

2021 OPERATING PLAN AND BUDGET

**INTERQUEST NORTH
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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2021
OPERATING PLAN FOR THE
INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT

1. PURPOSE AND SCOPE OF THIS DISTRICT

A. Requirement for this Operating Plan.

The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Interquest North Business Improvement District (the “District”) file an operating plan and budget with the City Clerk no later than September 30 of each year.

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

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

B. What Must Be Included in the Operating Plan?

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

The District’s original 2004 and subsequent Operating Plans, previously approved by the City, are incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

C. Purposes.

As may be further articulated in prior years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 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. 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 currently owns or anticipates taking ownership of storm drainage improvements, parking facilities, and other public improvements and property and may take ownership of additional property and improvements within the 2021 budget year as the same are completed.

E. Contracts and Agreement.

The District is not currently a party to any significant active contracts or agreements. The District entered into a maintenance agreement with Nor’wood Limited, Inc. for the operations and maintenance of public improvements.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. *Organization.*

The Interquest North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-237 on October 26, 2004.

B. *Governance.*

The District is governed by an elected board of directors.

C. *Current Board*

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

Timothy Seibert, President
Christopher S. Jenkins, Vice-President
David D. Jenkins, Secretary
Delroy L. Johnson, Assistant Secretary
Vacancy

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

D. *Term Limits.*

The District's election in November 2, 2004 included a ballot question to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The question passed.

E. *Advisory Board*

The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed to date.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District map is depicted in **EXHIBIT C**. The District does not anticipate receiving any inclusion or exclusion requests in 2021, however, such requests may be possible due to future circumstances.

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 2021. 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

A. 2021 Budget.

The 2021 Budget for the District is attached as **EXHIBIT B**.

B. Authorized Indebtedness.

At an election held on November 2, 2004, the voters approved general obligation indebtedness of \$9,900,000 for street improvements. The voters also approved an annual increase in taxes of \$50,000, at a mill levy rate not to exceed one mill, for general operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. On November 1, 2005, the District’s electors authorized additional indebtedness of \$3,100,000 for water and storm drainage. Pursuant to the District’s Operating Plan filed annually with the City, the maximum debt service mill levy the District can impose is 50.000 mills.

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

Per the approval of the City Council on October 23, 2018, the amount of authorized debt has been increased from \$13,000,000 to \$25,000,000 in order to accommodate the next phases of development occasioned by increased demand for public improvements to benefit the businesses within the District related to the success of the project and anticipated business growth within the District. The debt limit of

the District shall not exceed \$25,000,000 regardless of the amount of voted debt authorization without the express prior approval by the City. The bonds of the District, including revenue bonds, will be limited to those that are payable either from ad valorem property taxes, assessments, PIF revenues, permitted user fees, reimbursements, interest and interest earnings of the District, and from other revenues made available to the District. The District will not impose a sales tax.

C. *Property Tax and Mill Levy Caps.*

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

D. *District Revenues.*

See 2021 budget attached hereto as **EXHIBIT B**.

E. *Existing Debt Obligations.*

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

On September 15, 2020, the District issued its fill-up \$13,735,000 Limited Tax General Obligation Bonds, Series 2020 with an interest rate of 7.00% (“2020 Bonds”). The 2020 Bonds are subject to mandatory redemption starting on December 1, 2024 and are subject to optional redemption starting on January 1, 2027. The first draw in 2020 is approximately \$1,535,000 and an additional draw of \$5,500,000 in 2021 is anticipated to fund capital improvements for the District. The issuance of the 2020 Bonds was approved by the City Council by Resolution No. 68-20 as required by the 2020 Operating Plan. The funds from the 2020 Bonds have not been disbursed; the District intends to use the funds to acquire existing public improvements and fund remaining public improvements within the District.

The District will annually review the interest rate on its bonds regarding market interest rate and evaluate possibilities to refund such bonds to the extent allowed pursuant to the bond documents.

F. *Future Debt Obligations.*

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

have any remaining authorized debt and does not anticipate issuing additional debt.

G. *Other Financial Obligations.*

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

The District currently has an outstanding total amount of developer advances of \$1,480,850, which accrues interest at a rate of 7%.

H. *City Charter Limitations.*

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

I. *Non-Default Provisions.*

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

J. *Privately Placed Debt.*

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

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

7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

A. *Audit.*

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

B. *SID Formation.*

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

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

- D. ***Public Improvement Fees.***
 The use of a public improvement fee (“PIF”) is in place to provide necessary funding revenues for the improvements financed by the District. The District will utilize revenues from the PIF for such purposes.

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

8. 2021 ACTIVITIES, PROJECTS AND CHANGES

- A. ***Activities.***
 The District anticipates continued activity for commercial development in 2021, and will support such activity as provided in this Operating Plan and by statute. The District anticipates providing operation and maintenance services, including, but not limited to, parking and street maintenance and operations, including snow removal, landscaping, stormwater, marketing, common area maintenance, and security services as needed.

- B. ***Projects and Public Improvements.***
 The District anticipates funding or acquiring the design, installation or acquisition of additional public improvements during 2021 as required to support development within the District and as anticipated pursuant to the 2020 bond issuance.

- C. ***Summary of 2021 Activities and Changes from Prior Year.***
 The District’s activities will largely consist of district administration and payment of its existing bonds along with public improvement construction.
Boundary changes: The District does not anticipate boundary changes in 2021, although the District may receive inclusion or exclusion requests in the future as circumstances arise.
Changes to board or governance structure: An appointment to the Board of Directors may be made to fill the vacancy.
Mill levy changes: Mill levies for the General Fund and the Debt Service Fund will remain the same for the upcoming year. The District will not impose a refund and abatements mill levy this coming year.
New, refinanced or fully discharged debt: Not anticipated for 2021; however, a

second draw of the 2020 Bonds in the amount of \$5,500,000 is anticipated.

Elections: There will be no election for this upcoming year.

Major changes in development activity or valuation: The District will continue undertaking projects for public improvements during 2021 as needed.

Ability to meet current financial obligations: See 2021 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
Timothy Seibert Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2020-2023	(w) 719-593-2600 (f) 719-633-0545 tseibert@nor-wood.com
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	2020-2023	(w) 719-593-2600 (f) 719-633-0545 chrisjenkins@nor-wood.com
David D. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Secretary	2020-2023	(w) 719-593-2600 (f) 719-633-0545 ddj@nor-wood.com
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2018-2022	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com
Vacancy		2018-2022	

DISTRICT CONTACT:

Delroy L. Johnson, Assistant Secretary Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903 (w) 719-593-2600 djohnson@nor-wood.com
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DISTRICT MANAGER:

Josh Miller CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 600 Greenwood Village, CO 80111 (w) 303-779-5710 josh.miller@claconnect.com

ACCOUNTANT:

Carrie Bartow, CPA CliftonLarsonAllen LLP 102 South Tejon, Suite 350 Colorado Springs, CO 80903 (w) 719-635-0300 x 77839 (f) 719-473-3630 carrie.bartow@claconnect.com

AUDITOR:

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

INSURANCE AND BONDS:**STAFF:**

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

2021 BID Budget

General Fund

Debt Service Fund

Capital Projects Fund

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

**INTERQUEST NORTH
BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021**

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

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 3,125,473	\$ 1,115,430	\$ 1,333,235	\$ 1,333,235	\$ 1,730,151
REVENUE					
Property Taxes	1,304,077	1,352,445	1,286,384	1,352,445	1,320,410
Specific Ownership Tax	157,884	148,769	68,236	148,769	132,041
Interest Income	89,529	76,318	10,794	20,000	11,340
PIF Collections	796,385	870,000	172,322	570,000	1,497,495
Bond Issuance	-	4,950,000	-	1,535,000	5,500,000
Developer Advance	1,480,019	3,209,000	-	3,209,000	5,500,000
Other revenue	235	-	-	-	-
Total revenue	<u>3,828,129</u>	<u>10,606,532</u>	<u>1,537,736</u>	<u>6,835,214</u>	<u>13,961,286</u>
TRANSFERS IN	<u>3,077,468</u>	<u>356,064</u>	<u>3,322</u>	<u>360,564</u>	<u>417,807</u>
Total funds available	<u>10,031,070</u>	<u>12,078,026</u>	<u>2,874,293</u>	<u>8,529,013</u>	<u>16,109,244</u>
EXPENDITURES					
General Fund	145,093	436,013	162,288	695,800	560,000
Debt Service Fund	966,578	1,120,000	18,918	993,998	1,375,000
Capital Projects Fund	4,508,696	8,159,000	3,322	4,748,500	11,000,000
Total expenditures	<u>5,620,367</u>	<u>9,715,013</u>	<u>184,528</u>	<u>6,438,298</u>	<u>12,935,000</u>
TRANSFERS OUT	<u>3,077,468</u>	<u>356,064</u>	<u>3,322</u>	<u>360,564</u>	<u>417,807</u>
Total expenditures and transfers out requiring appropriation	<u>8,697,835</u>	<u>10,071,077</u>	<u>187,850</u>	<u>6,798,862</u>	<u>13,352,807</u>
ENDING FUND BALANCES	<u>\$ 1,333,235</u>	<u>\$ 2,006,949</u>	<u>\$ 2,686,443</u>	<u>\$ 1,730,151</u>	<u>\$ 2,756,437</u>
EMERGENCY RESERVE	\$ 5,900	\$ 5,600	\$ 3,000	\$ 16,100	\$ 17,400
AVAILABLE FOR OPERATIONS	475,851	577,584	410,053	301,703	317,921
TOTAL RESERVE	<u>\$ 481,751</u>	<u>\$ 583,184</u>	<u>\$ 413,053</u>	<u>\$ 317,803</u>	<u>\$ 335,321</u>

No assurance provided. See summary of significant assumptions.

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

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION					
Commercial	\$ 25,123,790	\$ 25,253,950	\$ 25,253,950	\$ 25,253,950	\$ 25,054,440
Agricultural	1,470	-	-	-	-
Vacant land	280,990	1,264,570	1,264,570	1,264,570	835,950
Certified Assessed Value	<u>\$ 25,406,250</u>	<u>\$ 26,518,520</u>	<u>\$ 26,518,520</u>	<u>\$ 26,518,520</u>	<u>\$ 25,890,390</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
Refund and abatements	0.329	0.000	0.000	0.000	0.000
Total mill levy	<u>51.329</u>	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>	<u>51.000</u>
PROPERTY TAXES					
General	\$ 25,406	\$ 26,519	\$ 26,519	\$ 26,519	\$ 25,890
Debt Service	1,270,313	1,325,926	1,325,926	1,325,926	1,294,520
Refund and abatements	8,359	-	-	-	-
Levied property taxes	1,304,076	1,352,445	1,352,445	1,352,445	1,320,410
Adjustments to actual/rounding	1	-	(66,061)	-	-
Budgeted property taxes	<u>\$ 1,304,077</u>	<u>\$ 1,352,445</u>	<u>\$ 1,286,384</u>	<u>\$ 1,352,445</u>	<u>\$ 1,320,410</u>
BUDGETED PROPERTY TAXES					
General	\$ 25,570	\$ 26,519	\$ 25,224	\$ 26,519	\$ 25,890
Debt Service	1,278,507	1,325,926	1,261,160	1,325,926	1,294,520
	<u>\$ 1,304,077</u>	<u>\$ 1,352,445</u>	<u>\$ 1,286,384</u>	<u>\$ 1,352,445</u>	<u>\$ 1,320,410</u>

No assurance provided. See summary of significant assumptions.

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

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 386,844	\$ 479,795	\$ 481,751	\$ 481,751	\$ 317,803
REVENUE					
Property taxes	25,570	26,519	25,224	26,519	25,890
Specific ownership tax	157,884	148,769	68,236	148,769	132,041
Interest income	9,746	8,050	3,452	5,000	1,780
Other revenue	235	-	-	-	-
Total revenue	193,435	183,338	96,912	180,288	159,711
TRANSFERS IN					
Transfers from other funds	48,791	356,064	-	356,064	417,807
Total funds available	629,070	1,019,197	578,663	1,018,103	895,321
EXPENDITURES					
General and administrative					
Accounting	24,991	20,000	16,524	30,000	30,000
Auditing	3,600	3,650	3,700	3,700	4,000
County Treasurer's fee	383	398	378	398	388
PIF collection expense	9,608	9,000	8,043	17,000	20,000
Dues and licenses	493	500	611	611	700
Insurance and bonds	1,832	1,855	1,834	1,834	2,000
District management	8,373	6,000	11,483	25,000	15,000
Legal services	46,609	25,000	90,601	200,000	50,000
Miscellaneous	414	600	1,317	2,000	2,000
Election expense	-	7,000	27,797	30,000	-
Ground Lease	-	-	-	300	100
Contingency	-	5,946	-	28,893	18,005
Operations and maintenance					
Repairs and Maintenance	-	542	-	542	559
Landscaping Maintenance	4,481	45,940	-	45,940	47,318
Security	5,600	37,171	-	37,171	38,286
Parking Lot/Sidewalk R&M	5,645	17,402	-	17,402	58,993
Common Area	545	2,700	-	2,700	2,781
Management Fees	16,031	67,831	-	67,831	69,866
Marketing	115	80,990	-	80,990	93,449
Electrical Repairs	511	2,712	-	2,712	2,794
Exterior Staff	-	3,109	-	3,109	3,202
Other Grounds Expense	2,027	15,530	-	15,530	15,996
Snow Removal	5,357	16,188	-	16,188	16,673
Electricity	1,144	17,170	-	17,170	17,685
Management Staff	1,887	14,799	-	14,799	15,243
Signage	-	2,796	-	2,796	2,880
Water & Sewer	3,439	25,716	-	25,716	26,487
Stormwater	804	1,237	-	1,237	1,237
Lightbulbs	1,204	4,231	-	4,231	4,358
Total expenditures	145,093	436,013	162,288	695,800	560,000
TRANSFERS OUT					
Transfers to other fund	2,226	-	3,322	4,500	-
Total expenditures and transfers out requiring appropriation	147,319	436,013	165,610	700,300	560,000
ENDING FUND BALANCE	\$ 481,751	\$ 583,184	\$ 413,053	\$ 317,803	\$ 335,321
EMERGENCY RESERVE	\$ 5,900	\$ 5,600	\$ 3,000	\$ 16,100	\$ 17,400
AVAILABLE FOR OPERATIONS	475,851	577,584	410,053	301,703	317,921
TOTAL RESERVE	\$ 481,751	\$ 583,184	\$ 413,053	\$ 317,803	\$ 335,321

No assurance provided. See summary of significant assumptions.

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

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 2,738,629	\$ 635,635	\$ 851,484	\$ 851,484	\$ 1,412,348
REVENUE					
Property taxes	1,278,507	1,325,926	1,261,160	1,325,926	1,294,520
Interest income	79,783	68,268	7,342	15,000	9,560
PIF collections	796,385	870,000	172,322	570,000	1,497,495
Total revenue	<u>2,154,675</u>	<u>2,264,194</u>	<u>1,440,824</u>	<u>1,910,926</u>	<u>2,801,575</u>
Total funds available	<u>4,893,304</u>	<u>2,899,829</u>	<u>2,292,308</u>	<u>2,762,410</u>	<u>4,213,923</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	19,178	19,889	18,918	19,889	19,418
Contingency	-	3,686	-	-	9,907
Debt Service					
Bond interest - 2010 Series	507,875	498,525	-	498,525	488,525
Bond interest - 2016 Series	304,525	302,900	-	302,900	300,950
Bond interest - 2020 Series	-	125,000	-	22,684	396,200
Bond principal - 2010 Series	110,000	120,000	-	120,000	130,000
Bond principal - 2016 Series	25,000	30,000	-	30,000	30,000
Bond principal - 2020 Series	-	20,000	-	-	-
Total expenditures	<u>966,578</u>	<u>1,120,000</u>	<u>18,918</u>	<u>993,998</u>	<u>1,375,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>3,075,242</u>	<u>356,064</u>	<u>-</u>	<u>356,064</u>	<u>417,807</u>
Total expenditures and transfers out requiring appropriation	<u>4,041,820</u>	<u>1,476,064</u>	<u>18,918</u>	<u>1,350,062</u>	<u>1,792,807</u>
ENDING FUND BALANCE	<u>\$ 851,484</u>	<u>\$ 1,423,765</u>	<u>\$ 2,273,390</u>	<u>\$ 1,412,348</u>	<u>\$ 2,421,116</u>

No assurance provided. See summary of significant assumptions.

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

9/22/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Developer advance	1,480,019	3,209,000	-	3,209,000	5,500,000
Bond Issuance	-	4,950,000	-	1,535,000	5,500,000
Total revenue	<u>1,480,019</u>	<u>8,159,000</u>	<u>-</u>	<u>4,744,000</u>	<u>11,000,000</u>
TRANSFERS IN					
Transfers from other funds	<u>3,028,677</u>	<u>-</u>	<u>3,322</u>	<u>4,500</u>	<u>-</u>
Total funds available	<u>4,508,696</u>	<u>8,159,000</u>	<u>3,322</u>	<u>4,748,500</u>	<u>11,000,000</u>
EXPENDITURES					
General and Administrative					
Accounting	726	-	3,322	4,500	-
Capital Projects					
Repairs and maintenance	-	-	-	-	-
Repay developer advance	3,026,451	4,800,000	-	1,484,805	5,500,000
Engineering	1,500	-	-	-	-
Bond Issue Costs	-	150,000	-	50,195	-
Capital outlay	1,480,019	3,209,000	-	3,209,000	5,500,000
Total expenditures	<u>4,508,696</u>	<u>8,159,000</u>	<u>3,322</u>	<u>4,748,500</u>	<u>11,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,508,696</u>	<u>8,159,000</u>	<u>3,322</u>	<u>4,748,500</u>	<u>11,000,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT
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 parking facilities, roadways, lighting, driveways, public utilities and landscaping. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District was organized by Ordinance of the City of Colorado Springs on October 26, 2004.

At an election held on November 2, 2004, the voters approved general obligation indebtedness of \$9,900,000 for street improvements. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,100,000 for water and storm drainage. The voters also approved an annual increase in taxes of \$50,000, at a mill levy rate not to exceed one mill, for general operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20, of the Colorado constitution. Pursuant to the District's operating plan filed annually with the City, the maximum debt service mill levy the District can impose is 50.000 mills. As set forth in the District's 2005 operating plan, the City has limited the amount of debt to be issued to a total of \$9,900,000 in the authorized voted categories, without future approval by the City. On November 6, 2018, the District's electors authorized additional indebtedness of \$25,000,000 for water improvements, \$25,000,000 for sanitary sewer improvements, \$25,000,000 for street improvements, \$25,000,000 for traffic and safety improvements, \$25,000,000 for park and recreation improvements, \$25,000,000 for transportation improvements, \$25,000,000 for security improvements, \$25,000,000 for operations and maintenance, \$25,000,000 for refinancing debt, and \$25,000,000 for reimbursement agreements.

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

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those difference may be material.

Revenues

Property Taxes

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes (Continued)

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

Specific Ownership Taxes

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

Interest Income

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

PIF Fees

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

Developer Advance

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

Bond Issuance

On September 15, 2020 the District issued a general obligation fill-up bond of \$13,735,000 with approximately \$1,535,000 in draws in 2020 and estimates an additional draw of \$5,500,000 in 2021 in order to fund capital improvements for the District.

Expenditures

Administrative Expenditures

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

County Treasurer's Fees

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Capital Outlay

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

Debt Service

Principal and interest payments in 2021 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 proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

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

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

The District's current debt service schedule is attached for the 2010 and 2016 Bonds. The exact timing of principal and interest payments for the 2020 Bonds is unknown as all draws have not yet been completed. The District has no capital or operational leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021, 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	
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
	\$ 5,745,000	\$ 6,177,375	\$ 4,630,000	\$ 5,965,375	\$ 22,517,750

No assurance provided. See summary of significant assumptions.

EXHIBIT C
District Boundary
Map

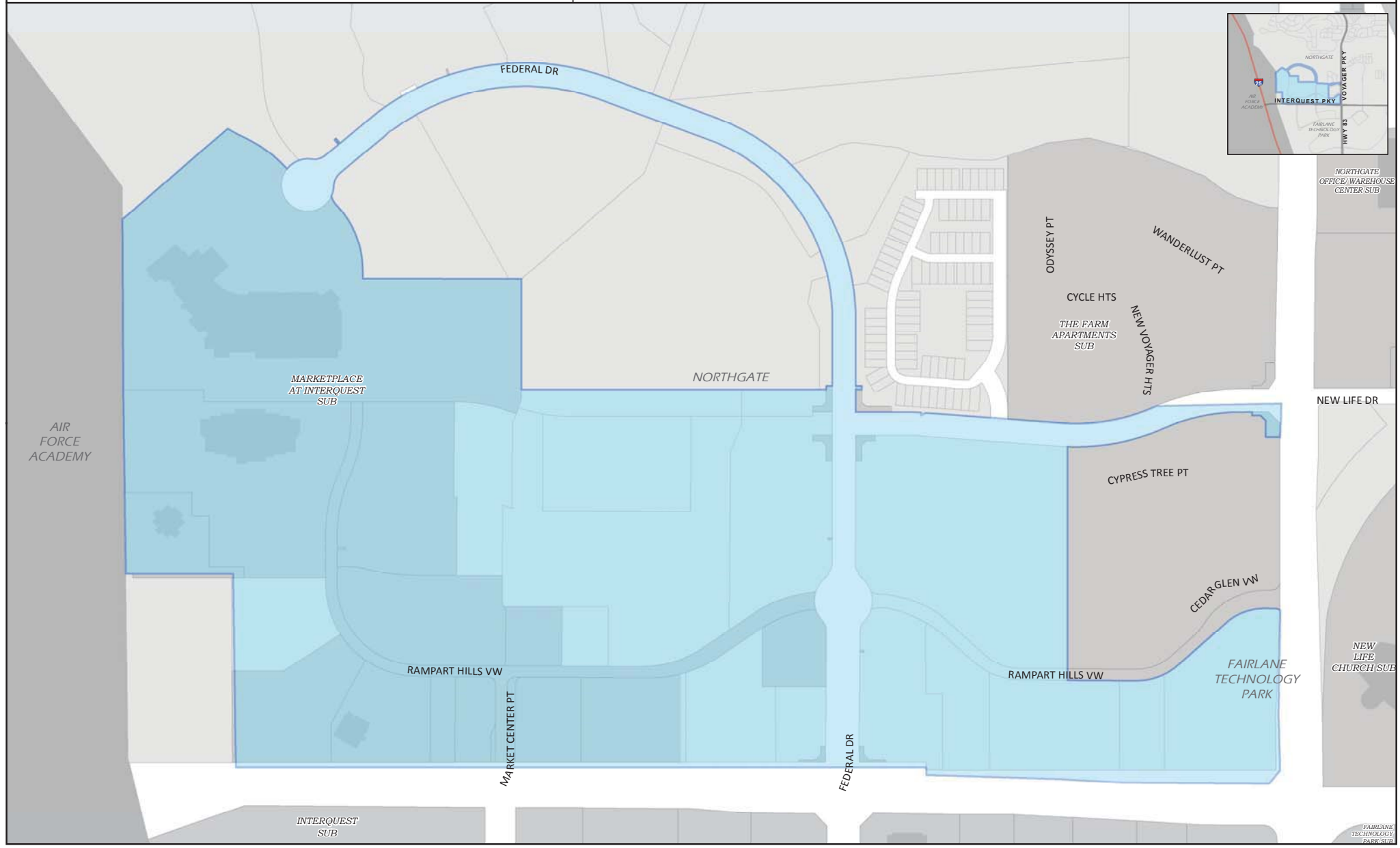
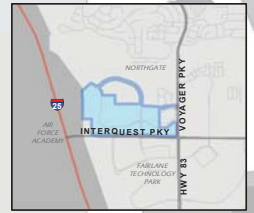
INTERQUEST NORTH BID

 Tax Boundary

1 inch = 293.4 feet

07/19/2019 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

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AIR FORCE ACADEMY

MARKETPLACE AT INTERQUEST SUB

NORTHGATE

ODYSSEY PT
CYCLE HTS
THE FARM APARTMENTS SUB

WANDERLUST PT
NEW VOYAGER HTS

CYPRESS TREE PT

CEDAR GLEN VW

FAIRLANE TECHNOLOGY PARK

RAMPART HILLS VW

RAMPART HILLS VW

MARKET CENTER PT

FEDERAL DR

INTERQUEST SUB

NORTHGATE OFFICE/WAREHOUSE CENTER SUB

NEW LIFE DR

NEW LIFE CHURCH SUB

FAIRLANE TECHNOLOGY PARK SUB