

2022 OPERATING PLAN AND BUDGET

**CREEKWALK
MARKETPLACE
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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2022
OPERATING PLAN FOR THE
CREEKWALK MARKETPLACE 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 Creekwalk Marketplace 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 2016 Operating Plan and subsequent Operating Plans 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.

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, including certain street, parking, roads, water, sanitation, storm sewer, and landscaping improvements.

E. Contracts and Agreements. It is anticipated that the District may enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements including agreements with the urban renewal entity overlapping the boundaries of the District. The District is party to that certain Cooperation Agreement with the Colorado Springs Urban Renewal Authority, dated June 3, 2019, which sets forth the parties’ intent to cooperate as to the provision and financing of certain public improvements. The District is also party to that certain Intergovernmental Agreement for Street Maintenance with the City of Colorado Springs, dated June 6, 2019, which sets forth the District’s responsibility to operate and maintain certain

streets and rights of way within the District. 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 Creekwalk Marketplace Business Improvement District was organized by the City of Colorado Springs, Colorado, by Ordinance No. 16-18 on February 23, 2016.

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) Danny Mientka
- 2) Rebecca Mientka
- 3) Deirdre Aden-Smith
- 4) Melissa Harrison
- 5) Kelly Nelson

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

D. Term Limits. The District's election on May 3, 2016 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 EXCLUSION

The current District boundary map is depicted in **EXHIBIT C**. The District's boundaries include approximately 6.44 acres of property following inclusions occurring in 2017-2019 pursuant to Ordinance No. 17-87 approved on September 26, 2017, Ordinance No. 18-10 approved on February 27, 2018 (which repealed Ordinance No. 17-119), and Ordinance No. 19-19 approved on March 27, 2019. The District anticipates including additional property within its boundaries in late 2021 or early 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 part of the urban renewal 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.

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

B. Authorized Indebtedness. The District held an election on May 3, 2016 for the purpose of 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. The electors of the District approved a cumulative total of \$650,000,000 in debt authorization. As set forth in the District's original operating plan, the initial maximum debt authorization for the District is \$50,000,000. This maximum debt authorization amount shall not be exceeded without express prior approval by the City.

C. 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 10 mills for general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries, provided, that if on or after January 1, 2006, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitations may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

D. District Revenues. The District receives revenues derived from property taxes, urban renewal funds, and developer advances. The District also receives public improvement fees to support public improvement construction and existing bonds. See proposed 2022 budget attached as **EXHIBIT B**.

E. Existing Debt Obligations. On July 31, 2019, the District issued its \$24,230,000 Limited Tax Supported and Special Revenue Senior Bonds Series 2019A and \$2,500,000 Limited Tax Supported and Special Revenue Subordinate Bonds Series 2019B (together, the “2019 Bonds”) for the purpose of constructing capital improvements with a public purpose necessary for development. The City Council approved this issuance by Resolution No. 51-19 as required by the 2019 Operating Plan. Following the issuance of the 2019 Bonds, the District has \$23,270,000 in remaining debt authorization.

F. Future Debt Obligations. The District anticipates issuing additional bonds in late 2021 or early 2022.

G. Other Financial Obligations. The District has received developer advances to fund its operations and capital projects. 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. At the end of 2021, it is anticipated that the District will have outstanding developer advances in the total amount of \$771,445, which accrues interest at a rate of 8% for advances for operations and 6% for advances for infrastructure.

The District may also 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.

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 District utilizes public improvement fees (“PIF”) to provide necessary funding revenues for the improvements to be financed by the District. In addition to the PIF the District currently receives, the District may also utilize revenues from a new, increased or expanded PIF specifically authorized in this Operating Plan and Budget.

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*

It is anticipated that the District will primarily be engaged in activities in connection with the urban renewal project for the area and continuing with development activities.

B. *Projects and Public Improvements*

The District will continue undertaking public improvement projects in 2022.

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

Boundary changes: The District anticipates including additional property within its boundaries in late 2021 or early 2022.

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

Mill levy changes: Mill levies remain the same for the upcoming year, 1.000 mill for general operating and 50.000 mills for debt service, for a total of 51.000 mills.

New, refinanced or fully discharged debt: The District anticipates issuing bonds in late 2021 or early 2022.

Elections: May 3, 2022.

Major changes in development activity or valuation: The District will continue undertaking public improvement projects in 2022.

Ability to meet current financial obligations: See attached 2022 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

BOARD OF DIRECTORS:

Danny Mientka
90 South Cascade Avenue, Suite 1500
Colorado Springs, Colorado 80903
719.448.4034
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Deirdre Aden-Smith
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Colorado Springs, Colorado 80903
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Rebecca Mientka
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Colorado Springs, Colorado 80903
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Melissa Harrison
90 South Cascade Avenue, Suite 1500
Colorado Springs, Colorado 80903
262.496.4012
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Kelly Nelson
90 South Cascade Avenue, Suite 1500
Colorado Springs, Colorado 80903
kelly@theequitygroup.net

DISTRICT MANAGER: N/A

DISTRICT CONTACT:

Russell W. Dykstra
Spencer Fane LLP
1700 Lincoln St, Suite 2000
Denver, Colorado 80203
303-839-3845
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EXHIBIT B
2022 BID Budget

CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

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

9/29/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 11,348,736	\$ 6,814,073	\$ 5,354,084	\$ 5,354,084	\$ 2,152,059
REVENUES					
Property taxes	54,190	42,676	36,879	42,676	55,214
Specific ownership tax	6,399	4,644	2,674	5,348	6,337
Interest income	70,261	12,580	1,173	2,302	9,000
Public improvement fees	1,039	167,300	403	10,000	562,000
Developer advance	75,500	87,072	46,001	86,839	97,800
CSURA TIF revenues	-	80,900	-	80,900	600,000
Other revenue	-	-	1,484	1,484	-
Bond issuance	-	-	-	-	15,100,000
Total revenues	<u>207,389</u>	<u>395,172</u>	<u>88,614</u>	<u>229,549</u>	<u>16,430,351</u>
TRANSFERS IN	<u>5,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,574,000</u>
Total funds available	<u>11,562,044</u>	<u>7,209,245</u>	<u>5,442,698</u>	<u>5,583,633</u>	<u>22,156,410</u>
EXPENDITURES					
General Fund	52,408	88,000	34,796	73,000	99,000
Debt Service Fund	1,355,797	1,360,628	675,042	1,360,628	2,203,175
Capital Projects Fund	4,793,836	3,265,068	930,170	1,997,946	11,526,000
Total expenditures	<u>6,202,041</u>	<u>4,713,696</u>	<u>1,640,008</u>	<u>3,431,574</u>	<u>13,828,175</u>
TRANSFERS OUT	<u>5,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,574,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,207,960</u>	<u>4,713,696</u>	<u>1,640,008</u>	<u>3,431,574</u>	<u>17,402,175</u>
ENDING FUND BALANCES	<u>\$ 5,354,084</u>	<u>\$ 2,495,549</u>	<u>\$ 3,802,690</u>	<u>\$ 2,152,059</u>	<u>\$ 4,754,235</u>
EMERGENCY RESERVE	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
DEBT SERVICE RESERVE - 2019 Bonds (Required Amount of \$2,119,525)	2,119,525	2,119,525	2,119,525	2,119,525	2,119,525
DEBT SERVICE RESERVE - 2022 Bonds (Required Amount of \$1,389,000)	-	-	-	-	1,389,000
DEBT SERVICE CAPITALIZED INTEREST	1,127,773	-	453,574	-	842,825
DEBT SERVICE SURPLUS - 2021 Bonds	-	-	-	-	500,000
DEBT SERVICE SURPLUS - 2019 Bonds	68,566	375,924	68,583	32,425	(97,243)
TOTAL RESERVE	<u>\$ 3,315,964</u>	<u>\$ 2,495,549</u>	<u>\$ 2,641,782</u>	<u>\$ 2,152,059</u>	<u>\$ 4,754,235</u>

No assurance is provided. See summary of significant assumptions.

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

9/29/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION					
Commercial	\$ 1,125,190	\$ 815,230	\$ 815,230	\$ 815,230	\$ 1,181,760
Vacant land	29,310	95,340	95,340	95,340	58,440
	1,154,500	910,570	910,570	910,570	1,240,200
Adjustments	(103,920)	(73,780)	(73,780)	(73,780)	(157,580)
Certified Assessed Value	<u>\$ 1,050,580</u>	<u>\$ 836,790</u>	<u>\$ 836,790</u>	<u>\$ 836,790</u>	<u>\$ 1,082,620</u>
MILL LEVY					
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>
PROPERTY TAXES					
General	\$ 1,051	\$ 837	\$ 837	\$ 837	\$ 1,083
Debt Service	52,529	41,839	41,839	41,839	54,131
	53,580	42,676	42,676	42,676	55,214
Levied property taxes	610	-	(5,798)	-	-
Adjustments to actual/rounding	<u>\$ 54,190</u>	<u>\$ 42,676</u>	<u>\$ 36,878</u>	<u>\$ 42,676</u>	<u>\$ 55,214</u>
Budgeted property taxes					
BUDGETED PROPERTY TAXES					
General	\$ 1,063	\$ 837	\$ 723	\$ 837	\$ 1,083
Debt Service	53,127	41,839	36,155	41,839	54,131
	<u>\$ 54,190</u>	<u>\$ 42,676</u>	<u>\$ 36,878</u>	<u>\$ 42,676</u>	<u>\$ 55,214</u>

No assurance is provided. See summary of significant assumptions.

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

9/29/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (6,957)	\$ 100	\$ (5,868)	\$ (5,868)	\$ 109
REVENUES					
Property taxes	1,063	837	723	837	1,083
Specific ownership tax	125	91	52	104	136
Interest income	-	-	2	2	-
Other revenue	-	-	1,484	1,484	-
Developer advance	52,309	87,072	35,712	76,550	97,800
Total revenues	<u>53,497</u>	<u>88,000</u>	<u>37,973</u>	<u>78,977</u>	<u>99,019</u>
Total funds available	<u>46,540</u>	<u>88,100</u>	<u>32,105</u>	<u>73,109</u>	<u>99,128</u>
EXPENDITURES					
General and administrative					
Accounting	31,082	33,000	13,120	28,000	33,000
Auditing	2,300	2,500	3,300	3,300	3,500
County Treasurer's fee	16	13	11	13	16
PIF collection expense	2,735	5,000	675	2,500	8,000
Directors' fees	-	3,000	-	3,000	3,000
Dues and memberships	1,238	1,600	1,180	1,180	1,600
Insurance and bonds	1,474	3,000	5,524	5,524	6,000
Legal services	10,852	30,000	9,979	25,000	30,000
Miscellaneous	1,771	9,657	1,007	4,253	8,654
Payroll taxes	-	230	-	230	230
Election expense	940	-	-	-	5,000
Total expenditures	<u>52,408</u>	<u>88,000</u>	<u>34,796</u>	<u>73,000</u>	<u>99,000</u>
Total expenditures and transfers out requiring appropriation	<u>52,408</u>	<u>88,000</u>	<u>34,796</u>	<u>73,000</u>	<u>99,000</u>
ENDING FUND BALANCE	<u>\$ (5,868)</u>	<u>\$ 100</u>	<u>\$ (2,691)</u>	<u>\$ 109</u>	<u>\$ 128</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 109</u>	<u>\$ 128</u>

No assurance is provided. See summary of significant assumptions.

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

9/29/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 4,633,236	\$ 3,554,235	\$ 3,372,995	\$ 3,372,995	\$ 2,151,950
REVENUES					
Property taxes	53,127	41,839	36,156	41,839	54,131
Specific ownership tax	6,274	4,553	2,622	5,244	6,201
Public improvement fees	1,039	167,300	403	10,000	562,000
CSURA TIF revenues	-	80,900	-	80,900	600,000
Interest income	29,197	7,250	781	1,600	9,000
Total revenues	<u>89,637</u>	<u>301,842</u>	<u>39,962</u>	<u>139,583</u>	<u>1,231,332</u>
TRANSFERS IN					
Transfers from other funds	<u>5,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,574,000</u>
Total funds available	<u>4,728,792</u>	<u>3,856,077</u>	<u>3,412,957</u>	<u>3,512,578</u>	<u>6,957,282</u>
EXPENDITURES					
County Treasurer's fee	797	628	542	628	812
Miscellaneous	-	5,000	-	5,000	5,188
Paying agent fees	6,000	6,000	-	6,000	6,000
Bond interest - 2022 Bonds	-	-	-	-	842,175
Bond interest - 2019 Bonds	1,349,000	1,349,000	674,500	1,349,000	1,349,000
Total expenditures	<u>1,355,797</u>	<u>1,360,628</u>	<u>675,042</u>	<u>1,360,628</u>	<u>2,203,175</u>
Total expenditures and transfers out requiring appropriation	<u>1,355,797</u>	<u>1,360,628</u>	<u>675,042</u>	<u>1,360,628</u>	<u>2,203,175</u>
ENDING FUND BALANCE	<u>\$ 3,372,995</u>	<u>\$ 2,495,449</u>	<u>\$ 2,737,915</u>	<u>\$ 2,151,950</u>	<u>\$ 4,754,107</u>
DEBT SERVICE RESERVE - 2019 Bonds (Required Amount of \$2,119,525)	\$ 2,119,525	\$ 2,119,525	\$ 2,119,525	\$ 2,119,525	\$ 2,119,525
DEBT SERVICE RESERVE - 2022 Bonds (Required Amount of \$1,389,000)	-	-	-	-	1,389,000
DEBT SERVICE CAPITALIZED INTEREST	1,127,773	-	453,574	-	842,825
DEBT SERVICE SURPLUS - 2021 Bonds	-	-	-	-	500,000
DEBT SERVICE SURPLUS - 2019 Bonds	68,566	375,924	68,583	32,425	(97,243)
TOTAL RESERVE	<u>\$ 3,315,864</u>	<u>\$ 2,495,449</u>	<u>\$ 2,641,682</u>	<u>\$ 2,151,950</u>	<u>\$ 4,754,107</u>

No assurance is provided. See summary of significant assumptions.

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

9/29/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 6,722,457	\$ 3,259,738	\$ 1,986,957	\$ 1,986,957	\$ -
REVENUES					
Interest income	41,064	5,330	390	700	-
Developer advance	23,191	-	10,289	10,289	-
Bond issuance	-	-	-	-	15,100,000
Total revenues	<u>64,255</u>	<u>5,330</u>	<u>10,679</u>	<u>10,989</u>	<u>15,100,000</u>
Total funds available	<u>6,786,712</u>	<u>3,265,068</u>	<u>1,997,636</u>	<u>1,997,946</u>	<u>15,100,000</u>
EXPENDITURES					
General and Administrative					
Accounting	9,223	-	3,855	7,000	-
Engineering	-	-	5,177	5,177	-
Legal services	3,532	-	-	-	-
Capital Projects					
Bond issue costs	7,500	-	205	205	500,000
Capital outlay	4,773,581	3,265,068	920,933	1,985,564	11,026,000
Total expenditures	<u>4,793,836</u>	<u>3,265,068</u>	<u>930,170</u>	<u>1,997,946</u>	<u>11,526,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>5,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,574,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,799,755</u>	<u>3,265,068</u>	<u>930,170</u>	<u>1,997,946</u>	<u>15,100,000</u>
ENDING FUND BALANCE	<u>\$ 1,986,957</u>	<u>\$ -</u>	<u>\$ 1,067,466</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided. See summary of significant assumptions.

**CREEKWALK MARKETPLACE 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 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 on February 23, 2016.

At an election held on May 3, 2016, the voters approved general indebtedness of \$600,000,000 at a maximum interest rate of 18% for each of the following improvements and services: streets, water supply, sanitary sewer, traffic and safety controls, parks and recreation, transportation, television relay and translation, mosquito control, security, fire protection and emergency medical. The election authorized indebtedness of \$50,000,000 each for operations and maintenance, reimbursement agreements, and debt refunding. The voters also approved an annual increase in taxes of up to \$5,000,000 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 of up to \$25,000,000 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 10 mills. The maximum debt authorization for the District is \$50,000,000.

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.

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT
2022 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.

Public Improvement 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 and services at a rate of 2.5%, 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.

Net Investment Income

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

Bond Issuance

The District anticipates issuing bonds in 2022. Bond terms and interest rate have yet to be determined.

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT
2022 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.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2019A Bonds and Series 2019B (discussed under Debt and Leases).

County Treasurer's Fees

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

Capital Outlay

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

Debt and Leases

On July 31, 2019, the District issued \$26,730,000 in Series 2019A Limited Tax Supported and Special Revenue Senior Bonds and Series 2019B Subordinate Bonds for the purpose of defraying the cost of a portion of the Authorized Projects. The Bonds are limited obligations of the District secured by and payable from revenues. The Series 2019A Bonds, in the amount of \$24,230,000, are term bonds due on December 1, 2029 at an interest rate of 5.000%. The Series 2019B Subordinate Bonds, in the amount of \$2,500,000, are term bonds due December 15, 2049 at an interest rate of 8.000%.

Reserves

Debt Service Reserves

The Series 2019 Bonds are secured by funds held by the Trustee in the Reserves Funds in the required amount of \$2,119,525.

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.

**Creekwalk Marketplace Business Improvement District
Schedule of Developer Advances & Bonds**

	Balance at December 31, 2020	Additions*	Repayments*	Balance at December 31, 2021*
G.O. Bonds - Series 2019A	\$ 24,230,000	\$ -	\$ -	\$ 24,230,000
G.O. Subordinate Bonds - Series 2019B	2,500,000	-	-	2,500,000
Accrued Interest - Series 2019B	83,333	200,000	-	283,333
Developer Advances - Capital	248,291	10,289	-	258,580
Accrued interest - Capital	20,569	15,297	-	35,866
Developer Advances - Operating	322,985	76,550	-	399,535
Accrued interest - Operating	48,938	28,526	-	77,464
	<u>\$ 27,454,116</u>	<u>\$ 330,662</u>	<u>\$ -</u>	<u>\$ 27,784,778</u>
	Balance at December 31, 2021*	Additions*	Repayments*	Balance at December 31, 2022*
G.O. Bonds - Series 2019A	\$ 24,230,000	\$ -	\$ -	\$ 24,230,000
G.O. Subordinate Bonds - Series 2019B	2,500,000	-	-	2,500,000
Accrued Interest - Series 2019B	283,333	200,000	-	483,333
Developer Advances - Capital	258,580	-	-	258,580
Accrued interest - Capital	35,866	15,515	-	51,381
Developer Advances - Operating	399,535	97,800	-	497,335
Accrued interest - Operating	77,464	35,907	-	113,371
	<u>\$ 27,784,778</u>	<u>\$ 349,222</u>	<u>\$ -</u>	<u>\$ 28,134,000</u>

* Estimate

No assurance is provided. See summary of significant assumptions.

**CREEKWALK MARKETPLACE BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**


Bonds and Interest Maturing in the Year Ending December 31,	\$24,230,000		
	Principal	Interest	Total
			Limited Property Tax Supported Revenue Bonds, Series 2019A Dated July 31, 2019 Interest Rates: 5.000% - 5.750% Interest Payable June 15 and December 15 Principal Due December 15
2022	-	1,349,000	1,349,000
2023	245,000	1,349,000	1,594,000
2024	300,000	1,336,750	1,636,750
2025	335,000	1,321,750	1,656,750
2026	390,000	1,305,000	1,695,000
2027	430,000	1,285,500	1,715,500
2028	490,000	1,264,000	1,754,000
2029	540,000	1,239,500	1,779,500
2030	605,000	1,212,500	1,817,500
2031	665,000	1,179,225	1,844,225
2032	740,000	1,142,650	1,882,650
2033	805,000	1,101,950	1,906,950
2034	900,000	1,057,675	1,957,675
2035	965,000	1,008,175	1,973,175
2036	1,060,000	955,100	2,015,100
2037	1,150,000	896,800	2,046,800
2038	1,255,000	833,550	2,088,550
2039	1,355,000	764,525	2,119,525
2040	1,425,000	690,000	2,115,000
2041	665,000	608,063	1,273,063
2042	730,000	569,825	1,299,825
2043	790,000	527,850	1,317,850
2044	860,000	482,425	1,342,425
2045	930,000	432,975	1,362,975
2046	1,010,000	379,500	1,389,500
2047	1,085,000	321,425	1,406,425
2048	1,175,000	259,038	1,434,038
2049	3,330,000	191,475	3,521,475
	<u>\$ 24,230,000</u>	<u>\$ 26,414,225</u>	<u>\$ 50,644,225</u>

No assurance is provided. See summary of significant assumptions.

EXHIBIT C

District Boundary Map

CREEKWALK MARKETPLACE BID

 Tax Boundary

1 inch = 211.54 feet

08/24/2021 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

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