

2021 OPERATING PLAN AND BUDGET
BARNES & POWERS
NORTH BUSINESS
IMPROVEMENT
DISTRICT

City of Colorado Springs, El Paso County, Colorado

TABLE OF CONTENTS

1. PURPOSE AND SCOPE OF THIS DISTRICT..... 1
 A. Requirement for this Operating Plan 1
 B. What Must Be Included in the Operating Plan?..... 1
 C. Purposes. 1
 D. Ownership of Property or Major Assets.. 1
 E. Contracts and Agreement.. 1
2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS 2
3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS 2
4. PUBLIC IMPROVEMENTS..... 2
5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE 3
6. FINANCIAL PLAN AND BUDGET..... 3
7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES..... 5
8. 2021 ACTIVITIES, PROJECTS AND CHANGES 6
 A. Activities 6
 B. Projects and Public Improvements..... 6
 C. Summary of 2021 Activities and Changes from Prior Year 6
9. DISSOLUTION 6
10. CONCLUSION..... 6

EXHIBIT A – Director and Other Contact Information

EXHIBIT B – BID Budget 2021

 General Fund

 Capital Projects Fund

 Debt Service Fund

EXHIBIT C – District Boundary Map

**2021 OPERATING PLAN FOR THE
BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT**

1. PURPOSE AND SCOPE OF THIS DISTRICT

A. *Requirement for this Operating Plan.*

The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Barnes & Powers North Business Improvement District (the “District”) file an operating plan and budget with the City Clerk no later than September 30 of each year.

Under the statute, the City is to approve the operating plan and budget within 30 days of the submittal of all required information.

The District operates under the authorities and powers allowed under the Business Improvement District Act, Section 31-25-1201, *et seq.*, C.R.S., as amended, as further described and limited by this Operating Plan.

B. *What Must Be Included in the Operating Plan?*

Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, *et seq.*, C.R.S., as amended, this Operating Plan specifically identifies: (1) the composition of the Board of Directors; (2) the services and improvements to be provided by the District; (3) the taxes, fees, and assessments to be imposed by the District; (4) the estimated principal amount of the bonds to be issued by the District; and (5) such other information as the City may require.

The District’s original 2004 and subsequent Operating Plans, previously approved by the City, are incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

C. *Purposes.*

As may be further articulated in prior years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2021 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities and landscaping consistent with prior years’ activities.

D. *Ownership of Property or Major Assets.*

The District owns certain parking, water, and sanitary storm/sewer improvements.

E. *Contracts and Agreement.*

Pursuant to an Intergovernmental Agreement with Barnes & Powers South Business Improvement District, dated November 30, 2011, the intergovernmental

revenue represents transfers from Barnes & Powers South Business Improvement District to provide joint funding for the overall administrative and operating costs for the two Districts and payment of capital infrastructure.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. *Organization.*

The Barnes & Powers North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-49 on April 27, 2004.

B. *Governance.*

The District is governed by an elected board of directors.

C. *Current Board.*

The persons who currently serve as the Board of Directors are:

Timothy Seibert, President
Christopher S. Jenkins, Vice-President
David D. Jenkins, Secretary
Delroy L. Johnson, Assistant Secretary
Vacancy

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

D. *Term Limits.*

The District's election in May 2012 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 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.

6. FINANCIAL PLAN AND BUDGET

1. 2021 Budget.

The 2021 Budget for the District is attached as **EXHIBIT B**.

2. Authorized Indebtedness.

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$2,600,000 for street improvements, \$2,600,000 for parking facilities, and \$6,500,000 for refinancing of District debt. The voters also approved an annual increase in taxes of \$15,000 at a mill levy rate not to exceed one mill for general operation and maintenance. The election also authorized the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. On November 1, 2005, the District’s electors authorized additional indebtedness of \$450,000 for water and \$150,000 for sanitary sewer. As set forth in the District’s 2007 Operating Plan, the City has limited the amount of debt to be issued to a total of \$4,950,000. This maximum debt authorization amount shall not be exceeded without express prior approval by the City. No additional debt authorizations are contemplated in 2021.

3. Property Tax and Mill Levy Caps.

The mill levy limitations in the original Operating Plan (being fifty (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.***
The District issued \$4,000,000 Limited Tax General Obligation Bonds, Series 2007 to acquire capital improvements in place that were built by the developer as contemplated in the 2007 Operating Plan. The City approved the 2007 bond issue by Resolution No. 84-07. Following the issuance of its Series 2007 bonds, the District has \$950,000 in remaining debt authorization.
6. ***Future Debt Obligations.***
In accordance with the City's Special District Policy, this District shall request and obtain approval from the 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 a lease agreement on April 28, 2014 with Barnes and Powers North No. 1, LLC to lease certain property for the purpose of public parking, traffic and pedestrian circulation areas, landscaping, utilities, signage, drainage, sidewalks, pedestrian ways, public art, shelters, bus stops, ramps and curbs, and other similar facilities for public events, festivals, recreation, concerts, and other public uses and services. The agreement does not represent a multi-fiscal year obligation and renews annually at the option of the District and subject to appropriation in the District's annual budget. The District has an outstanding developer advance obligation in the amount of \$143,610 for operating advances, which accrues interest at a rate of 7%, and \$51,047 for capital expenses, which accrues interest at a rate of 8%.
8. ***City Charter Limitations.***
In accordance with 7-100 of the City Charter, the District shall not issue any debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth in 7-100 of the City Charter, the total debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.
9. ***Non-Default Provisions.***
Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.

10. *Privately Placed Debt.*

Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the debt.

- 11.** The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District.

7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

(a) *Audit.*

The District agrees to submit an annual audit to the City Finance Department no later than March 1st of each year which is performed by an independent certified public accounting firm. Even if the state grants an audit exemption, the District must submit an annual audit as specified above.

(b) *SID Formation.*

The District affirms that it will provide an Amended Operating Plan and seek prior approval of City Council prior to formation of any Special Improvement District within its boundaries in the future.

(c) *City Authorization Prior to Debt Issuance.*

In accordance with the City's Special District Policy, and notwithstanding any statements of intent in the Budget and Operating Plan, the District shall request and obtain approval from the 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 will not utilize any revenues from a new, increased or expanded public improvement fee ("PIF") unless specifically authorized in a subsequent operating plan and budget, or separately approved by City Council. The imposition of a PIF and any provisions for adjustment of a PIF that have been previously approved by City Council shall not be subject to this restriction.

(e) *Condemnation.*

The Colorado Revised Statutes do not authorize BIDs to use powers of eminent domain. The exercise of eminent domain authority by any City-authorized district is also specifically prohibited without express prior City Council approval.

8. 2021 ACTIVITIES, PROJECTS AND CHANGES

1. *Activities.*

The District does not anticipate additional infrastructure work for commercial development in 2021. The District provides ongoing operational services on behalf of Barnes & Powers South 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 provisions of Section 31-25-1211, C.R.S.

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

The District's activities will focus on district administration and payment of its 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: No election for the upcoming year.

Major changes in development activity or valuation: Not anticipated for the upcoming year.

Ability to meet current financial obligations: See 2021 Budget attached as **EXHIBIT B.**

9. DISSOLUTION

The District may be dissolved under the conditions of Section 31-25-1225, C.R.S. Perpetual existence is not contemplated at this time.

10. CONCLUSION

It is submitted that this Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

EXHIBIT A
Director and Other Contact Information
BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM	PHONE #/E-MAIL
Timothy Seibert Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2020-2023	(w) 719-593-2600 (f) 719-633-0545 tseibert@nor-wood.com
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	2020-2023	w) 719-593-2600 (f) 719-633-0545 chrisjenkins@nor-wood.com
David D. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Secretary	2020-2023	(w) 719-593-2600 (f) 719-633-0545 ddj@nor-wood.com
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2018-2022	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com
Vacancy		2018-2022	

DISTRICT CONTACT:

Delroy L. Johnson, Assistant Secretary
 Nor'wood Development Group
 111 South Tejon, Suite 222
 Colorado Springs, CO 80903
 (w) 719-593-2600
 (f) 719-633-0545
djohnson@nor-wood.com

DISTRICT MANAGER:

Josh Miller
 CliftonLarsonAllen LLP
 8390 East Crescent Parkway, Suite 600
 Greenwood Village, CO 80111
 (w) 303-779-5710
 (f) 303-779-0348
josh.miller@claconnect.com

ACCOUNTANT:

Carrie Bartow, CPA
 CliftonLarsonAllen LLP
 102 South Tejon, Suite 350
 Colorado Springs, CO 80903
 (w) 719-635-0300 x 77839
 (f) 719-473-3630
carrie.bartow@claconnect.com

AUDITOR:

BiggsKofford, PC
 630 Southpointe Court, Suite 200
 Colorado Springs, CO 80906
 719-579-9090
 (f) 719-576-0126

INSURANCE AND BONDS:

STAFF:

T. Charles Wilson Insurance Service 384 Inverness Parkway Centennial, CO 80112 303-368-5757	N/A
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EXHIBIT B
2021 BID Budget
General Fund
Capital Projects Fund
Debt Service Fund
(including taxes, fees, assessments and estimated principal amount of bonds)

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

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
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	\$ 93,641	\$ 92,488	\$ 96,553	\$ 96,553	\$ 67,414
REVENUES					
Property Taxes	340,426	348,907	339,666	344,969	333,381
Specific Ownership Taxes	41,215	38,380	17,604	36,500	33,338
Interest Income	7,892	1,424	1,671	3,342	281
Intergovernmental Revenues	15,672	11,779	7,790	11,779	10,407
Total revenues	<u>405,205</u>	<u>400,490</u>	<u>366,731</u>	<u>396,590</u>	<u>377,407</u>
TRANSFERS IN	<u>7,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>5,000</u>
Total funds available	<u>505,846</u>	<u>517,978</u>	<u>463,284</u>	<u>518,143</u>	<u>449,821</u>
EXPENDITURES					
General Fund	67,864	75,000	35,745	75,000	75,000
Debt Service Fund	327,429	327,000	4,993	325,729	325,000
Capital Projects Fund	7,000	25,000	-	25,000	5,000
Total expenditures	<u>402,293</u>	<u>427,000</u>	<u>40,738</u>	<u>425,729</u>	<u>405,000</u>
TRANSFERS OUT	<u>7,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>5,000</u>
Total expenditures and transfers out requiring appropriation	<u>409,293</u>	<u>452,000</u>	<u>40,738</u>	<u>450,729</u>	<u>410,000</u>
ENDING FUND BALANCES	<u>\$ 96,553</u>	<u>\$ 65,978</u>	<u>\$ 422,546</u>	<u>\$ 67,414</u>	<u>\$ 39,821</u>
EMERGENCY RESERVE	\$ 2,000	\$ 1,800	\$ 1,000	\$ 1,700	\$ 1,600
AVAILABLE FOR OPERATIONS	76,431	55,845	74,482	58,127	33,878
TOTAL RESERVE	<u>\$ 78,431</u>	<u>\$ 57,645</u>	<u>\$ 75,482</u>	<u>\$ 59,827</u>	<u>\$ 35,478</u>

No assurance provided. See summary of significant assumptions.

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

9/22/20

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

Commercial	\$ 6,617,510	\$ 6,768,390	\$ 6,768,390	\$ 6,768,390	\$ 6,457,860
Vacant land	191,000	209,760	209,760	209,760	209,760
Certified Assessed Value	<u>\$ 6,808,510</u>	<u>\$ 6,978,150</u>	<u>\$ 6,978,150</u>	<u>\$ 6,978,150</u>	<u>\$ 6,667,620</u>

MILL LEVY

General	1.000	1.000	1.000	1.000	1.000
Debt Service	49.000	49.000	49.000	49.000	49.000
Refund and abatements	0.000	0.000	0.000	0.000	0.000
Total mill levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>

PROPERTY TAXES

General	\$ 6,809	\$ 6,978	\$ 6,978	\$ 6,978	\$ 6,668
Debt Service	333,617	341,929	341,929	341,929	326,713
Levied property taxes	<u>340,426</u>	<u>348,907</u>	<u>348,907</u>	<u>348,907</u>	<u>333,381</u>
Adjustments to actual/rounding	-	-	(9,241)	-	-
Refunds and abatements	-	-	-	(3,938)	-
Budgeted property taxes	<u>\$ 340,426</u>	<u>\$ 348,907</u>	<u>\$ 339,666</u>	<u>\$ 344,969</u>	<u>\$ 333,381</u>

BUDGETED PROPERTY TAXES

General	\$ 6,809	\$ 6,978	\$ 6,793	\$ 6,899	\$ 6,668
Debt Service	333,617	341,929	332,873	338,070	326,713
	<u>\$ 340,426</u>	<u>\$ 348,907</u>	<u>\$ 339,666</u>	<u>\$ 344,969</u>	<u>\$ 333,381</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
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	\$ 80,516	\$ 74,355	\$ 78,431	\$ 78,431	\$ 59,827
REVENUES					
Property Taxes	6,809	6,978	6,793	6,899	6,668
Specific Ownership Taxes	41,215	38,380	17,604	36,500	33,338
Interest Income	2,083	1,153	609	1,218	238
Intergovernmental Revenues	15,672	11,779	7,790	11,779	10,407
Total revenues	<u>65,779</u>	<u>58,290</u>	<u>32,796</u>	<u>56,396</u>	<u>50,651</u>
Total funds available	<u>146,295</u>	<u>132,645</u>	<u>111,227</u>	<u>134,827</u>	<u>110,478</u>
EXPENDITURES					
General and administrative					
Accounting	21,304	25,000	12,457	25,000	25,000
Audit	7,200	7,300	7,400	7,400	7,500
County Treasurer's Fee	102	105	102	105	100
Dues and Licenses	587	650	569	569	650
Insurance	3,665	3,700	3,668	3,668	3,800
District Management	5,435	7,200	6,162	10,000	7,500
Legal	8,831	7,000	1,587	3,500	7,000
Miscellaneous	740	800	585	1,100	800
Election	-	2,000	3,215	3,215	-
Repay Developer Advance	20,000	20,000	-	20,000	20,000
Contingency	-	1,245	-	83	2,530
Ground Lease	-	-	-	360	120
Total expenditures	<u>67,864</u>	<u>75,000</u>	<u>35,745</u>	<u>75,000</u>	<u>75,000</u>
Total expenditures and transfers out requiring appropriation	<u>67,864</u>	<u>75,000</u>	<u>35,745</u>	<u>75,000</u>	<u>75,000</u>
ENDING FUND BALANCE	<u>\$ 78,431</u>	<u>\$ 57,645</u>	<u>\$ 75,482</u>	<u>\$ 59,827</u>	<u>\$ 35,478</u>
EMERGENCY RESERVE	\$ 2,000	\$ 1,800	\$ 1,000	\$ 1,700	\$ 1,600
AVAILABLE FOR OPERATIONS	<u>76,431</u>	<u>55,845</u>	<u>74,482</u>	<u>58,127</u>	<u>33,878</u>
TOTAL RESERVE	<u>\$ 78,431</u>	<u>\$ 57,645</u>	<u>\$ 75,482</u>	<u>\$ 59,827</u>	<u>\$ 35,478</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
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	\$ 13,125	\$ 18,133	\$ 18,122	\$ 18,122	\$ 7,587
REVENUES					
Property Taxes	333,617	341,929	332,873	338,070	326,713
Interest Income	5,809	271	1,062	2,124	43
Total revenues	<u>339,426</u>	<u>342,200</u>	<u>333,935</u>	<u>340,194</u>	<u>326,756</u>
Total funds available	<u>352,551</u>	<u>360,333</u>	<u>352,057</u>	<u>358,316</u>	<u>334,343</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	5,004	5,129	4,993	5,129	4,901
Contingency	-	1,271	-	-	1,649
Debt Service					
Bond Interest	217,425	210,600	-	210,600	203,450
Bond Principal	105,000	110,000	-	110,000	115,000
Total expenditures	<u>327,429</u>	<u>327,000</u>	<u>4,993</u>	<u>325,729</u>	<u>325,000</u>
TRANSFERS OUT					
Transfers to Capital Projects Fund	<u>7,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>5,000</u>
Total expenditures and transfers out requiring appropriation	<u>334,429</u>	<u>352,000</u>	<u>4,993</u>	<u>350,729</u>	<u>330,000</u>
ENDING FUND BALANCE	<u>\$ 18,122</u>	<u>\$ 8,333</u>	<u>\$ 347,064</u>	<u>\$ 7,587</u>	<u>\$ 4,343</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
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					
Total revenues	-	-	-	-	-
TRANSFERS IN					
Transfers from Debt Service Fund	7,000	25,000	-	25,000	5,000
Total funds available	7,000	25,000	-	25,000	5,000
EXPENDITURES					
General and Administrative					
Repay Developer Advance	7,000	25,000	-	25,000	5,000
Total expenditures	7,000	25,000	-	25,000	5,000
Total expenditures and transfers out requiring appropriation	7,000	25,000	-	25,000	5,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities and landscaping. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District was organized by Ordinance of the City of Colorado Springs on April 27, 2004.

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$2,600,000 for street improvements, \$2,600,000 for parking facilities, and \$6,500,000 for refinancing of District debt. On November 1, 2005, the District's electors authorized additional indebtedness of \$450,000 for water and \$150,000 for sanitary sewer. The voters also approved an annual increase in taxes of \$15,000, at a mill levy rate not to exceed one mill for general operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. Pursuant to the District's operating plan filed annually with the City, the maximum debt service mill levy the District can impose is 50.000 mills. As set forth in the District's 2007 operating plan, the City has limited the amount of debt to be issued to a total of \$4,950,000 in the authorized voted categories, without future approval by the City.

The District has no employees and all administrative functions are contracted

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those difference may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Specific Ownership Tax

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the property taxes collected.

Interest Income

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

Intergovernmental Revenue

Pursuant to an Intergovernmental Agreement, dated November 30, 2011, with Barnes and Powers South Business Improvement District, the intergovernmental revenue represents transfers from Barnes & Powers South to provide funding for the overall administrative and operating costs for the District and payment of capital infrastructure.

Expenditures

Administrative Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and other administrative expenses.

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property tax collected.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2007 bonds (discussed under Debt and Leases).

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On June 27, 2007, the District issued \$4,000,000 in General Obligation Bonds. The Bonds are due December 1, 2036, and bear an interest rate of 6.5% paid annually on December 1. At the option of the District on any date, the Bonds are subject to redemption prior to maturity without redemption premium. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs. The District's current debt service schedule is attached.

On December 31, 2006, the District entered into a Reimbursement Agreement to repay advances made by the Developer for capital infrastructure costs and operations and maintenance (O&M) costs. The District agreed to repay the Developer for such advances plus accrued interest at the rate of 7% on the first day of the following year in which the advances were made.

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

On February 22, 2017, the District entered into the Facilities Funding and Reimbursement Agreement. Under the terms of this agreement, the District agrees to reimburse the Developer for all verified capital costs, together with interest of 8% from the date of the expenditure.

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 as defined under TABOR.

This information is an integral part of the accompanying budget.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**


**\$4,000,000 General Obligation Bonds
Dated June 27, 2007
Interest Rate 6.5%
Principal and Interest Due December 1**


	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 115,000	\$ 203,450	\$ 318,450
2022	125,000	195,975	320,975
2023	135,000	187,850	322,850
2024	140,000	179,075	319,075
2025	150,000	169,975	319,975
2026	160,000	160,225	320,225
2027	170,000	149,825	319,825
2028	180,000	138,775	318,775
2029	195,000	127,075	322,075
2030	205,000	114,400	319,400
2031	220,000	101,075	321,075
2032	235,000	86,775	321,775
2033	250,000	71,500	321,500
2034	265,000	55,250	320,250
2035	285,000	38,025	323,025
2036	300,000	19,500	319,500
	<u>\$ 3,130,000</u>	<u>\$ 1,998,750</u>	<u>\$ 5,128,750</u>

No assurance provided. See summary of significant assumptions.

EXHIBIT C
District Boundary Map

BARNES & POWERS NORTH BID

 Tax Boundary


1 inch = 162.42 feet

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

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