

**2022 OPERATING PLAN AND BUDGET**

**INTERQUEST 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. .... 2  
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. 2022 ACTIVITIES, PROJECTS AND CHANGES ..... 6  
    A. Activities. .... 6  
    B. Projects and Public Improvements. .... 7  
    C. Summary of 2022 Activities and Changes from Prior Year. .... 7  
9. DISSOLUTION ..... 7  
10. CONCLUSION ..... 7

EXHIBIT A - Director and Other Contact Information

EXHIBIT B - BID Budget 2022

    General Fund

    Debt Service Fund

    Capital Projects Fund

EXHIBIT C – District Boundary Map

**2022**  
**OPERATING PLAN FOR THE**  
**INTERQUEST 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 Interquest 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 2022 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 the following real property: Tract A, Marketplace at Interquest Filing No. 9; Tract A, Marketplace at Interquest Filing No. 17; Tract B, Marketplace at Interquest Filing No. 17; Tract E, Marketplace at Interquest Filing No. 1; Tract A, Marketplace at Interquest Filing No. 4; Lots 2 and 3, Marketplace at Interquest Filing No. 18. The District also owns street, parking, landscaping, and drainage improvements.

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

The District entered into that certain Maintenance Agreement with Nor’wood Limited, Inc. on May 27, 2020, pursuant to which Nor’wood Limited, Inc. agreed to operate and maintain the District’s property and easement areas, including, but not limited to, parking areas, drainage basins, retention and detention ponds, landscape areas, and signage.

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

***A. Organization.***

The Interquest North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-237 on October 26, 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 November 2, 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**

The District map is depicted in **EXHIBIT C**. The District does not anticipate receiving any inclusion or exclusion requests in 2022.

**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 2022. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install or cause to be constructed and installed, include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, *et seq.*, C.R.S., lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation.

## 5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

## 6. FINANCIAL PLAN AND BUDGET

### A. *2022 Budget.*

The 2022 Budget for the District is attached as **EXHIBIT B**.

### B. *Authorized Indebtedness.*

At an election held on November 2, 2004, the voters approved general obligation indebtedness of \$9,900,000 for street improvements. The voters also approved an annual increase in taxes of \$50,000, 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. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,100,000 for water and storm drainage. 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.

On November 6, 2018, the District's electors authorized additional indebtedness of \$25,000,000 for water improvements, \$25,000,000 for sanitary sewer improvements, \$25,000,000 for street improvements, \$25,000,000 for traffic and safety improvements, \$25,000,000 for park and recreation improvements, \$25,000,000 for transportation improvements, \$25,000,000 for security improvements, \$25,000,000 for operations and maintenance, \$25,000,000 for refinancing debt, and \$25,000,000 for reimbursement agreements.

Per the approval of the City Council on October 23, 2018, the amount of authorized

debt has been increased from \$13,000,000 to \$25,000,000 in order to accommodate the next phases of development occasioned by increased demand for public improvements to benefit the businesses within the District related to the success of the project and anticipated business growth within the District. The debt limit of the District shall not exceed \$25,000,000 regardless of the amount of voted debt authorization without the express prior approval by the City. The bonds of the District, including revenue bonds, will be limited to those that are payable either from ad valorem property taxes, assessments, PIF revenues, permitted user fees, reimbursements, interest and interest earnings of the District, and from other revenues made available to the District. The District will not impose a sales tax.

**C. *Property Tax and Mill Levy Caps.***

The mill levy limitations in the District's original 2004 Operating Plan (being 50 mills for debt service and one (1) mill for general operations and administrative expenses, both subject to adjustment) remain unchanged.

**D. *District Revenues.***

See 2022 budget attached hereto as **EXHIBIT B**.

**E. *Existing Debt Obligations.***

On December 3, 2010, the District issued its \$6,500,000 Limited Tax General Obligation Bond, Series 2010 with an interest rate of 8.5% ("2010 Bonds"). The 2010 Bonds are subject to redemption at the District's option. This issuance was approved by the City Council by Resolution No. 185-10 as required by the 2010 Operating Plan.

On June 8, 2016, the District issued its \$4,765,000 Limited Tax General Obligation Bonds, Series 2016 with an interest rate of 6.5%. This issuance was approved by the City Council by Resolution No. 54-16 as required by the 2016 Operating Plan.

On September 15, 2020, the District issued its fill-up \$13,735,000 Limited Tax General Obligation Bonds, Series 2020 with an interest rate of 7.00% ("2020 Bonds"). The 2020 Bonds are subject to mandatory redemption starting on December 1, 2024 and are subject to optional redemption starting on January 1, 2027. The first draw in 2020 was approximately \$1,535,000, a second draw in 2021 was approximately \$6,340,000 in 2021, and a third draw of \$3,000,000 in 2022 is anticipated to fund capital improvements for the District. The issuance of the 2020 Bonds was approved by the City Council by Resolution No. 68-20 as required by the 2020 Operating Plan. The funds from the 2020 Bonds have not been disbursed; the District intends to use the funds to acquire existing public improvements and fund remaining public improvements within the District.

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.

**F. *Future Debt Obligations.***

In accordance with the City’s Special District Policy, the District shall request and obtain approval of City Council prior to issuance of any debt in accordance with the financing plan for the District as previously approved. The standards for City approval shall generally be consistent with the City’s Special District Policy, as it may be amended, along with the most recently approved Operating Plan and Budget and any requirements or limitations contained therein to the extent that they are consistent with the financing plans for the District. The District does not currently have any remaining authorized debt and does not anticipate issuing additional debt.

**G. *Other Financial Obligations.***

The District may enter into agreements including reimbursement or similar agreements and leases; as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.

At the end of 2021, it is anticipated that the District will have an outstanding total amount of developer advances of \$97,719, which accrues interest at a rate of 7%.

**H. *City Charter Limitations.***

In accordance with 7-100 of the City Charter, the District shall not issue any debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth in 7-100 of the City Charter, the total debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two- thirds vote of the entire City Council.

**I. *Non-Default Provisions.***

Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.

**J. *Privately Placed Debt.***

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

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

**7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES**

**A. *Audit.***

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

**B. *SID Formation.***

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

**C. *City Authorization Prior to Debt Issuance.***

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

**D. *Public Improvement Fees.***

The 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.

**F. *Concealed Carry Prohibition.***

Although the Colorado Revised Statutes do not currently provide this authority, in no case shall the District adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying a concealed handgun in a building or specific area under the direct control or management of the District.

**8. 2022 ACTIVITIES, PROJECTS AND CHANGES**

**A. *Activities.***

The District anticipates continued activity for commercial development in 2022 and will support such activity as provided in this Operating Plan and by statute. The District anticipates providing operation and maintenance services, including, but not limited to, parking and street maintenance and operations, including snow



removal, landscaping, stormwater, marketing, common area maintenance, and security services as needed.

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

The District anticipates funding or acquiring the design, installation or acquisition of additional public improvements during 2022 as required to support development within the District and as anticipated pursuant to the 2020 bond issuance.

**C. *Summary of 2022 Activities and Changes from Prior Year.***

The District's activities will largely consist of district administration and payment of its existing bonds along with public improvement construction.

***Boundary changes:*** The District does not anticipate boundary changes in 2022.

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

***Mill levy changes:*** Mill levies will remain the same for the upcoming year.

***New, refinanced or fully discharged debt:*** Not anticipated for 2022.

***Elections:*** May 3, 2022.

***Major changes in development activity or valuation:*** The District will continue undertaking projects for public improvements during 2022 as needed.

***Ability to meet current financial obligations:*** See 2022 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**  
**Interquest North Business Improvement District**

**BOARD OF DIRECTORS:**

<b>NAME &amp; ADDRESS</b>	<b>POSITION</b>	<b>TERM(S)</b>	<b>PHONE #/E-MAIL</b>
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 <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	2020-2023	(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	2020-2023	(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	2018-2022	(w) 719-593-2600 (f) 719-633-0545 <a href="mailto:djohnson@nor-wood.com">djohnson@nor-wood.com</a>
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 <a href="mailto:djohnson@nor-wood.com">djohnson@nor-wood.com</a>
--

**DISTRICT MANAGER:**

Josh Miller CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 600 Greenwood Village, CO 80111 (w) 303-779-5710 <a href="mailto:josh.miller@claconnect.com">josh.miller@claconnect.com</a>
---

**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 <a href="mailto:carrie.bartow@claconnect.com">carrie.bartow@claconnect.com</a>
---

**AUDITOR:**

BiggsKofford, PC 630 Southpointe Court, Suite 200 Colorado Springs, CO 80906 719-579-9090 (f) 719-576-012
---

**INSURANCE AND BONDS:****STAFF:**

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

**EXHIBIT B**  
**2022 BID Budget**

**INTERQUEST NORTH  
BUSINESS IMPROVEMENT DISTRICT  
ANNUAL BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/27/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 1,333,235	\$ 1,730,151	\$ 1,926,948	\$ 1,926,948	\$ 3,207,119
REVENUE					
Property Taxes	1,352,445	1,318,292	1,253,976	1,318,292	1,478,060
Specific Ownership Tax	147,004	131,829	75,908	151,800	147,806
Interest Income	14,718	11,183	1,076	2,315	2,550
PIF Collections	416,577	1,497,495	540,885	1,750,000	2,000,000
Bond issuance	1,535,000	5,500,000	6,340,000	6,340,000	3,000,000
Developer Advance	-	5,500,000	6,340,000	6,340,000	2,970,000
Total revenue	<u>3,465,744</u>	<u>13,958,799</u>	<u>14,551,845</u>	<u>15,902,407</u>	<u>9,598,416</u>
TRANSFERS IN	-	417,807	-	417,807	107,169
Total funds available	<u>4,798,979</u>	<u>16,106,757</u>	<u>16,478,793</u>	<u>18,247,162</u>	<u>12,912,704</u>
EXPENDITURES					
General Fund	377,605	560,000	55,866	541,952	301,600
Debt Service Fund	994,004	1,375,000	18,445	1,365,062	1,639,500
Capital Projects Fund	1,500,422	11,000,000	12,688,598	12,715,222	6,077,219
Total expenditures	<u>2,872,031</u>	<u>12,935,000</u>	<u>12,762,909</u>	<u>14,622,236</u>	<u>8,018,319</u>
TRANSFERS OUT	-	417,807	-	417,807	107,169
Total expenditures and transfers out requiring appropriation	<u>2,872,031</u>	<u>13,352,807</u>	<u>12,762,909</u>	<u>15,040,043</u>	<u>8,125,488</u>
ENDING FUND BALANCES	<u>\$ 1,926,948</u>	<u>\$ 2,753,950</u>	<u>\$ 3,715,884</u>	<u>\$ 3,207,119</u>	<u>\$ 4,787,216</u>
EMERGENCY RESERVE	\$ 5,400	\$ 17,400	\$ 3,100	\$ 17,900	\$ 5,400
AVAILABLE FOR OPERATIONS	276,243	317,516	323,333	317,547	196,285
TOTAL RESERVE	<u>\$ 281,643</u>	<u>\$ 334,916</u>	<u>\$ 326,433</u>	<u>\$ 335,447</u>	<u>\$ 201,685</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/27/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>					
Commercial	\$ 25,253,950	\$ 25,012,910	\$ 25,012,910	\$ 25,012,910	\$ 27,550,020
Vacant land	1,264,570	835,950	835,950	835,950	1,431,540
Certified Assessed Value	<u>\$ 26,518,520</u>	<u>\$ 25,848,860</u>	<u>\$ 25,848,860</u>	<u>\$ 25,848,860</u>	<u>\$ 28,981,560</u>
<b>MILL LEVY</b>					
General	1.000	1.000	1.000	1.000	1.000
Debt Service	50.000	50.000	50.000	50.000	50.000
Total mill levy	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>
<b>PROPERTY TAXES</b>					
General	\$ 26,519	\$ 25,849	\$ 25,849	\$ 25,849	\$ 28,982
Debt Service	1,325,926	1,292,443	1,292,443	1,292,443	1,449,078
Levied property taxes	1,352,445	1,318,292	1,318,292	1,318,292	1,478,060
Adjustments to actual/rounding	-	-	(64,316)	-	-
Budgeted property taxes	<u>\$ 1,352,445</u>	<u>\$ 1,318,292</u>	<u>\$ 1,253,976</u>	<u>\$ 1,318,292</u>	<u>\$ 1,478,060</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 26,519	\$ 25,849	\$ 24,588	\$ 25,849	\$ 28,982
Debt Service	1,325,926	1,292,443	1,229,388	1,292,443	1,449,078
	<u>\$ 1,352,445</u>	<u>\$ 1,318,292</u>	<u>\$ 1,253,976</u>	<u>\$ 1,318,292</u>	<u>\$ 1,478,060</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/27/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 481,751	\$ 317,803	\$ 281,643	\$ 281,643	\$ 335,447
REVENUE					
Property taxes	26,519	25,849	24,588	25,849	28,982
Specific ownership tax	147,004	131,829	75,908	151,800	147,806
Interest income	3,974	1,628	160	300	500
Total revenue	<u>177,497</u>	<u>159,306</u>	<u>100,656</u>	<u>177,949</u>	<u>177,288</u>
TRANSFERS IN					
Transfers from other funds	-	417,807	-	417,807	-
Total funds available	<u>659,248</u>	<u>894,916</u>	<u>382,299</u>	<u>877,399</u>	<u>512,735</u>
EXPENDITURES					
General and administrative					
Accounting	41,645	30,000	11,753	25,000	30,000
Auditing	3,700	4,000	3,950	3,950	4,500
County Treasurer's fee	398	388	369	388	435
PIF collection expense	16,209	20,000	5,483	18,000	22,000
Dues and licenses	611	700	1,864	1,864	1,500
Insurance and bonds	1,868	2,000	1,843	1,843	2,500
District management	27,258	15,000	6,941	18,000	20,000
Legal services	199,559	50,000	21,603	50,000	50,000
Miscellaneous	4,044	2,000	2,060	5,000	5,000
Election expense	22,360	-	-	-	30,000
Ground Lease	-	100	-	100	100
Contingency	-	18,005	-	-	18,514
Operations and maintenance					
Repairs and Maintenance	1,554	559	-	559	174
Landscaping Maintenance	5,349	47,318	-	47,318	14,748
Security	7,345	38,286	-	38,286	11,933
Parking Lot/Sidewalk R&M	10,953	58,993	-	58,993	15,000
Common Area	617	2,781	-	2,781	867
Management Fees	14,862	69,866	-	69,866	21,776
Marketing	2,650	93,449	-	93,449	12,000
Electrical Repairs	266	2,794	-	2,794	7,832
Exterior Staff	-	3,202	-	3,202	1,368
Other Grounds Expense	2,267	15,996	-	15,996	4,985
Snow Removal	4,562	16,673	-	16,673	5,197
Signage	-	2,880	-	2,880	898
Electricity	1,139	17,685	-	17,685	5,512
Management Staff	3,388	15,243	-	15,243	4,751
Water & Sewer	3,201	26,487	-	26,487	8,255
Stormwater	1,563	1,237	-	1,237	397
Lightbulbs	237	4,358	-	4,358	1,358
Total expenditures	<u>377,605</u>	<u>560,000</u>	<u>55,866</u>	<u>541,952</u>	<u>301,600</u>
TRANSFERS OUT					
Transfers to other fund	-	-	-	-	9,450
Total expenditures and transfers out requiring appropriation	<u>377,605</u>	<u>560,000</u>	<u>55,866</u>	<u>541,952</u>	<u>311,050</u>
ENDING FUND BALANCE	<u>\$ 281,643</u>	<u>\$ 334,916</u>	<u>\$ 326,433</u>	<u>\$ 335,447</u>	<u>\$ 201,685</u>
EMERGENCY RESERVE	\$ 5,400	\$ 17,400	\$ 3,100	\$ 17,900	\$ 5,400
AVAILABLE FOR OPERATIONS	276,243	317,516	323,333	317,547	196,285
TOTAL RESERVE	<u>\$ 281,643</u>	<u>\$ 334,916</u>	<u>\$ 326,433</u>	<u>\$ 335,447</u>	<u>\$ 201,685</u>

No assurance provided. See summary of significant assumptions.



**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
DEBT SERVICE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/27/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 851,484	\$ 1,412,348	\$ 1,610,098	\$ 1,610,098	\$ 2,871,672
REVENUE					
Property taxes	1,325,926	1,292,443	1,229,388	1,292,443	1,449,078
Interest income	10,115	9,555	903	2,000	2,000
PIF collections	416,577	1,497,495	540,885	1,750,000	2,000,000
Total revenue	<u>1,752,618</u>	<u>2,799,493</u>	<u>1,771,176</u>	<u>3,044,443</u>	<u>3,451,078</u>
Total funds available	<u>2,604,102</u>	<u>4,211,841</u>	<u>3,381,274</u>	<u>4,654,541</u>	<u>6,322,750</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	19,895	19,387	18,445	19,387	21,736
Contingency	-	9,938	-	-	9,539
Debt Service					
Bond interest - 2010 Series	498,525	488,525	-	488,525	477,275
Bond interest - 2016 Series	302,900	300,950	-	300,950	299,000
Bond interest - 2020 Series	22,684	396,200	-	396,200	656,950
Bond principal - 2010 Series	120,000	130,000	-	130,000	140,000
Bond principal - 2016 Series	30,000	30,000	-	30,000	35,000
Total expenditures	<u>994,004</u>	<u>1,375,000</u>	<u>18,445</u>	<u>1,365,062</u>	<u>1,639,500</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>417,807</u>	<u>-</u>	<u>417,807</u>	<u>97,719</u>
Total expenditures and transfers out requiring appropriation	<u>994,004</u>	<u>1,792,807</u>	<u>18,445</u>	<u>1,782,869</u>	<u>1,737,219</u>
ENDING FUND BALANCE	<u>\$ 1,610,098</u>	<u>\$ 2,419,034</u>	<u>\$ 3,362,829</u>	<u>\$ 2,871,672</u>	<u>\$ 4,585,531</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
CAPITAL PROJECTS FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/27/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 35,207	\$ 35,207	\$ -
REVENUE					
Interest income	629	-	13	15	50
Developer advance	-	5,500,000	6,340,000	6,340,000	2,970,000
Bond issuance	1,535,000	5,500,000	6,340,000	6,340,000	3,000,000
Total revenue	<u>1,535,629</u>	<u>11,000,000</u>	<u>12,680,013</u>	<u>12,680,015</u>	<u>5,970,050</u>
TRANSFERS IN					
Transfers from other funds	-	-	-	-	107,169
Total funds available	<u>1,535,629</u>	<u>11,000,000</u>	<u>12,715,220</u>	<u>12,715,222</u>	<u>6,077,219</u>
EXPENDITURES					
General and Administrative					
Accounting	5,617	-	1,598	1,598	2,500
Bond issue costs	10,000	-	-	26,624	30,000
Capital Projects					
Repay developer advance	1,484,805	5,500,000	6,340,000	6,340,000	3,067,719
Engineering	-	-	7,000	7,000	7,000
Capital outlay	-	5,500,000	6,340,000	6,340,000	2,970,000
Total expenditures	<u>1,500,422</u>	<u>11,000,000</u>	<u>12,688,598</u>	<u>12,715,222</u>	<u>6,077,219</u>
Total expenditures and transfers out requiring appropriation	<u>1,500,422</u>	<u>11,000,000</u>	<u>12,688,598</u>	<u>12,715,222</u>	<u>6,077,219</u>
ENDING FUND BALANCE	<u>\$ 35,207</u>	<u>\$ -</u>	<u>\$ 26,622</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
2022 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 \$9,900,000 for street improvements. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,100,000 for water and storm drainage. The voters also approved an annual increase in taxes of \$50,000, 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 2005 operating plan, the City has limited the amount of debt to be issued to a total of \$9,900,000 in the authorized voted categories, without future approval by the City. On November 6, 2018, the District's electors authorized additional indebtedness of \$25,000,000 for water improvements, \$25,000,000 for sanitary sewer improvements, \$25,000,000 for street improvements, \$25,000,000 for traffic and safety improvements, \$25,000,000 for park and recreation improvements, \$25,000,000 for transportation improvements, \$25,000,000 for security improvements, \$25,000,000 for operations and maintenance, \$25,000,000 for refinancing debt, and \$25,000,000 for reimbursement agreements.

Per the approval of the City Council on October 23, 2018, the amount of authorized debt has been increased from \$13,000,000 to \$25,000,000.

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 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.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes (Continued)**

The calculation of the taxes levied is displayed on the property tax summary information page using the adopted mill levy imposed by the District.

**Specific Ownership Taxes**

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

**Interest Income**

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

**PIF Fees**

The District charges public improvement fees (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods at a rate of 1.25%.

**Developer Advance**

Developer advances are expected to fund a portion of capital project fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the Developer.

**Bond Issuance**

On September 15, 2020 the District issued a general obligation fill-up bond of \$13,735,000 with approximately \$1,535,000 in draws in 2020 and estimates an additional draw of \$6,340,000 in 2021 and \$3,000,000 during 2022 in order to fund capital improvements for the District.

**Expenditures**

**Administrative Expenditures**

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

**County Treasurer's Fees**

Anticipated County Treasurer's collection fees have been computed at 1.5% of property taxes.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**Capital Outlay**

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

**Debt Service**

Principal and interest payments in 2022 are provided based upon the debt amortization schedules of the Series 2010 General Obligation Bonds, the Series 2016 Limited Tax General Obligation Bonds and the Series 2020 Limited Tax General Obligation Bonds.

**Debt and Leases**

On December 3, 2010, the District issued \$6,500,000 in General Obligation Bonds. The Bonds mature on December 1, 2040, and bear an interest rate of 8.5% paid annually on December 1. The first interest payment was due on December 1, 2011. 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.

On June 8, 2016, the District issued \$4,765,000 in Limited Tax General Obligation Bonds. The Bonds mature on December 1, 2045, and bear an interest rate of 6.5% paid annually on December 1, with optional call date December 1, 2025. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On September 15, 2020, the District issued a \$13,735,000 Limited Tax General Obligation Drawdown Bonds. The initial Draw was for \$1,535,000. The Bonds mature on December 1, 2049, and bear an interest rate of 7% paid annually on December 1, with optional call date January 1, 2027. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

The District entered into a Facilities Funding and Reimbursement Agreement (Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 7% on the first day of the following year in which the advances were made. The Agreement does not constitute a multiple-fiscal year obligation.

The District's current debt service schedule is attached for the 2010 and 2016 Bonds. The exact timing of principal and interest payments for the 2020 Bonds is unknown as all draws have not yet been completed. The District has no capital or operational leases. The District anticipates drawing \$6,340,000 during 2021 and \$3,000,000 during 2022.

The District has outstanding Developer Advances and activity as follows:

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

		Balance -				Balance -
		December 31,			Retirements/ Reductions	December 31,
		2020	Additions			2021
Developer Advances		\$ -	\$ 6,340,000		\$ 6,340,000	\$ -
Accrued Interest - Developer						
Advances		97,719	-		-	97,719
Total		\$ 97,719	\$ 6,340,000		\$ 6,340,000	\$ 97,719
		Balance -				Balance -
		December 31,			Retirements/ Reductions	December 31,
		2021	Additions			2022
Developer Advances		\$ -	\$ 2,970,000		\$ 2,970,000	\$ -
Accrued Interest - Developer						
Advances		97,719	-		97,719	-
Total		\$ 97,719	\$ 2,970,000		\$ 3,067,719	\$ -

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

	<b>\$6,500,000</b>		<b>\$4,765,000</b>		<b>Total All Bonds</b>
	<b>Series 2010 General Obligation Refunding Bonds Dated December 3, 2010 Interest Rate 8.50%</b>		<b>Series 2016 Limited Tax General Obligation Bonds Dated June 8, 2016 Interest Rate 6.50%</b>		
	<b>Principal and Interest Due December 1</b>		<b>Principal and Interest Due December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2022	140,000	477,275	35,000	299,000	951,275
2023	150,000	465,375	35,000	296,725	947,100
2024	165,000	452,625	40,000	294,450	952,075
2025	180,000	438,600	40,000	291,850	950,450
2026	195,000	423,300	45,000	289,250	952,550
2027	210,000	406,725	45,000	286,325	948,050
2028	230,000	388,875	50,000	283,400	952,275
2029	250,000	369,325	50,000	280,150	949,475
2030	270,000	348,075	55,000	276,900	949,975
2031	290,000	325,125	60,000	273,325	948,450
2032	315,000	300,475	60,000	269,425	944,900
2033	345,000	273,700	70,000	265,525	954,225
2034	375,000	244,375	70,000	260,975	950,350
2035	405,000	212,500	70,000	256,425	943,925
2036	355,000	178,075	165,000	251,875	949,950
2037	385,000	147,900	180,000	241,150	954,050
2038	415,000	115,175	185,000	229,450	944,625
2039	450,000	79,900	200,000	217,425	947,325
2040	490,000	41,650	210,000	204,425	946,075
2041	-	-	515,000	190,775	705,775
2042	-	-	550,000	157,300	707,300
2043	-	-	585,000	121,550	706,550
2044	-	-	620,000	83,525	703,525
2045	-	-	665,000	43,225	708,225
	<b>\$ 5,615,000</b>	<b>\$ 5,689,050</b>	<b>\$ 4,600,000</b>	<b>\$ 5,664,425</b>	<b>\$ 21,568,475</b>

No assurance provided. See summary of significant assumptions.

**EXHIBIT C**  
**District Boundary**  
**Map**



