

**2021 OPERATING PLAN AND  
BUDGET**

**FIRST AND MAIN  
BUSINESS  
IMPROVEMENT  
DISTRICT NO. 2**

City of Colorado Springs, El Paso County, Colorado

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**2021**  
**OPERATING PLAN FOR THE**  
**FIRST AND MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2**

**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 Business Improvement District No. 2 (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 2009 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 water, sanitation, street, storm, park and recreation, and the operation and maintenance of the District consistent with prior years’ activities.

**D. *Ownership of Property or Major Assets.***

The District owns certain street and landscaping improvements.

**E. *Contracts and Agreement.***

Intergovernmental Agreement for Cost Sharing of Certain Public Improvements (January 28, 2009) between First & Main Business Improvement District and First & Main Business Improvement District No. 2; Intergovernmental Agreement for Operational Cost Sharing (January 1, 2014) between First and Main Business Improvement District and First and Main Business Improvement District No. 2, whereby First and Main Business Improvement District transfers revenue from its operational mill levy to the District, which is responsible for paying all operations and maintenance costs of the two Districts.

**2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS**

**A. *Organization.***

The First and Main Business Improvement District No. 2 was organized by the City of Colorado Springs, Colorado by Ordinance No. 08-144 on September 23, 2008.

**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 electors of the District voted to eliminate term limits in the May 2020 regular election.

**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**

The District map is depicted in **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. Currently, the developer performs these functions on behalf of the District.

**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 November 4, 2008, the District’s electors authorized the issuance of indebtedness in an amount not to exceed \$5,000,000 for water, \$20,000,000 for streets, \$5,000,000 for sanitation, \$5,000,000 for park and recreation, and \$20,000,000 for refunding of debt. The voters also approved an annual increase in taxes of \$150,000 annually, at a mill levy rate not to exceed one mill for 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. As set forth in the District’s 2009 Operating Plan, the City has limited the amount of debt to be issued to a total of \$20,000,000 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 mill levy limitations in the 2009 Operating Plan (being 50 mills for debt service and one (1) mill for general operations and administrative expenses) remain unchanged.

4. ***District Revenues.***  
See 2021 Budget attached hereto as **EXHIBIT B.**

5. ***Existing Debt Obligations.***  
In 2009, the District issued the \$2,400,000 First and Main Business Improvement District No. 2 Limited Tax General Obligation Bonds, Series 2009 with an interest rate of 8.5% (the “2009 Bonds”). The 2009 Bonds are subject to optional redemption beginning December 1, 2012. The 2009 Bonds were issued pursuant to an authorizing resolution adopted by the Board of Directors of the District at a meeting held on January 28, 2009. As required by the District's 2009 Operating Plan, the issuance of the 2009 Bonds was approved by Resolution 53-09 of the City Council.

In early 2011, the District issued the \$2,000,000 First and Main Business Improvement District No. 2 Public Improvement Fee Revenue Bond, Series 2011 with an interest rate of 8.5% (the “2011 Bonds”). The 2011 Bonds are subject to optional redemption beginning December 1, 2012. The 2011 Bonds were issued pursuant to an authorizing resolution originally adopted by the Board of Directors of the District at a meeting held on August 25, 2010, and re-adopted at a meeting of the Board of Directors of the District held on December 1, 2010, as supplemented by a Sale Certificate executed and delivered by the President of the District. As required by the District’s 2010 Operating Plan, the issuance of the 2011 Bonds was approved by Resolution 186-10 of the City Council.

In 2015, the District issued the \$1,750,000 First and Main Business Improvement District No. 2 Limited Tax General Obligation Bond, Series 2015 with an interest rate of 6.75% (the “2015 GO Bonds”). The 2015 GO Bonds were issued pursuant to an authorizing resolution originally adopted by the Board of Directors of the District at a meeting held on December 3, 2014, and Certification of Resolution adopted on April 22, 2015, as supplemented by a Sale Certificate executed and delivered by the President of the District. As required by the District’s 2015 Operating Plan, the issuance of the 2015 Bonds was approved by Resolution 35-15 of the City Council.

In 2015, the District issued the \$1,725,000 First and Main Business Improvement District No. 2 Public Improvement Fee Revenue Bond, Series 2015 with an interest rate of 6.75% (the “2015 PIF Bonds”). The 2015 PIF Bonds were issued pursuant to an authorizing resolution originally adopted by the Board of Directors of the District at a meeting held on December 3, 2014, and Certification of Resolution adopted on December 3, 2014, as supplemented by a Sale Certificate executed and

delivered by the President of the District. As required by the District's 2015 Operating Plan, the issuance of the 2015 PIF Bonds was approved by Resolution 35-15 of the City Council.

The District will annually review the interest rate on its bonds regarding market interest rate and evaluate possibilities to refund such bonds to the extent allowed pursuant to the bond documents.

**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 entered into an Intergovernmental Agreement during 2014 with First and Main Business Improvement District. The intergovernmental revenue represents transfers from First and Main Business Improvement District to provide funding for the overall administrative and operating costs for both Districts. The District anticipates a payment to the developer for prior capital infrastructure advances as evidenced in the 2021 Budget attached as **EXHIBIT B**.

The District has total outstanding developer advances in the principal amount of \$10,014,285 and total interest of \$8,717,650, which accrues interest at a rate of 7%.

**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.

- II. 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 use of a public improvement fee ("PIF") is in place to provide necessary funding revenues for the improvements financed by the District. The District will utilize revenues from the PIF for such purposes.

(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. The District provides maintenance and operation services on behalf of First and Main Business Improvement District.



2. ***Projects and Public Improvements.***

The District does not presently 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 provision of Section 3-25-1211, C.R.S.

3. ***Summary of 2021 Activities and Changes from Prior Year.***

The District's activities and will focus on district administration and payment of its bonds.

***Boundary changes:*** Not anticipated for the upcoming year.

***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 remain the same for the upcoming year.

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

***Elections:*** Not anticipated 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 Business Improvement District No. 2**

**BOARD OF DIRECTORS:**

<b>NAME &amp; ADDRESS</b>	<b>POSITION</b>	<b>PHONE #/E-MAIL</b>
Timothy Seibert Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	(w) 719-593-2600 (f) 719-633-0545 <a href="mailto:tseibert@nor-wood.com">tseibert@nor-wood.com</a>
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	(w) 719-593-2600 (f) 719-633-0545 <a href="mailto:chrisjenkins@nor-wood.com">chrisjenkins@nor-wood.com</a>
David D. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Secretary	(w) 719-593-2600 (f) 719-633-0545 <a href="mailto:ddj@nor-wood.com">ddj@nor-wood.com</a>
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	(w) 719-593-2600 (f) 719-633-0545 <a href="mailto:djohnson@nor-wood.com">djohnson@nor-wood.com</a>
Vacancy		

**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](mailto: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](mailto: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](mailto: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 BUSINESS IMPROVEMENT DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING, DECEMBER 31, 2021**

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2**  
**SUMMARY**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 1,440,586	\$ 1,818,139	\$ 1,861,010	\$ 1,861,010	\$ 1,170,134
REVENUES					
Property Taxes	612,439	606,689	582,298	606,689	576,262
Specific Ownership Tax	74,427	66,736	30,610	66,736	57,626
Interest Income	47,443	30,248	13,207	18,900	3,900
PIF Collections	466,544	431,571	98,004	305,000	450,000
Developer Advance	-	1,211,317	-	511,317	-
Intergovernmental Revenue - First & Main BID	17,074	22,263	12,327	22,876	20,383
Total Revenues	<u>1,217,927</u>	<u>2,368,824</u>	<u>736,446</u>	<u>1,531,518</u>	<u>1,108,171</u>
TRANSFERS IN	<u>-</u>	<u>1,221,317</u>	<u>-</u>	<u>900,000</u>	<u>175,000</u>
Total Funds Available	<u>2,658,513</u>	<u>5,408,280</u>	<u>2,597,456</u>	<u>4,292,528</u>	<u>2,453,305</u>
EXPENDITURES					
General Fund	74,677	84,000	57,935	90,805	89,200
Debt Service Fund	722,826	725,000	8,563	720,272	730,000
Capital Projects Fund	-	1,732,634	-	1,411,317	175,000
Total Expenditures	<u>797,503</u>	<u>2,541,634</u>	<u>66,498</u>	<u>2,222,394</u>	<u>994,200</u>
TRANSFERS OUT	<u>-</u>	<u>910,000</u>	<u>-</u>	<u>900,000</u>	<u>175,000</u>
Total Expenditures and Transfers Out Requiring Appropriation	<u>797,503</u>	<u>3,451,634</u>	<u>66,498</u>	<u>3,122,394</u>	<u>1,169,200</u>
ENDING FUND BALANCES	<u>\$ 1,861,010</u>	<u>\$ 1,956,646</u>	<u>\$ 2,530,958</u>	<u>\$ 1,170,134</u>	<u>\$ 1,284,105</u>
EMERGENCY RESERVE	\$ 3,300	\$ 3,200	\$ 1,700	\$ 3,200	\$ 2,800
AVAILABLE FOR OPERATIONS	205,944	207,852	205,330	218,647	220,305
TOTAL RESERVE	<u>\$ 209,244</u>	<u>\$ 211,052</u>	<u>\$ 207,030</u>	<u>\$ 221,847</u>	<u>\$ 223,105</u>

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/22/20

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

Commercial	\$ 11,741,560	\$ 11,602,030	\$ 11,602,030	\$ 11,602,030	\$ 10,897,660
State Assessed	107,070	27,640	27,640	27,640	28,570
Vacant Land	205,150	266,190	266,190	266,190	373,030
Certified Assessed Value	\$ 12,053,780	\$ 11,895,860	\$ 11,895,860	\$ 11,895,860	\$ 11,299,260

**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	\$ 12,054	\$ 11,896	\$ 11,896	\$ 11,896	\$ 11,299
Debt Service	602,689	594,793	594,793	594,793	564,963
Levied Property Taxes	614,743	606,689	606,689	606,689	576,262
Adjustments to Actual/Rounding	(2,304)	-	(24,391)	-	-
Budgeted Property Taxes	\$ 612,439	\$ 606,689	\$ 582,298	\$ 606,689	\$ 576,262

**BUDGETED PROPERTY TAXES**

General	\$ 12,004	\$ 11,896	\$ 11,413	\$ 11,896	\$ 11,299
Debt Service	600,435	594,793	570,885	594,793	564,963
	\$ 612,439	\$ 606,689	\$ 582,298	\$ 606,689	\$ 576,262

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2**  
**GENERAL FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 176,190	\$ 200,902	\$ 209,244	\$ 209,244	\$ 221,847
<b>REVENUES</b>					
Property taxes	12,004	11,896	11,413	11,896	11,299
Specific ownership tax	74,427	66,736	30,610	66,736	57,626
Interest income	4,226	3,255	1,371	1,900	1,150
Intergovernmental revenue - First & Main BII	17,074	22,263	12,327	22,876	20,383
Total Revenues	<u>107,731</u>	<u>104,150</u>	<u>55,721</u>	<u>103,408</u>	<u>90,458</u>
Total Funds Available	<u>283,921</u>	<u>305,052</u>	<u>264,965</u>	<u>312,652</u>	<u>312,305</u>
<b>EXPENDITURES</b>					
General and administrative					
Accounting	29,952	26,500	16,145	26,500	27,500
Auditing	7,200	7,200	7,400	7,400	7,600
County Treasurer's fee	180	178	171	178	169
Directors' fees	-	-	-	-	-
PIF services	16,321	15,000	8,346	17,000	18,500
Dues and licenses	874	700	709	709	800
Insurance and bonds	3,665	4,000	3,668	3,668	4,000
District management	5,479	12,500	5,971	12,500	12,500
Legal services	10,311	15,000	6,169	12,000	15,000
Miscellaneous	695	1,000	238	750	1,000
Ground Lease	-	-	-	600	200
Election expense	-	800	9,118	9,500	-
Contingency	-	1,122	-	-	1,931
Total Expenditures	<u>74,677</u>	<u>84,000</u>	<u>57,935</u>	<u>90,805</u>	<u>89,200</u>
<b>TRANSFERS OUT</b>					
Transfers to other fund	-	10,000	-	-	-
Total Expenditures and Transfers Out Requiring Appropriation	<u>74,677</u>	<u>94,000</u>	<u>57,935</u>	<u>90,805</u>	<u>89,200</u>
ENDING FUND BALANCE	<u>\$ 209,244</u>	<u>\$ 211,052</u>	<u>\$ 207,030</u>	<u>\$ 221,847</u>	<u>\$ 223,105</u>
EMERGENCY RESERVE	\$ 3,300	\$ 3,200	\$ 1,700	\$ 3,200	\$ 2,800
AVAILABLE FOR OPERATIONS	205,944	207,852	205,330	218,647	220,305
TOTAL RESERVE	<u>\$ 209,244</u>	<u>\$ 211,052</u>	<u>\$ 207,030</u>	<u>\$ 221,847</u>	<u>\$ 223,105</u>

No assurance provided. See summary of significant assumptions.



**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 1,264,396	\$ 1,617,237	\$ 1,651,766	\$ 1,651,766	\$ 948,287
REVENUES					
Property taxes	600,435	594,793	570,885	594,793	564,963
Interest income	43,217	26,993	11,836	17,000	2,750
PIF collections	466,544	431,571	98,004	305,000	450,000
Total Revenues	<u>1,110,196</u>	<u>1,053,357</u>	<u>680,725</u>	<u>916,793</u>	<u>1,017,713</u>
Total Funds Available	<u>2,374,592</u>	<u>2,670,594</u>	<u>2,332,491</u>	<u>2,568,559</u>	<u>1,966,000</u>
EXPENDITURES					
County Treasurer's fee	9,013	8,922	8,563	8,922	8,474
Contingency	-	4,728	-	-	3,488
Debt Service					
Bond interest - Series 2009	182,750	178,925	-	178,925	174,675
Bond interest - Series 2011	146,625	142,375	-	142,375	137,700
Bond interest - Series 2015 GO	112,388	110,700	-	110,700	109,013
Bond interest - Series 2015 PIF	112,050	109,350	-	109,350	106,650
Bond principal - Series 2009	45,000	50,000	-	50,000	55,000
Bond principal - Series 2011	50,000	55,000	-	55,000	60,000
Bond principal - Series 2015 GO	25,000	25,000	-	25,000	30,000
Bond principal - Series 2015 PIF	40,000	40,000	-	40,000	45,000
Total Expenditures	<u>722,826</u>	<u>725,000</u>	<u>8,563</u>	<u>720,272</u>	<u>730,000</u>
TRANSFERS OUT					
Transfers to other fund	-	900,000	-	900,000	175,000
Total Expenditures and Transfers Out Requiring Appropriation	<u>722,826</u>	<u>1,625,000</u>	<u>8,563</u>	<u>1,620,272</u>	<u>905,000</u>
ENDING FUND BALANCE	<u>\$ 1,651,766</u>	<u>\$ 1,045,594</u>	<u>\$ 2,323,928</u>	<u>\$ 948,287</u>	<u>\$ 1,061,000</u>

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2**  
**CAPITAL PROJECTS FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Developer advance	-	1,211,317	-	511,317	-
Total Revenues	-	1,211,317	-	511,317	-
TRANSFERS IN					
Transfers from other funds	-	1,221,317	-	900,000	175,000
Total Funds Available	-	2,432,634	-	1,411,317	175,000
EXPENDITURES					
General and Administrative					
Contingency	-	10,000	-	-	-
Capital Projects					
Repay developer advance - principal	-	1,211,317	-	900,000	175,000
Capital outlay	-	511,317	-	511,317	-
Total Expenditures	-	1,732,634	-	1,411,317	175,000
Total Expenditures and Transfers Out Requiring Appropriation	-	1,732,634	-	1,411,317	175,000
ENDING FUND BALANCE	\$ -	\$ 700,000	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by Ordinance of the City of Colorado Springs on September 9, 2008, 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, sanitation, street, storm, park and recreation, and the operation and maintenance of the District. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

On November 4, 2008, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$5,000,000 for water, \$20,000,000 for streets, \$5,000,000 for sanitation, \$5,000,000 for park and recreation, and \$20,000,000 for refunding of debt. The voters also approved an annual increase in taxes of \$150,000 annually, at a mill levy rate not to exceed one mill for operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained within Article X, Section 20 of the Colorado constitution. As set forth in the District's 2009 operating plan, the City has limited the amount of debt to be issued to a total of \$20,000,000 in the authorized voted categories, without further 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 page 3 of the Budget at the total adopted mill levy of 51.000 mills.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**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.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .5%.

**Intergovernmental Revenue**

Pursuant to an Intergovernmental Agreement entered into during 2014 with First & Main Business Improvement District, the intergovernmental revenue represents transfers from First & Main Business Improvement District to provide funding for the overall administrative and operating costs for both Districts.

**Public Improvement Fees**

The District anticipates receiving \$450,000 in Public Improvement Fees (PIF) during 2021. Pursuant to the PIF Covenant, these fees are pledged revenue to be used toward the repayment of the Series 2011 and Series 2015 Public Improvement Fee Revenue Bonds.

**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, election, 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 schedules from the General Obligation Bond Series 2009, the Public Improvement Fee Revenue Bond Series 2011, the Limited Tax General Obligation Bond Series 2015, and the Public Improvement Fee Revenue Bond Series 2015.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures - (continued)**

**Debt and Leases**

On January 28, 2009, the District issued \$2,400,000 in General Obligation Bonds Series 2009 (Series 2009 Bonds). The Series 2009 Bonds are due December 1, 2038, and bear an interest rate of 8.5% paid annually on December 1. The proceeds from the Series 2009 Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On January 12, 2011, the District issued \$2,000,000 in Public Improvement Fee Revenue Bonds (Series 2011 Bonds). The Series 2011 Bonds are due December 1, 2035, and bear an interest rate of 8.5% paid annually on December 1. The Series 2011 Bonds are subject to redemption prior to maturity on or after December 1, 2012. The Series 2011 Bonds will be repaid by pledged revenues consisting of public improvement fee revenues and payable to the District pursuant to the Public Improvement Fee Covenant. The proceeds from the Series 2011 Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On April 22, 2015, the District issued \$1,750,000 in Limited Tax General Obligation Bonds (Series 2015 GO Bonds). The Series 2015 GO Bonds are due December 1, 2044, and bear an interest rate of 6.75% paid annually on December 1, in addition to mandatory sinking fund redemptions. The Series 2015 GO Bonds are subject to redemption prior to maturity on or after December 1, 2024. The proceeds from the Series 2015 GO Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On April 22, 2015, the District issued \$1,725,000 in Public Improvement Fee Revenue Bonds (Series 2015 PIF Bonds). The Series 2015 PIF Bonds are due December 1, 2039, and bear an interest rate of 6.75% paid annually on December 1. The Series 2015 PIF Bonds are subject to redemption prior to maturity on or after December 1, 2024. The Series 2015 PIF Bonds will be repaid by pledged revenues consisting of public improvement fee revenues and payable to the District pursuant to the Public Improvement Fee Covenant. The proceeds from the Series 2015 PIF Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

The District has no capital or operating 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 BUSINESS IMPROVEMENT DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$2,400,000 General Obligation Bonds Series 2009 Dated January 28, 2009 Interest Rate of 8.5% Interest and Principal Payable December 1</b>			<b>\$2,000,000 Public Improvement Fee Revenue Bonds Series 2011 Dated January 12, 2011 Interest Rate of 8.5% Interest and Principal Payable December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 55,000	\$ 174,675	\$ 229,675	\$ 60,000	\$ 137,700	\$ 197,700
2022	55,000	170,000	225,000	60,000	132,600	192,600
2023	60,000	165,325	225,325	70,000	127,500	197,500
2024	65,000	160,225	225,225	75,000	121,550	196,550
2025	70,000	154,700	224,700	80,000	115,175	195,175
2026	80,000	148,750	228,750	85,000	108,375	193,375
2027	85,000	141,950	226,950	95,000	101,150	196,150
2028	90,000	134,725	224,725	100,000	93,075	193,075
2029	100,000	127,075	227,075	110,000	84,575	194,575
2030	110,000	118,575	228,575	120,000	75,225	195,225
2031	120,000	109,225	229,225	130,000	65,025	195,025
2032	130,000	99,025	229,025	140,000	53,975	193,975
2033	140,000	87,975	227,975	150,000	42,075	192,075
2034	150,000	76,075	226,075	165,000	29,325	194,325
2035	165,000	63,325	228,325	180,000	15,300	195,300
2036	180,000	49,300	229,300	-	-	-
2037	190,000	34,000	224,000	-	-	-
2038	210,000	17,850	227,850	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
	<u>\$ 2,055,000</u>	<u>\$ 2,032,775</u>	<u>\$ 4,087,775</u>	<u>\$ 1,620,000</u>	<u>\$ 1,302,625</u>	<u>\$ 2,922,625</u>

No assurance provided. See summary of significant assumption.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
(Continued)

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$1,750,000</b>			<b>\$1,725,000</b>		
	<b>Limited Tax General Obligation Bonds Series 2015 Dated April 22, 2015 Interest Rate of 6.75% Interest and Principal Payable December 1</b>			<b>Public Improvement Fee Revenue Bonds Series 2015 Dated April 22, 2015 Interest Rate of 6.75% Interest and Principal Payable December 1</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 30,000	\$ 109,013	\$ 139,013	\$ 45,000	\$ 106,650	\$ 151,650
2022	30,000	106,988	136,988	45,000	103,613	148,613
2023	35,000	104,963	139,963	50,000	100,575	150,575
2024	35,000	102,600	137,600	50,000	97,200	147,200
2025	35,000	100,238	135,238	55,000	93,825	148,825
2026	40,000	97,875	137,875	60,000	90,113	150,113
2027	45,000	95,175	140,175	65,000	86,063	151,063
2028	45,000	92,138	137,138	70,000	81,675	151,675
2029	50,000	89,100	139,100	75,000	76,950	151,950
2030	50,000	85,725	135,725	75,000	71,888	146,888
2031	55,000	82,350	137,350	85,000	66,825	151,825
2032	60,000	78,638	138,638	90,000	61,088	151,088
2033	65,000	74,588	139,588	95,000	55,013	150,013
2034	65,000	70,200	135,200	100,000	48,600	148,600
2035	70,000	65,813	135,813	110,000	41,850	151,850
2036	75,000	61,088	136,088	115,000	34,425	149,425
2037	80,000	56,025	136,025	125,000	26,663	151,663
2038	85,000	50,625	135,625	130,000	18,225	148,225
2039	95,000	44,888	139,888	140,000	9,450	149,450
2040	100,000	38,475	138,475	-	-	-
2041	105,000	31,725	136,725	-	-	-
2042	115,000	24,638	139,638	-	-	-
2043	120,000	16,875	136,875	-	-	-
2044	130,000	8,775	138,775	-	-	-
	<u>\$ 1,615,000</u>	<u>\$ 1,688,518</u>	<u>\$ 3,303,518</u>	<u>\$ 1,580,000</u>	<u>\$ 1,270,691</u>	<u>\$ 2,850,691</u>

No assurance provided. See summary of significant assumption.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**(Continued)**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>TOTAL ALL BONDS</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 190,000	\$ 528,038	\$ 718,038
2022	190,000	513,201	703,201
2023	215,000	498,363	713,363
2024	225,000	481,575	706,575
2025	240,000	463,938	703,938
2026	265,000	445,113	710,113
2027	290,000	424,338	714,338
2028	305,000	401,613	706,613
2029	335,000	377,700	712,700
2030	355,000	351,413	706,413
2031	390,000	323,425	713,425
2032	420,000	292,726	712,726
2033	450,000	259,651	709,651
2034	480,000	224,200	704,200
2035	525,000	186,288	711,288
2036	370,000	144,813	514,813
2037	395,000	116,688	511,688
2038	425,000	86,700	511,700
2039	235,000	54,338	289,338
2040	100,000	38,475	138,475
2041	105,000	31,725	136,725
2042	115,000	24,638	139,638
2043	120,000	16,875	136,875
2044	130,000	8,775	138,775
	<b>\$ 6,870,000</b>	<b>\$ 6,294,609</b>	<b>\$ 13,164,609</b>

No assurance provided. See summary of significant assumption.



**EXHIBIT C**

**District Boundary Map**

# FIRST & MAIN BID #2

 Tax Boundary

1 inch = 413.96 feet

08/24/2020 EPC Assessor's Office  
NAD\_1983\_StatePlane\_Colorado\_Central\_FIPS\_0502\_Feet  
Projection: Lambert\_Conformal\_Conic

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