

**2017 OPERATING PLAN AND BUDGET**

**INTERQUEST SOUTH  
BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2017  
OPERATING PLAN FOR THE  
INTERQUEST SOUTH 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 South Business Improvement District (the "District") file an operating plan and budget with the City Clerk no later than September 30 of each year.

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

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

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

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

The District's original 2006, 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 2017 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 to be provided by the District include parking facilities, roadways, lighting, driveways, public utilities and landscaping.

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

The District may be conveyed property or major physical assets as part of anticipated development.

**E. Contracts and Agreement.**

The District is not currently a party to any significant active contracts or agreements.

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

**A. Organization.**

The Interquest South Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-238 on October 26, 2004.

**B. Governance.**

On September 22, 2015, Resolution No. 93-15 appointing Board of Directors, and Ordinance No. 15-71 was passed by the City Council of the City of Colorado Springs appointing a Board of Directors until the next regular election.

**C. Current Board.**

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

Stacie M. Tucker, President  
Bethany Sather, Secretary/Treasurer

There are currently three vacancies on the Board of Directors. As development moves forward, new Board members may be qualified to serve on the Board.

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

**D. Term Limits.**

The District's election in November, 2004, 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**

On September 22, 2015, Ordinance No. 15-69, was passed by the City Council of the City of Colorado Springs, excluding certain property from the boundaries of the District, and Ordinance No. 15-70, was passed by the City Council of the City of Colorado Springs, including certain property in the boundaries of the District, as attached in **EXHIBIT C**. The District does not anticipate any other inclusion or exclusion requests in the coming year.

**4. PUBLIC IMPROVEMENTS**

The District may fund the design, installation, or acquisition of public improvements during 2017. If the District acts to fund improvements during calendar year 2017, an amendment to

this Operating Plan will be sought in accordance with the provisions of Section 31-25-1211, C.R.S.

## **5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE**

No changes to the improvements and services to be furnished by the District as listed in all of the previous Operating Plans are proposed for 2017. Therefore, all of the previous Operating Plans, including all limitations found in Section 3 Description of Public Improvements and Services, Section 4 Administration, Operation and Maintenance, Section 5 Financial Plan and Budget (with the exceptions noted below and the budget which is attached hereto as **EXHIBIT B**) are unchanged and incorporated herein by reference.

(a) 2005 Election. The District held an election in November, 2005 for the purpose of authorizing debt for water and sanitation purposes to allow the District to shift funds from one category of improvements to others, but the total authorized debt shall not be increased without the consent of City Council.

(b) The second paragraph of Section 3.3 of a prior operating plan, on the advice of the District's special tax counsel, was modified to read as follows:

All improvements furnished by the District shall be located on land that is owned in fee, by a perpetual easement, or by a lease with a term longer than the term of the District's tax exempt bonds, in the name of the District, the City, or the State of Colorado.

The District has no employees and all administrative functions are contractual.

## **6. FINANCIAL PLAN AND BUDGET**

### **1. 2017 Budget.**

The 2017 Budget for the District is attached as **EXHIBIT B**.

### **2. Authorized Indebtedness.**

At an election held on November 2, 2004, the voters approved general obligation indebtedness of \$24,000,000 for street improvements. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,500,000 for water and sanitary sewer. The voters also approved an annual increase in taxes of \$60,000, 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 2006 Operating Plan, the City has limited the amount of debt to be issued to a total of \$24,000,000 in the authorized voted categories, without future approval by the City.

### **3. Property Tax and Mill Levy Caps.**

The mill levy limitations in the Original Operating Plan (being 50 mills for debt service and one (1) mill for general operations and administrative expenses) remain unchanged.

- 4. District Revenues.**  
See 2017 budget attached hereto as **EXHIBIT B**.
- 5. Existing Debt Obligations.**  
None. A bond issue is not contemplated for 2017, however, if the District desires to issue bonds it will submit the bond financing plan to the City for review.
- 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 consistency 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 is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.
- 8. City Charter Limitations.**  
In accordance with 7-100 of the City Charter, the District shall not issue any debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth in 7-100 of the City Charter, the total debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.
- 9. Non-Default Provisions.**  
Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.
- 10. Privately Placed Debt.**  
Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the debt.
- 11.** The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District

**7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES**

**(a) Audit.**

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

**(b) SID Formation.**

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

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

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

**(d) Public Improvement Fees.**

This District will not utilize any revenues from a new, increased or expanded public improvement fee (PIF) unless specifically authorized in a subsequent operating plan and budget, or separately approved by City Council. The imposition of a PIF and any provisions for adjustment of a PIF that have been previously approved by City Council shall not be subject to this restriction.

**(e) Condemnation.**

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

**8. 2017 ACTIVITIES, PROJECTS AND CHANGES**

**1. Activities**

With the inclusion of new property in the District, the landowner anticipates some development activity in 2017.

**2. Projects and Public Improvements**

The District may participate in funding the design, installation or acquisition of additional public improvements during 2017.

**3. Summary of 2017 Activities and Changes from Prior Year**

The District anticipates beginning development in 2017, limited improvements or services being furnished and monitor development plans, maintain its statutory obligations, and file operating plans and budgets.

**Boundary changes:** Not anticipated for the upcoming year. See **3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS** referenced above.

**Changes to board or governance structure:** As development moves forward, new Board members will be qualified and eligible for election.

**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 are not anticipated for the upcoming year.** Not anticipated for the upcoming year.

**Ability to meet current financial obligations:** See 2017 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 meet 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 South Business Improvement District**

**BOARD OF DIRECTORS:**

<b>NAME &amp; ADDRESS</b>	<b>POSITION</b>	<b>TERM(S)</b>	<b>PHONE #/E-MAIL</b>
Stacie M. Tucker 4020 Foxchase Way Colorado Springs, CO 80908	President	2015-2016; 2016-2018	
Bethany Sather 4020 Foxchase Way Colorado Springs, CO 80908	Secretary/Treasurer	2015-2016; 2016-2018	
Vacancy		2016-2020	
Vacancy		2016-2020	
Vacancy		2016-2020	

**DISTRICT MANAGER**

**ACCOUNTANT:**

Cynthia Beyer CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 600 Greenwood Village, CO 80111 (w) 303-779-5710 (f) 303-779-0348 <a href="mailto:Cynthia.Beyer@claconnect.com">Cynthia.Beyer@claconnect.com</a>	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:**

**STAFF:**

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

**2017 BID Budget  
General Fund  
Debt Service Fund  
Capital Projects Fund**



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
CLAAconnect.com

**Accountant's Compilation Report**

Board of Directors  
Interquest South Business Improvement District  
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Interquest South Business Improvement District for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

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

We are not independent with respect to Interquest South Business Improvement District.

Colorado Springs, Colorado  
\_\_\_\_\_, 2016



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**PRELIMINARY DRAFT – SUBJECT TO REVISION**

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT  
SUMMARY  
2017 BUDGET AS PROPOSED  
WITH 2015 ACTUAL AND 2016 ESTIMATED  
For the Years Ended and Ending December 31,**

9/8/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ (5,648)	\$ 672	\$ (21,406)	\$ (21,406)	\$ 1,401
<b>REVENUES</b>					
1 Property taxes	14,615	18,951	15,951	17,602	18,007
2 Specific ownership taxes	1,759	1,900	864	1,900	1,980
3 Developer advance	6,000	14,000	22,835	27,500	2,014,000
4 Net investment income	5	10	-	5	5
Total revenues	<u>22,379</u>	<u>34,861</u>	<u>39,650</u>	<u>47,007</u>	<u>2,033,992</u>
Total funds available	<u>16,731</u>	<u>35,533</u>	<u>18,244</u>	<u>25,601</u>	<u>2,035,393</u>
<b>EXPENDITURES</b>					
5 General and administration					
6 Accounting	9,771	10,000	4,942	10,500	10,000
7 Audit	2,000	2,100	2,050	2,050	2,100
8 Contingency	-	116	-	273	1,250
9 County Treasurer's fees	219	284	239	264	270
10 District management	5,715	8,000	1,665	5,000	8,000
11 Dues and membership	259	500	276	276	500
12 Election	-	1,000	963	1,000	-
13 Insurance	1,233	1,500	1,337	1,337	1,380
14 Legal	18,830	10,000	544	3,000	10,000
15 Miscellaneous	110	500	143	500	500
16 Capital projects					
17 Capital outlay	-	-	-	-	2,000,000
Total expenditures	<u>38,137</u>	<u>34,000</u>	<u>12,159</u>	<u>24,200</u>	<u>2,034,000</u>
Total expenditures and transfers out requiring appropriation	<u>38,137</u>	<u>34,000</u>	<u>12,159</u>	<u>24,200</u>	<u>2,034,000</u>
ENDING FUND BALANCES	<u>\$ (21,406)</u>	<u>\$ 1,533</u>	<u>\$ 6,085</u>	<u>\$ 1,401</u>	<u>\$ 1,393</u>
EMERGENCY RESERVE	<u>\$ 500</u>	<u>\$ 700</u>	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 600</u>
TOTAL RESERVE	<u>\$ 500</u>	<u>\$ 700</u>	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 600</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

9/8/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
<b>ASSESSED VALUATION - EL PASO</b>					
Commercial	\$ 12,937,390	\$ 16,574,830	\$ 16,574,830	\$ 16,574,830	\$ 15,627,860
Industrial	1,385,930	1,385,930	1,385,930	1,385,930	1,385,930
Agricultural	1,580	-	-	-	-
Vacant Land	1,207,400	965,050	965,050	965,050	965,030
State Assessed	29,910	24,850	24,850	24,850	28,460
Certified Assessed Value	<u>\$ 15,562,210</u>	<u>\$ 18,950,660</u>	<u>\$ 18,950,660</u>	<u>\$ 18,950,660</u>	<u>\$ 18,007,280</u>
<b>MILL LEVY</b>					
GENERAL FUND	1.000	1.000	1.000	1.000	1.000
Total Mill Levy	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<b>PROPERTY TAXES</b>					
GENERAL FUND	\$ 15,562	\$ 18,951	\$ 18,951	\$ 18,951	\$ 18,007
Levied property taxes	15,562	18,951	18,951	18,951	18,007
Adjustments to actual/rounding	(947)	-	(1,651)	-	-
Refund and abatements	-	-	(1,349)	(1,349)	-
Budgeted Property Taxes	<u>\$ 14,615</u>	<u>\$ 18,951</u>	<u>\$ 15,951</u>	<u>\$ 17,602</u>	<u>\$ 18,007</u>
<b>BUDGETED PROPERTY TAXES</b>					
GENERAL FUND	\$ 14,615	\$ 18,951	\$ 15,951	\$ 17,602	\$ 18,007
	<u>\$ 14,615</u>	<u>\$ 18,951</u>	<u>\$ 15,951</u>	<u>\$ 17,602</u>	<u>\$ 18,007</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2017 BUDGET AS PROPOSED  
WITH 2015 ACTUAL AND 2016 ESTIMATED  
For the Years Ended and Ending December 31,**

9/8/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ (5,648)	\$ 672	\$ (21,406)	\$ (21,406)	\$ 1,401
<b>REVENUES</b>					
1 Property taxes	14,615	18,951	15,951	17,602	18,007
2 Specific ownership taxes	1,759	1,900	864	1,900	1,980
3 Developer advance	6,000	14,000	22,460	27,000	14,000
4 Net investment income	5	10	-	5	5
Total revenues	<u>22,379</u>	<u>34,861</u>	<u>39,275</u>	<u>46,507</u>	<u>33,992</u>
Total funds available	<u>16,731</u>	<u>35,533</u>	<u>17,869</u>	<u>25,101</u>	<u>35,393</u>
<b>EXPENDITURES</b>					
General and administration					
5 Accounting	9,771	10,000	4,567	10,000	10,000
6 Audit	2,000	2,100	2,050	2,050	2,100
7 Contingency	-	116	-	273	1,250
8 County Treasurer's fees	219	284	239	264	270
9 District management	5,715	8,000	1,665	5,000	8,000
10 Dues and membership	259	500	276	276	500
11 Election	-	1,000	963	1,000	-
12 Insurance	1,233	1,500	1,337	1,337	1,380
13 Legal	18,830	10,000	544	3,000	10,000
14 Miscellaneous	110	500	143	500	500
Total expenditures	<u>38,137</u>	<u>34,000</u>	<u>11,784</u>	<u>23,700</u>	<u>34,000</u>
Total expenditures and transfers out requiring appropriation	<u>38,137</u>	<u>34,000</u>	<u>11,784</u>	<u>23,700</u>	<u>34,000</u>
ENDING FUND BALANCES	<u>\$ (21,406)</u>	<u>\$ 1,533</u>	<u>\$ 6,085</u>	<u>\$ 1,401</u>	<u>\$ 1,393</u>
EMERGENCY RESERVE	<u>\$ 500</u>	<u>\$ 700</u>	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 600</u>
TOTAL RESERVE	<u>\$ 500</u>	<u>\$ 700</u>	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 600</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT  
DEBT SERVICE FUND  
2017 BUDGET AS PROPOSED  
WITH 2015 ACTUAL AND 2016 ESTIMATED  
For the Years Ended and Ending December 31,**

9/8/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	-	-	-	-	-
EXPENDITURES					
Total expenditures	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT  
 CAPITAL PROJECTS FUND  
 2017 BUDGET AS PROPOSED  
 WITH 2015 ACTUAL AND 2016 ESTIMATED  
 For the Years Ended and Ending December 31,**

9/8/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
1 Developer advance	-	-	375	500	2,000,000
Total revenues	<u>-</u>	<u>-</u>	<u>375</u>	<u>500</u>	<u>2,000,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>375</u>	<u>500</u>	<u>2,000,000</u>
EXPENDITURES					
General and administration					
2 Accounting	-	-	375	500	-
Capital projects					
3 Capital outlay	-	-	-	-	2,000,000
Total expenditures	<u>-</u>	<u>-</u>	<u>375</u>	<u>500</u>	<u>2,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>375</u>	<u>500</u>	<u>2,000,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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



**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT  
2017 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 October 26, 2004.

At an election held on November 2, 2004, the voters approved general obligation indebtedness of \$24,000,000 for street improvements. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,500,000 for water and sanitary sewer. The voters also approved an annual increase in taxes of \$60,000, 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 2006 operating plan, the City has limited the amount of debt to be issued to a total of \$24,000,000 in the authorized voted categories, without future approval by the City.

The District has no employees and all administrative functions are contractual.

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.

**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 1.000 mill.

**Specific Ownership Taxes**

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT  
2017 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.50%.

**Developer Advance**

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer. 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.

**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 taxes.

**Capital Expenditures**

The District anticipates capital expenditures in 2017, which are to be funded by developer advances.

**Debt and Leases**

The District has no bond indebtedness, 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 2017, as defined under TABOR.


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

**EXHIBIT C**

**District Boundary Maps**

# INTERQUEST SOUTH BID

 Tax Boundary

  
1 inch = 406.95 feet

Created 11/23/2015 EPC Assessor's Office  
NAD\_1983\_StatePlane\_Colorado\_Central\_FIPS\_0502\_Feet  
Projection: Lambert\_Conformal\_Conic

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