



LESLIE LARSEN , PARALEGAL
DIRECT DIAL: 303.839.3814
llarsen@spencerfane.com

File No. 5114325-0012

September 29, 2017

VIA E-MAIL: cityclerk@springsgov.com

City Clerk
City of Colorado Springs
PO Box 1575, Mail Code 110
30 S. Nevada Ave., Suite 101
Colorado Springs, CO 80903

Re: Interquest North Business Improvement District
2018 Operating Plan and Budget

Dear Clerk:

Pursuant to Section 31-25-1211, C.R.S., I am enclosing for formal filing with the City of Colorado Springs, the proposed 2018 Operating Plan and Budget for the Interquest North Business Improvement District.

Please contact our office if you have any questions or comments. Thank you.

Sincerely,

/s/ Leslie H. Larsen
Leslie Larsen
Paralegal

Enclosures

cc: Carl Schueler - via e-mail: cschueler@springsgov.com
Conrad Olmedo- via e-mail: colmedo@springsgov.com
Chris F. Wheeler- via e-mail: cwheeler@springsgov.com

2018 OPERATING PLAN AND BUDGET

**INTERQUEST NORTH
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2018
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., 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 2005, 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 2018 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 does not own or expect to own any fee simple property or major physical assets, particularly within the 2018 budget year.

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 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:

Ralph A. Braden, President
Christopher S. Jenkins, Vice-President
David D. Jenkins, Secretary
Frederick A. Veitch, Treasurer
Delroy L. Johnson, Assistant Secretary

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 determines. 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 may exclude certain property from its boundaries due to a change in use from commercial to residential.

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 2018. 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. 2018 Budget.

The preliminary 2018 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 \$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. Per the approval of the City Council on May 24, 2016, the amount of authorized debt has been increased from \$9,900,000 to \$13,000,000. The District anticipates seeking approval of additional debt authorization to support the current and future phases of development at an election in May of 2018 and with this Operating Plan, increase its debt limit from \$13,000,000 to \$25,000,000 in order to accommodate the next phases of development occasioned by increase demand for public improvements to benefit the businesses within the District related to the success of the Great Wolf project and anticipated business growth within the District.

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 2018 budget attached hereto as **EXHIBIT B**.

5. Existing Debt Obligations.

On December 3, 2010, the District issued its \$6,500,000 Limited Tax General Obligation Bond, Series 2010 (the "2010 Bond"). 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 (the "2016 Bond"). This issuance was approved by the City Council by Resolution No. 54-16 as required by the 2016 Operating Plan.

6. Future Debt Obligations.

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

7. Other Financial Obligations.

No other financial obligations of the District are anticipated in the coming year.

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 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.

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. 2018 ACTIVITIES, PROJECTS AND CHANGES

1. Activities.

The District anticipates continued activity for commercial development in 2018, and will support such activity as provided in this Operating Plan and by statute.

2. Projects and Public Improvements.

The District anticipates funding the design, installation or acquisition of additional public improvements during 2018 as required to support development within the District.

3. Summary of 2018 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 oversight.

Boundary changes: The District does not anticipate any boundary changes in 2018.

Changes to board or governance structure: Not anticipated for the upcoming year.

Mill levy changes: Mill levies for the General Fund and the Debt Service Fund will remain the same for the upcoming year. A mill levy for refunds and abatements will be levied to recover lost tax revenue from the previous year.

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

Elections: The District anticipates holding an election in May of 2018 for director

positions and to seek approval of additional debt authorization to support additional phases of development.

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

Ability to meet current financial obligations: See 2018 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:

NAME & ADDRESS	POSITION	TERM(S)	PHONE #/E-MAIL
Ralph A. Braden Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2012-2016; 2016-2020	(w) 719-593-2600 (f) 719-633-0545 rbraden@nor-wood.com
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	2012-2016; 2016-2020	(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	2012-2016; 2016-2020	(w) 719-593-2600 (f) 719-633-0545 ddj@nor-wood.com
Frederick A. Veitch Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Treasurer	2010-2014; 2014-2018	(w) 719-593-2600 (f) 719-633-0545 fveitch@nor-wood.com
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2013-2014; 2014-2018	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com

DISTRICT CONTACT:

DISTRICT MANAGER:

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	Cynthia Beyer CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 600 Greenwood Village, CO 80111 (w) 303-779-5710 (f) 303-779-0348 Cynthia.Beyer@claconnect.com
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ACCOUNTANT:

AUDITOR:

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

**2018 BID Budget
General Fund Debt
Service Fund Capital
Projects Fund**

(including taxes, fees, assessments and estimated principal amount of bonds)



CliftonLarsonAllen LLP
CLAconnect.com

CliftonLarsonAllen

Accountant's Compilation Report

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

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Interquest North Business Improvement District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, 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 North Business Improvement District.

Colorado Springs, Colorado
_____, 2017

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2018 BUDGET AS PROPOSED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

9/23/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
BEGINNING FUND BALANCES	\$ 1,261,088	\$ 1,292,247	\$ 1,350,229	\$ 1,350,229	\$ 2,084,314
REVENUES					
1 Property taxes	599,874	857,998	506,891	862,774	1,151,980
2 Specific ownership taxes	79,631	94,380	45,003	112,000	149,760
3 Public improvement fees	273,923	250,000	356,775	778,000	816,900
4 Developer advance	866,756	-	-	-	-
5 Net investment income	10,885	6,940	8,649	16,800	26,000
6 Bond issuance	4,765,000	-	-	-	-
Total revenues	<u>6,596,069</u>	<u>1,209,318</u>	<u>917,318</u>	<u>1,769,574</u>	<u>2,144,640</u>
TRANSFERS IN	<u>13,584</u>	<u>-</u>	<u>-</u>	<u>20,511</u>	<u>-</u>
Total funds available	<u>7,870,741</u>	<u>2,501,565</u>	<u>2,267,547</u>	<u>3,140,314</u>	<u>4,228,954</u>
EXPENDITURES					
7 General and administration					
8 Accounting	16,509	15,000	10,633	20,000	22,000
9 Audit	3,450	3,500	3,500	3,500	3,500
10 Contingency	-	3,447	-	1,618	3,161
11 County Treasurer's fees	180	253	149	254	339
12 District management	4,462	7,000	2,330	5,000	7,000
13 Dues and membership	285	300	305	305	400
14 Election	911	-	-	-	2,000
15 Insurance	1,812	2,000	1,812	1,812	2,500
16 Legal	18,331	15,000	8,620	18,000	18,000
17 Miscellaneous	1,080	1,000	583	1,000	100
18 PIF collection expense	6,096	7,500	1,574	4,000	6,000
19 Street repairs	-	-	-	20,511	-
20 Debt service					
21 Bond interest Series 2010	674,493	524,450	-	524,450	516,375
22 Bond interest Series 2016	-	307,125	-	307,125	305,825
23 Bond principal Series 2010	125,000	95,000	-	95,000	100,000
24 Bond principal Series 2016	-	20,000	-	20,000	20,000
25 Contingency	-	1,808	-	227	5,859
26 County Treasurer's fees	8,979	12,617	7,454	12,687	16,941
27 Capital projects					
28 Accounting	7,203	-	-	-	-
29 Bond issue cost	38,881	-	-	-	-
30 Capital outlay	5,599,256	-	-	-	-
Total expenditures	<u>6,506,928</u>	<u>1,016,000</u>	<u>36,960</u>	<u>1,035,489</u>	<u>1,030,000</u>
TRANSFERS OUT	<u>13,584</u>	<u>-</u>	<u>-</u>	<u>20,511</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>6,520,512</u>	<u>1,016,000</u>	<u>36,960</u>	<u>1,056,000</u>	<u>1,030,000</u>
ENDING FUND BALANCES	<u>\$ 1,350,229</u>	<u>\$ 1,485,565</u>	<u>\$ 2,230,587</u>	<u>\$ 2,084,314</u>	<u>\$ 3,198,954</u>
EMERGENCY RESERVE	<u>\$ 2,800</u>	<u>\$ 3,400</u>	<u>\$ 1,700</u>	<u>\$ 4,000</u>	<u>\$ 5,300</u>
TOTAL RESERVE	<u>\$ 2,800</u>	<u>\$ 3,400</u>	<u>\$ 1,700</u>	<u>\$ 4,000</u>	<u>\$ 5,300</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 NORTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

9/25/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
ASSESSED VALUATION - EL PASO					
Commercial	\$ 12,710,880	\$ 14,803,430	\$ 14,803,430	\$ 14,803,430	\$ 22,275,240
Agricultural	1,840	1,450	1,450	1,450	1,530
Vacant Land	856,550	224,260	224,260	224,260	311,060
Certified Assessed Value	<u>\$ 13,569,270</u>	<u>\$ 15,029,140</u>	<u>\$ 15,029,140</u>	<u>\$ 15,029,140</u>	<u>\$ 22,587,830</u>
MILL LEVY					
GENERAL FUND	1.000	1.000	1.000	1.000	1.000
DEBT SERVICE FUND	50.000	50.000	50.000	50.000	50.000
Refund and abatements	-	6.089	6.089	6.089	-
Total Mill Levy	<u>51.000</u>	<u>57.089</u>	<u>57.089</u>	<u>57.089</u>	<u>51.000</u>
PROPERTY TAXES					
GENERAL FUND	\$ 13,569	\$ 15,029	\$ 15,029	\$ 15,029	\$ 22,588
DEBT SERVICE FUND	678,464	751,457	751,457	751,457	1,129,392
Refund and abatements	-	91,512	91,512	91,512	-
Levied property taxes	692,033	857,998	857,998	857,999	1,151,980
Adjustments to actual/rounding	-	-	(351,107)	-	-
Refund and abatements	(92,159)	-	-	4,775	-
Budgeted Property Taxes	<u>\$ 599,874</u>	<u>\$ 857,998</u>	<u>\$ 506,891</u>	<u>\$ 862,774</u>	<u>\$ 1,151,980</u>
BUDGETED PROPERTY TAXES					
GENERAL FUND	\$ 11,762	\$ 16,859	\$ 9,960	\$ 16,953	\$ 22,588
DEBT SERVICE FUND	588,112	841,139	496,931	845,821	1,129,392
	<u>\$ 599,874</u>	<u>\$ 857,998</u>	<u>\$ 506,891</u>	<u>\$ 862,774</u>	<u>\$ 1,151,980</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 NORTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2018 BUDGET AS PROPOSED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

9/23/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
BEGINNING FUND BALANCES	\$ 147,830	\$ 169,275	\$ 173,446	\$ 173,446	\$ 248,710
REVENUES					
1 Property taxes	11,762	16,859	9,960	16,953	22,588
2 Specific ownership taxes	79,631	94,380	45,003	112,000	149,760
3 Net investment income	923	990	910	1,800	3,000
Total revenues	<u>92,316</u>	<u>112,229</u>	<u>55,873</u>	<u>130,753</u>	<u>175,348</u>
TRANSFERS IN					
DEBT SERVICE FUND	-	-	-	20,511	-
Total transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,511</u>	<u>-</u>
Total funds available	<u>240,146</u>	<u>281,504</u>	<u>229,319</u>	<u>324,710</u>	<u>424,058</u>
EXPENDITURES					
General and administration					
4 Accounting	16,509	15,000	10,633	20,000	22,000
5 Audit	3,450	3,500	3,500	3,500	3,500
6 Contingency	-	3,447	-	1,618	3,161
7 County Treasurer's fees	180	253	149	254	339
8 District management	4,462	7,000	2,330	5,000	7,000
9 Dues and membership	285	300	305	305	400
10 Election	911	-	-	-	2,000
11 Insurance	1,812	2,000	1,812	1,812	2,500
12 Legal	18,331	15,000	8,620	18,000	18,000
13 Miscellaneous	1,080	1,000	583	1,000	100
14 PIF collection expense	6,096	7,500	1,574	4,000	6,000
15 Street repairs	-	-	-	20,511	-
Total expenditures	<u>53,116</u>	<u>55,000</u>	<u>29,506</u>	<u>76,000</u>	<u>65,000</u>
TRANSFERS OUT					
CAPITAL PROJECTS FUND	13,584	-	-	-	-
Total transfers out	<u>13,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>66,700</u>	<u>55,000</u>	<u>29,506</u>	<u>76,000</u>	<u>65,000</u>
ENDING FUND BALANCES	<u>\$ 173,446</u>	<u>\$ 226,504</u>	<u>\$ 199,813</u>	<u>\$ 248,710</u>	<u>\$ 359,058</u>
EMERGENCY RESERVE	<u>\$ 2,800</u>	<u>\$ 3,400</u>	<u>\$ 1,700</u>	<u>\$ 4,000</u>	<u>\$ 5,300</u>
TOTAL RESERVE	<u>\$ 2,800</u>	<u>\$ 3,400</u>	<u>\$ 1,700</u>	<u>\$ 4,000</u>	<u>\$ 5,300</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 NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2018 BUDGET AS PROPOSED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

9/23/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
BEGINNING FUND BALANCES	\$ 1,113,258	\$ 1,122,972	\$ 1,176,783	\$ 1,176,783	\$ 1,835,604
REVENUES					
1 Property taxes	588,112	841,139	496,931	845,821	1,129,392
2 Public improvement fees	273,923	250,000	356,775	778,000	816,900
3 Net investment income	9,962	5,950	7,739	15,000	23,000
Total revenues	871,997	1,097,089	861,445	1,638,821	1,969,292
Total funds available	1,985,255	2,220,061	2,038,228	2,815,604	3,804,896
EXPENDITURES					
Debt service					
4 Bond interest Series 2010	674,493	524,450	-	524,450	516,375
5 Bond interest Series 2016	-	307,125	-	307,125	305,825
6 Bond principal Series 2010	125,000	95,000	-	95,000	100,000
7 Bond principal Series 2016	-	20,000	-	20,000	20,000
8 Contingency	-	1,808	-	227	5,859
9 County Treasurer's fees	8,979	12,617	7,454	12,687	16,941
Total expenditures	808,472	961,000	7,454	959,489	965,000
TRANSFERS OUT					
GENERAL FUND	-	-	-	20,511	-
Total transfers out	-	-	-	20,511	-
Total expenditures and transfers out requiring appropriation	808,472	961,000	7,454	980,000	965,000
ENDING FUND BALANCES	\$ 1,176,783	\$ 1,259,061	\$ 2,030,774	\$ 1,835,604	\$ 2,839,896

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 NORTH BUSINESS IMPROVEMENT DISTRICT
 CAPITAL PROJECTS FUND
 2018 BUDGET AS PROPOSED
 WITH 2016 ACTUAL AND 2017 ESTIMATED
 For the Years Ended and Ending December 31,**

9/23/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
1 Developer advance	866,756	-	-	-	-
2 Bond issuance	4,765,000	-	-	-	-
Total revenues	<u>5,631,756</u>	-	-	-	-
TRANSFERS IN					
GENERAL FUND	13,584	-	-	-	-
Total transfers in	<u>13,584</u>	-	-	-	-
Total funds available	<u>5,645,340</u>	-	-	-	-
EXPENDITURES					
Capital projects					
3 Accounting	7,203	-	-	-	-
4 Bond issue cost	38,881	-	-	-	-
5 Capital outlay	5,599,256	-	-	-	-
Total expenditures	<u>5,645,340</u>	-	-	-	-
Total expenditures and transfers out requiring appropriation	<u>5,645,340</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 NORTH BUSINESS IMPROVEMENT DISTRICT
2018 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.

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 the property tax summary information page using the adopted mill levy of 51.00.

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 13% of the property taxes collected.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT
2018 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 1.0%.

PIF Fees

The District anticipates receiving \$816,900 in Public Improvement Fees (PIF) during 2018. Pursuant to the PIF Covenant, these fees are pledged revenue to be used toward the repayment of the Series 2010 and 2016 Bonds.

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.

Debt Service

Principal and interest payments in 2018 are provided based upon the debt amortization schedules of the Series 2010 General Obligation Bonds and the Series 2016 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 first interest payment due is on December 1, 2016. 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. The District has no capital or operational leases.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2018, 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**


	\$6,500,000		\$4,765,000		Total All Bonds
	Series 2010 General Obligation Refunding Bonds Dated December 3, 2010 Interest Rate 8.50%		Series 2016 Limited Tax General Obligation Bonds Dated June 8, 2016 Interest Rate 6.50%		
	Principal and Interest Due December 1		Principal and Interest Due December 1		
	Principal	Interest	Principal	Interest	
2018	\$ 100,000	\$ 516,375	\$ 20,000	\$ 305,825	\$ 942,200
2019	110,000	507,875	25,000	304,525	947,400
2020	120,000	498,525	30,000	302,900	951,425
2021	130,000	488,325	30,000	300,950	949,275
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
	<u>\$ 6,075,000</u>	<u>\$ 7,700,150</u>	<u>\$ 4,705,000</u>	<u>\$ 6,878,625</u>	<u>\$ 25,358,775</u>


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

EXHIBIT C

District Boundary Map

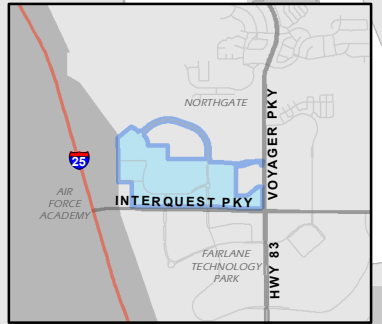
INTERQUEST NORTH BID

 Tax Boundary


1 inch = 293.38 feet

08/23/2017 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

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T125

AIR
FORCE
ACADEMY

RAMPART HILLS VW

NORTHGATE

FEDERAL DR

NEW LIFE DR

T125

FAIRLANE
TECHNOLOGY
PARK

RAMPART HILLS VW

MARKET CENTER PT

FEDERAL DR

R66W