

2021 OPERATING PLAN AND BUDGET
INTERQUEST TOWN
CENTER BUSINESS
IMPROVEMENT
DISTRICT

City of Colorado Springs, El Paso County, Colorado

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2021
OPERATING PLAN FOR THE
INTERQUEST TOWN CENTER 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 Town Center 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 2017-2018 Operating Plan 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 articulated in this Operating Plan, the contemplated purposes of this District for 2021 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

D. Ownership of Property or Major Assets. The District will own public improvements as constructed if such improvements are not otherwise dedicated to other public entities for operation and maintenance. The District does not currently own any real property.

E. Contracts and Agreements. It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is not currently a party to any significant active contracts or agreements. The District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

- A. Organization. The Interquest Town Center Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 17-105.
- 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:
 - 1) Scott A. Bryan
 - 2) Theresa G. Bryan
 - 3) Vincent C. Shoemaker
 - 4) Sandra L. Shoemaker
 - 5) Michael P. Palmer

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

- D. Term Limits. The District's election held on May 8, 2018 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.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District map is depicted in **EXHIBIT C**. The District does not anticipate inclusion or exclusion requests in 2021.

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 improvement or services outside of the boundaries of the District as part of the project. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install or cause to be constructed and installed, include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, *et seq.*, C.R.S.,

lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the “Public Improvements”). The costs of such Public Improvements, including costs of design, acquisition, construction and financing, are referred to herein as the “Public Improvement Costs.”

5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

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

6. FINANCIAL PLAN AND BUDGET

1. 2021 Budget. The 2021 Budget for the District is attached as **EXHIBIT B**.
2. Authorized Indebtedness. The District held an election on May 8, 2018 for the purpose of electing directors, authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution, and the Operating Plan. As set forth in the District’s 2017 – 2018 Operating Plan, the District’s initial maximum debt authorization is \$4,000,000. This maximum debt authorization amount shall not be exceeded without express prior approval by the City.
3. Property Tax and Mill Levy Caps. The District taxing ability shall be constrained to mill levy limitations of up to 50 mills for debt service and up to 5 mills for general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.
4. District Revenues. The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District also utilizes public improvement fees to support public improvement construction and future bonds for that purpose.
5. Existing Debt Obligations. The District has been authorized to issue debt pursuant to City Council Resolution No. 54-20 and anticipates the issuance of debt in the approximate amount of \$2,860,000 at the end of 2020.
6. Future Debt Obligations. The District does not anticipate the issuance of additional debt in 2021.
7. 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. The District

has outstanding developer advances in the total amount of \$71,382.50, which accrues interest at a rate of 8%.

8. City Charter Limitations. In accordance with 7-100 of the City Charter, the District shall not issue any debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth in 7-100 of the City Charter, the total debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.
9. Non-Default Provisions. Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.
10. Privately Placed Debt. Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the debt.
11. The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District

7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

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

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

(c) City Authorization Prior to Debt Issuance. In accordance with the City's Special District Policy, and notwithstanding any statements of intent in the Budget and Operating Plan, 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 utilizes revenues from a public improvement fee. The District may also be the beneficiary of a new, increased or expanded public improvement fee this coming year or in the future.

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

8. 2021 ACTIVITIES, PROJECTS AND CHANGES

1. Activities

The District will continue with development activity in 2021.

2. Projects and Public Improvements

The District anticipates funding the design, installation, or acquisition of additional public improvements during 2021.

3. Summary of 2021 Activities and Changes from Prior Year

The District anticipates the issuance of debt at the end of 2020 for the funding of public improvements.

Boundary changes: No boundary changes anticipated.

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

Mill levy changes: The District anticipates imposing 40.000 mills debt service mill levy and a 5.000 mills operations and maintenance mill levy. The 2020 Operating Plan anticipated 50.000 mills for debt service and 5.000 mills for operations and maintenance, however, the District ultimately certified 40.000 mills for debt service and 5.000 mills for operations and maintenance in 2020.

New, refinanced or fully discharged debt: The District anticipates the issuance of debt at the end of 2020 for funding of public improvements.

Elections: None anticipated for the upcoming year.

Major changes in development activity or valuation: Development activity anticipated to continue for the upcoming year.

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

9. DISSOLUTION

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate perpetual existence. If the District no longer has such obligations the District will seek to dissolve pursuant to C.R.S. § 31-25-1225.

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 Town Center Business Improvement District

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM
Scott A. Bryan 13975 S. Perry Park Road Larkspur, CO 80118	President	2018-2022
Vincent C. Shoemaker 5934 Lees Lane Larkspur, CO 80118	Treasurer	2018-2022
Michael P. Palmer 1535 Northfield Road Colorado Springs, CO 80919	Secretary	2018-2022
Theresa G. Bryan 13975 S. Perry Park Road Larkspur, CO 80118	Assistant Secretary	2020-2023
Sandra L. Shoemaker 5934 Lees Lane Larkspur, CO 80118	Assistant Secretary	2020-2023

DISTRICT CONTACT

ACCOUNTANT:

Russ Dykstra Spencer Fane LLP 1700 Lincoln St, Suite 2000 Denver, Colorado 80203 303-839-3845 rdykstra@spencerfane.com	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
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INSURANCE AND BONDS:

MANAGER AND STAFF:

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

**2021 BID Budget
General Fund
Debt Service Fund
Capital Projects Fund**

INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/29/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 7/31/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ 3,000	\$ 2,370	\$ 2,370	\$ 413,268
REVENUES					
Property taxes	-	54,609	18,621	54,609	77,130
Specific ownership taxes	-	6,007	3,298	6,007	7,713
Interest income	-	-	126	220	850
Developer advance	17,211	5,059,915	34,548	3,035,970	55,817
Other revenue	833	-	-	-	-
Bond issuance	-	4,000,000	-	2,860,000	-
Public Improvement fees	5,389	15,000	6,997	15,000	15,500
Total revenues	<u>23,433</u>	<u>9,135,531</u>	<u>63,590</u>	<u>5,971,806</u>	<u>157,010</u>
TRANSFERS IN	<u>-</u>	<u>353,000</u>	<u>-</u>	<u>352,613</u>	<u>-</u>
Total funds available	<u>23,433</u>	<u>9,491,531</u>	<u>65,960</u>	<u>6,326,789</u>	<u>570,278</u>
EXPENDITURES					
General Fund	19,287	75,318	32,202	53,908	76,128
Debt Service Fund	-	181,750	-	-	181,750
Capital Projects Fund	1,776	8,650,000	32,603	5,507,000	-
Total expenditures	<u>21,063</u>	<u>8,907,068</u>	<u>64,805</u>	<u>5,560,908</u>	<u>257,878</u>
TRANSFERS OUT	<u>-</u>	<u>353,000</u>	<u>-</u>	<u>352,613</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>21,063</u>	<u>9,260,068</u>	<u>64,805</u>	<u>5,913,521</u>	<u>257,878</u>
ENDING FUND BALANCES	<u>\$ 2,370</u>	<u>\$ 231,463</u>	<u>\$ 1,155</u>	<u>\$ 413,268</u>	<u>\$ 312,400</u>
EMERGENCY RESERVE	\$ -	\$ 400	\$ -	\$ 400	\$ 500
DEBT SERVICE RESERVE	-	231,063	-	412,868	311,900
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 231,463</u>	<u>\$ -</u>	<u>\$ 413,268</u>	<u>\$ 312,400</u>

No assurance is provided. See summary of significant assumptions.

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/29/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 7/31/2020	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION					
Commercial	\$ -	\$ -	\$ -	\$ -	\$ 707,770
Vacant land	-	1,213,530	1,213,530	1,213,530	1,006,240
Certified Assessed Value	<u>\$ -</u>	<u>\$ 1,213,530</u>	<u>\$ 1,213,530</u>	<u>\$ 1,213,530</u>	<u>\$ 1,714,010</u>
MILL LEVY					
General	0.000	5.000	5.000	5.000	5.000
Debt Service	0.000	40.000	40.000	40.000	40.000
Total mill levy	<u>0.000</u>	<u>45.000</u>	<u>45.000</u>	<u>45.000</u>	<u>45.000</u>
PROPERTY TAXES					
General	\$ -	\$ 6,068	\$ 6,068	\$ 6,068	\$ 8,570
Debt Service	-	48,541	48,541	48,541	68,560
Levied property taxes	-	54,609	54,609	54,609	77,130
Adjustments to actual/rounding	-	-	(35,988)	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ 54,609</u>	<u>\$ 18,621</u>	<u>\$ 54,609</u>	<u>\$ 77,130</u>
BUDGETED PROPERTY TAXES					
General	\$ -	\$ 6,068	\$ 2,069	\$ 6,068	\$ 8,570
Debt Service	-	48,541	16,552	48,541	68,560
	<u>\$ -</u>	<u>\$ 54,609</u>	<u>\$ 18,621</u>	<u>\$ 54,609</u>	<u>\$ 77,130</u>

No assurance is provided. See summary of significant assumptions.

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/29/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 7/31/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ -	\$ (1,243)	\$ (1,243)	\$ 400
REVENUES					
Property taxes	-	6,068	2,069	6,068	8,570
Specific ownership taxes	-	6,007	3,298	6,007	7,713
Developer advance	17,211	59,915	18,548	35,970	55,817
Interest income	-	-	14	30	-
Other revenue	833	-	-	-	-
Total revenues	<u>18,044</u>	<u>71,990</u>	<u>23,929</u>	<u>48,075</u>	<u>72,100</u>
Total funds available	<u>18,044</u>	<u>71,990</u>	<u>22,686</u>	<u>46,832</u>	<u>72,500</u>
EXPENDITURES					
General and administrative					
Accounting	7,328	15,000	12,683	20,500	21,000
Auditing	-	4,500	2,300	2,300	3,000
County Treasurer's fee	-	91	31	80	129
District management	-	1,500	-	500	1,500
Dues and subscriptions	-	-	1,238	1,238	1,500
Election expense	-	2,000	575	575	-
Insurance and bonds	-	2,500	100	100	1,000
Legal services	10,894	15,000	11,705	20,000	20,000
Miscellaneous	1,065	1,999	12	139	2,000
Contingency	-	16,500	-	1,000	9,371
Utilities	-	5,000	-	-	5,000
Operations and maintenance					
Landscape Maintenance	-	7,500	-	-	7,500
Total expenditures	<u>19,287</u>	<u>71,590</u>	<u>28,644</u>	<u>46,432</u>	<u>72,000</u>
requiring appropriation	<u>19,287</u>	<u>71,590</u>	<u>28,644</u>	<u>46,432</u>	<u>72,000</u>
ENDING FUND BALANCES	<u>\$ (1,243)</u>	<u>\$ 400</u>	<u>\$ (5,958)</u>	<u>\$ 400</u>	<u>\$ 500</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 500</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 500</u>

No assurance is provided. See summary of significant assumptions.

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/29/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 7/31/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 412,868
REVENUES					
Property taxes	-	48,541	16,552	48,541	68,560
Public improvement fees	-	15,000	6,997	15,000	15,500
Interest income	-	-	112	190	850
Total revenues	<u>-</u>	<u>63,541</u>	<u>23,661</u>	<u>63,731</u>	<u>84,910</u>
TRANSFERS IN					
Transfers from other funds	<u>-</u>	<u>353,000</u>	<u>-</u>	<u>352,613</u>	<u>-</u>
Total funds available	<u>-</u>	<u>416,541</u>	<u>23,661</u>	<u>416,344</u>	<u>497,778</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	-	728	250	476	1,028
Paying agent fees	-	3,000	-	-	3,000
PIF Collection Expense	-	3,000	1,455	3,000	3,100
Debt Service					
Bond interest	-	178,750	-	-	178,750
Total expenditures	<u>-</u>	<u>185,478</u>	<u>1,705</u>	<u>3,476</u>	<u>185,878</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>185,478</u>	<u>1,705</u>	<u>3,476</u>	<u>185,878</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 231,063</u>	<u>\$ 21,956</u>	<u>\$ 412,868</u>	<u>\$ 311,900</u>
DEBT SERVICE RESERVE	<u>\$ -</u>	<u>\$ 231,063</u>	<u>\$ 21,956</u>	<u>\$ 412,868</u>	<u>\$ 311,900</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 231,063</u>	<u>\$ 21,956</u>	<u>\$ 412,868</u>	<u>\$ 311,900</u>

No assurance is provided. See summary of significant assumptions.

**INTERQUEST TOWN CENTER BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

9/29/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 7/31/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ 3,000	\$ 3,613	\$ 3,613	\$ -
REVENUES					
Bond issuance	-	4,000,000	-	2,860,000	-
Developer advance	-	5,000,000	16,000	3,000,000	-
Public improvement fees	5,389	-	-	-	-
Total revenues	<u>5,389</u>	<u>9,000,000</u>	<u>16,000</u>	<u>5,860,000</u>	<u>-</u>
Total funds available	<u>5,389</u>	<u>9,003,000</u>	<u>19,613</u>	<u>5,863,613</u>	<u>-</u>
EXPENDITURES					
General and Administrative					
Accounting	-	-	753	1,500	-
Miscellaneous	-	-	1,100	2,500	-
PIF Collection Expense	1,776	-	-	-	-
Capital Projects					
Bond issue costs	-	150,000	32,603	150,000	-
Capital outlay	-	5,000,000	-	3,000,000	-
Repay developer advance	-	3,500,000	-	2,357,000	-
Total expenditures	<u>1,776</u>	<u>8,650,000</u>	<u>34,456</u>	<u>5,511,000</u>	<u>-</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>353,000</u>	<u>-</u>	<u>352,613</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,776</u>	<u>9,003,000</u>	<u>34,456</u>	<u>5,863,613</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 3,613</u>	<u>\$ -</u>	<u>\$ (14,843)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided. See summary of significant assumptions.

**INTERQUEST TOWN CENTER BID
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include water services, traffic and safety protection, sanitation services, street improvements, parks and recreation, transportation, television relay and translation, mosquito control, security, fire protection and emergency medical. 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 in 2017.

At an election held on May 8, 2018, the voters approved general indebtedness of \$4,800,000 at a maximum interest rate of 18% for each of the following improvements and services: in-district special assessment debt, water, sanitation, streets, traffic and safety, parks and recreation, transportation, security, business recruitment, operations and maintenance, refunding, and reimbursement agreements. The voters also approved an annual increase in taxes at a mill levy rate without limitation or with such limitations as may be determined by the board for the purpose of the District's operations, maintenance, and other expenses and an annual increase in taxes at a mill levy rate without limitation or with such limitations as may be determined by the board for the purpose of the District's capital expenditures. 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 mill levy is 50 mills, and the maximum operating mill levy for the payment of administrative, operations and maintenance expenses is 5 mills. The initial maximum debt authorization for the District is \$4,000,000.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with 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 differences may be material.

**INTERQUEST TOWN CENTER BID
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

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

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

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.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected 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.

Bond Issuance

The District anticipates issuing general obligation bonds. Bond proceeds will be used to pay infrastructure costs, bond issue costs and capitalized interest. Significant terms of the bond issuance will be determined at the time of issuance

Public Improvement Fees

The District charges a public improvement fee (PIF). The nature of the PIF is that 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 and services at a rate of 1.5% in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District and remitted to the District within 20 days after month end.

**INTERQUEST TOWN CENTER BID
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative Expenditures

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, and other administrative expenses.

County Treasurer's Fees

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

Capital Outlay

The District anticipates infrastructure improvements for capital outlay in 2021 include street improvements, water and wastewater improvements, and transportation projects.

Debt Service

Interest payments in 2021 are based on the proposed bond issuance and specific terms will be provided upon issuance.

Debt and Leases

The District has no operating or capital leases and intends on issuing bonds at the end of 2020.

Reserves

Emergency Reserve


The District has provided for an emergency reserve equal to at least 3% of fiscal year spending as defined under TABOR.


This information is an integral part of the accompanying budget.

EXHIBIT C

District Boundary Map

INTERQUEST TOWN CENTER BID

 Tax Boundary


1 inch = 149.75 feet

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

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