.
- v. Public Improvements** – Any capital or site improvements, (or directly related planning or engineering costs) legally determined to be eligible for ownership, maintenance and/or financing by a District in accordance with the applicable State statutes.
- w. Related Party Privately Placed Debt** - Privately Placed Debt that is or will be placed with and directly held by a party related to the issuing District.