

2023 OPERATING PLAN AND BUDGET
BARNES & POWERS
NORTH BUSINESS
IMPROVEMENT
DISTRICT

City of Colorado Springs, El Paso County, Colorado

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**2023 OPERATING PLAN FOR THE
BARNES & POWERS 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 Barnes & Powers 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 2023 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities and landscaping consistent with prior years’ activities.

D. *Ownership of Property or Major Assets.*

The District owns certain parking, water, and sanitary storm/sewer improvements.

E. *Contracts and Agreements.*

Pursuant to an Intergovernmental Agreement with Barnes & Powers South Business Improvement District, dated November 30, 2011, the intergovernmental

revenue represents transfers from Barnes & Powers South Business Improvement District to provide joint funding for the overall administrative and operating costs for the two Districts and payment of capital infrastructure.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. *Organization.*

The Barnes & Powers North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-49 on April 27, 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
Russell T. Tutt IV, Treasurer

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

D. *Term Limits.*

The District's election in May 2012 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 inclusion or exclusion requests in the coming year.

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. 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, PROPERTY OWNERSHIP 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. The District does not have any employees.

6. FINANCIAL PLAN AND BUDGET

A. *2023 Budget.*

The 2023 Budget for the District is attached as **EXHIBIT B**.

B. *Authorized Indebtedness.*

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$2,600,000 for street improvements, \$2,600,000 for parking facilities, and \$6,500,000 for refinancing of District debt. The voters also approved an annual increase in taxes of \$15,000 at a mill levy rate not to exceed one mill for general operation and maintenance. The election also authorized 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 \$450,000 for water and \$150,000 for sanitary sewer. As set forth in the District's 2007 Operating Plan, the City has limited the amount of debt to be issued to a total of \$4,950,000. This maximum debt authorization amount shall not be exceeded without express prior approval by the City. No additional debt authorizations are contemplated in 2023.

C. *Maximum Debt and Operating Mill Levies.*

The mill levy limitations in the original Operating Plan remain unchanged. The Maximum Debt Mill Levy is fifty (50) mills. The Maximum Operating Mill Levy is one (1) mill. The mill levy caps set forth in this paragraph may be subject to upward or downward adjustments addressing any Mill Levy Adjustment or any abatement occurring after, but not before January 1, 2004. Such upward or downward adjustments are to be determined by the Board of Directors 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, 2004, are neither diminished nor enhanced as a result of such changes.

D. *District Revenues.*

See 2023 Budget attached hereto as **EXHIBIT B**.

E. *Existing Debt Obligations.*

The District issued its \$4,000,000 Limited Tax General Obligation Bonds, Series 2007 (“Series 2007 Bonds”) to acquire capital improvements that the developer built, as contemplated in the 2007 Operating Plan. The City approved the Series 2007 Bonds by Resolution No. 84-07. Following the issuance of its Series 2007 Bonds, the District has \$950,000 in remaining debt authorization.

F. *Future Debt Obligations.*

The District does not intend to issue Debt in 2023.

G. *Developer Funding Agreements.*

The District and Barnes & Powers North, LLC entered into a Facilities Funding and Reimbursement Agreement, effective February 22, 2017. At the end of 2022, it is anticipated that the District will have an outstanding developer advance obligation in the amount of \$86,610 in principal and \$48,787 in interest. Interest accrues at a rate of 7% for operating advances and 8% for capital expenses.

Any Developer Funding Agreements entered into by the District after January 1, 2023 shall be limited to a term of no greater than twenty (20) years, from the time of the first such agreement, after which time any remaining balances must be either converted to Debt or shall no longer be considered an obligation of the District. The Interest Rate on any new Developer Funding Agreements entered into after January 1, 2023 shall not exceed the Index Rate plus 400 basis points, and interest shall only accrue on the principal balance.

H. *Other Financial Obligations.*

The District entered into a lease agreement on April 28, 2014 with Barnes and Powers North No. 1, LLC to lease certain property for the purpose of public parking, traffic and pedestrian circulation areas, landscaping, utilities, signage, drainage, sidewalks, pedestrian ways, public art, shelters, bus stops, ramps and curbs, and other similar facilities for public events, festivals, recreation, concerts, and other public uses and services. The agreement does not represent a multi-fiscal

year obligation and renews annually at the option of the District and subject to appropriation in the District's annual budget.

- I. *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.
- J. *Limited-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.
- K. *Privately Placed Debt and Related Party 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. The Interest Rate for Related Party Privately Placed Debt shall not exceed the Index Rate more than 400 basis points. Related Party Privately Placed Debt shall not be issued with an optional call date of greater than five (5) years from the date of issuance.
- L. *End User Debt Service Fee Limitation.***
The District shall not impose an End User Debt Service Fee for the purpose of servicing District Debt without prior approval of City Council.
- M. *Debt Not an Obligation of the City.*** 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.
- N. *Land Development Entitlements.*** The District shall not issue Debt, enter into any other Long Term Financial Obligation or certify a Debt Mill Levy unless a Land Development Entitlement has been approved for the Property.

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 of Colorado 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 or Authority 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, the District shall request and obtain approval from the 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 consistency 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 will not utilize any revenues from a new, increased or expanded public improvement fee (“PIF”) unless specifically authorized in this or a subsequent operating plan and budget, or separately approved by City Council. The imposition of a PIF and any provisions for adjustment of a PIF that have been previously approved by City Council shall not be subject to this restriction.
- E. *Condemnation.***
The Colorado Revised Statutes do not authorize BIDs to use powers of eminent domain. The exercise of eminent domain authority by any City-authorized district is also specifically prohibited without express prior City Council approval.
- F. *Concealed Carry Prohibition.***
The District shall not 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 as provided in C.R.S. § 18-12-214.
- G. *Eligible Expenses or Costs for Reimbursement.***
In addition to any limits or prohibitions contained in Colorado Revised Statutes, the District shall not issue debt for or otherwise fund any costs or expenses not allowed for by the Special District Policy.
- H. *Intergovernmental Agreements.***
The District entered into an Intergovernmental Agreement with Barnes & Powers South Business Improvement District, dated November 30, 2011, in which Barnes & Powers South Business Improvement District agreed to provide joint funding for the overall administrative and operating costs for the two districts and payment of capital infrastructure.

I. *Overlapping Districts.*

There are not currently any special districts or other business improvement districts that overlap with the District.

8. 2023 ACTIVITIES, PROJECTS AND CHANGES

A. *Activities.*

The District does not anticipate additional infrastructure work for commercial development in 2023. The District provides ongoing operational services on behalf of Barnes & Powers South Business Improvement District.

B. *Projects and Public Improvements.*

The District does not presently anticipate funding the design, installation or acquisition of additional Public Improvements during 2023. If the District acts to fund additional improvements during calendar year 2023, an amendment to this Operating Plan will be sought in accordance with the provisions of Section 31-25-1211, C.R.S.

C. *Summary of 2023 Activities and Changes from Prior Year*

The District's activities will focus on district administration and payment of its bonds.

Boundary changes: Not anticipated for the upcoming year.

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

Mill levy changes: Mill Levies remain the same for the upcoming year.

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

Elections: May 2, 2023.

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

Ability to meet current financial obligations: See 2023 Budget attached as **EXHIBIT B.**

9. DISCLOSURE AND COMMUNICATION

The District shall maintain a website that includes content similar to that required for metropolitan districts by Colorado Revised Statutes § 32-1-104.5 and as required by Section K of the Special District Policy, to the extent this content is applicable to BIDs. The District shares a website with Barnes and Powers South Business Improvement District, which website address is <https://www.barnespowersbid.com/>.

10. 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.

11. 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
BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM	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	2022-2025	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com
Russell T. Tutt, IV 3710 Sinton Road, Suite 120 Colorado Springs, CO 80907	Treasurer	2022-2025	(w) 719-213-9566 tye.tutt@gmail.com

DISTRICT CONTACT:

Delroy L. Johnson, Assistant Secretary
 Nor'wood Development Group
 111 South Tejon, Suite 222
 Colorado Springs, CO 80903
 (w) 719-593-2600
 (f) 719-633-0545
djohnson@nor-wood.com

DISTRICT MANAGER:

Josh Miller
 CliftonLarsonAllen LLP
 8390 East Crescent Parkway, Suite 600
 Greenwood Village, CO 80111
 (w) 303-779-5710
 (f) 303-779-0348
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
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AUDITOR:

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

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
2023 BID Budget

**BARNES & POWERS NORTH
BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023**

DRAFT - SUBJECT TO REVISION

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

9/17/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 64,174	\$ 47,267	\$ 50,944	\$ 50,944	\$ 30,098
REVENUES					
Property Taxes	333,455	369,804	365,860	369,804	369,168
Specific Ownership Tax	39,146	36,980	21,621	36,980	36,917
Interest Income	236	151	1,673	3,250	1,250
Developer advance	-	-	-	-	-
Intergovernmental Revenues	11,503	9,303	6,977	9,307	10,876
Total revenues	384,340	416,238	396,131	419,341	418,211
TRANSFERS IN	5,000	31,250	-	36,307	-
Total funds available	453,514	494,755	447,075	506,592	448,309
EXPENDITURES					
General Fund	69,217	89,000	33,382	77,469	70,000
Debt Service Fund	323,353	330,000	5,383	326,411	332,111
Capital Projects Fund	5,000	31,250	-	36,307	-
Total expenditures	397,570	450,250	38,765	440,187	402,111
TRANSFERS OUT	5,000	31,250	-	36,307	-
Total expenditures and transfers out requiring appropriation	402,570	481,500	38,765	476,494	402,111
ENDING FUND BALANCES	\$ 50,944	\$ 13,255	\$ 408,310	\$ 30,098	\$ 46,198
EMERGENCY RESERVE	\$ 1,800	\$ 1,700	\$ 1,100	\$ 1,700	\$ 1,700
AVAILABLE FOR OPERATIONS	43,376	4,801	46,780	19,940	5,366
TOTAL RESERVE	\$ 45,176	\$ 6,501	\$ 47,880	\$ 21,640	\$ 7,066

No assurance provided. See summary of significant assumptions.

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DRAFT - SUBJECT TO REVISION

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

9/17/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION					
Commercial	\$ 6,457,020	\$ 7,396,080	\$ 7,396,080	\$ 7,396,080	\$ 7,383,360
Vacant land	209,760	-	-	-	-
Certified Assessed Value	<u>\$ 6,666,780</u>	<u>\$ 7,396,080</u>	<u>\$ 7,396,080</u>	<u>\$ 7,396,080</u>	<u>\$ 7,383,360</u>
MILL LEVY					
General	1.000	1.000	1.000	1.000	1.000
Debt Service	49.000	49.000	49.000	49.000	49.000
Total mill levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>
PROPERTY TAXES					
General	\$ 6,667	\$ 7,396	\$ 7,396	\$ 7,396	\$ 7,383
Debt Service	326,672	362,408	362,408	362,408	361,785
Levied property taxes	333,339	369,804	369,804	369,804	369,168
Adjustments to actual/rounding	-	-	(3,944)	-	-
Refunds and abatements	116	-	-	-	-
Budgeted property taxes	<u>\$ 333,455</u>	<u>\$ 369,804</u>	<u>\$ 365,860</u>	<u>\$ 369,804</u>	<u>\$ 369,168</u>
BUDGETED PROPERTY TAXES					
General	\$ 6,669	\$ 7,396	\$ 7,317	\$ 7,396	\$ 7,383
Debt Service	326,786	362,408	358,543	362,408	361,785
	<u>\$ 333,455</u>	<u>\$ 369,804</u>	<u>\$ 365,860</u>	<u>\$ 369,804</u>	<u>\$ 369,168</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

9/17/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 57,030	\$ 41,702	\$ 45,176	\$ 45,176	\$ 21,640
REVENUES					
Property taxes	6,669	7,396	7,317	7,396	7,383
Specific ownership tax	39,146	36,980	21,621	36,980	36,917
Interest income	45	120	171	250	250
Intergovernmental revenues	11,503	9,303	6,977	9,307	10,876
Total revenues	<u>57,363</u>	<u>53,799</u>	<u>36,086</u>	<u>53,933</u>	<u>55,426</u>
Total funds available	<u>114,393</u>	<u>95,501</u>	<u>81,262</u>	<u>99,109</u>	<u>77,066</u>
EXPENDITURES					
General and administrative					
Accounting	19,798	25,000	12,000	25,000	25,000
Auditing	7,900	8,500	7,525	7,525	8,000
County Treasurer's fee	100	111	110	111	111
Dues and licenses	581	750	580	580	750
Insurance and bonds	3,751	4,500	3,753	3,753	4,000
District management	11,443	10,000	5,860	10,000	10,000
Legal services	5,274	10,000	1,000	5,000	7,500
Miscellaneous	370	1,000	273	500	500
Election expense	-	5,000	2,281	5,000	5,000
Repay developer advance	20,000	20,000	-	20,000	5,000
Contingency	-	4,139	-	-	4,139
Total expenditures	<u>69,217</u>	<u>89,000</u>	<u>33,382</u>	<u>77,469</u>	<u>70,000</u>
Total expenditures and transfers out requiring appropriation	<u>69,217</u>	<u>89,000</u>	<u>33,382</u>	<u>77,469</u>	<u>70,000</u>
ENDING FUND BALANCE	<u>\$ 45,176</u>	<u>\$ 6,501</u>	<u>\$ 47,880</u>	<u>\$ 21,640</u>	<u>\$ 7,066</u>
EMERGENCY RESERVE	\$ 1,800	\$ 1,700	\$ 1,100	\$ 1,700	\$ 1,700
AVAILABLE FOR OPERATIONS	43,376	4,801	46,780	19,940	5,366
TOTAL RESERVE	<u>\$ 45,176</u>	<u>\$ 6,501</u>	<u>\$ 47,880</u>	<u>\$ 21,640</u>	<u>\$ 7,066</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

9/17/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 7,144	\$ 5,565	\$ 5,768	\$ 5,768	\$ 8,458
REVENUES					
Property taxes	326,786	362,408	358,543	362,408	361,785
Interest income	191	31	1,502	3,000	1,000
Total revenues	<u>326,977</u>	<u>362,439</u>	<u>360,045</u>	<u>365,408</u>	<u>362,785</u>
Total funds available	<u>334,121</u>	<u>368,004</u>	<u>365,813</u>	<u>371,176</u>	<u>371,243</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	4,903	5,436	5,383	5,436	5,427
Contingency	-	3,589	-	-	3,834
Debt Service					
Bond interest	203,450	195,975	-	195,975	187,850
Bond principal	115,000	125,000	-	125,000	135,000
Total expenditures	<u>323,353</u>	<u>330,000</u>	<u>5,383</u>	<u>326,411</u>	<u>332,111</u>
TRANSFERS OUT					
Transfers to Capital Projects Fund	<u>5,000</u>	<u>31,250</u>	<u>-</u>	<u>36,307</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>328,353</u>	<u>361,250</u>	<u>5,383</u>	<u>362,718</u>	<u>332,111</u>
ENDING FUND BALANCE	<u>\$ 5,768</u>	<u>\$ 6,754</u>	<u>\$ 360,430</u>	<u>\$ 8,458</u>	<u>\$ 39,132</u>

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

9/17/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Total revenues	-	-	-	-	-
TRANSFERS IN					
Transfers from Debt Service Fund	5,000	31,250	-	36,307	-
Total funds available	5,000	31,250	-	36,307	-
EXPENDITURES					
General and Administrative					
Repay developer advance	5,000	31,250	-	36,307	-
Total expenditures	5,000	31,250	-	36,307	-
Total expenditures and transfers out requiring appropriation	5,000	31,250	-	36,307	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
2023 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 April 27, 2004.

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$2,600,000 for street improvements, \$2,600,000 for parking facilities, and \$6,500,000 for refinancing of District debt. On November 1, 2005, the District's electors authorized additional indebtedness of \$450,000 for water and \$150,000 for sanitary sewer. The voters also approved an annual increase in taxes of \$15,000, 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 2007 operating plan, the City has limited the amount of debt to be issued to a total of \$4,950,000 in the authorized voted categories, without future approval by the City.

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 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.

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.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Specific Ownership Tax

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 2%.

Intergovernmental Revenue

Pursuant to an Intergovernmental Agreement, dated November 30, 2011, with Barnes and Powers South Business Improvement District, the intergovernmental revenue represents transfers from Barnes & Powers South to provide funding for the overall administrative and operating costs for the District and payment of capital infrastructure.

Expenditures

Administrative Expenditures

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

County Treasurer's Fees

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

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2007 bonds (discussed under Debt and Leases).

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On June 27, 2007, the District issued \$4,000,000 in General Obligation Bonds. The Bonds are due December 1, 2036, and bear an interest rate of 6.5% paid annually on December 1. 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. The District's current debt service schedule is attached.

On December 31, 2006, the District entered into a Reimbursement Agreement to repay advances made by the Developer for capital infrastructure costs and operations and maintenance (O&M) costs. The District agreed to repay the Developer for such advances plus accrued interest at the rate of 7% on the first day of the following year in which the advances were made.

On March 30, 2011, the District entered into the Amendment to the Reimbursement Agreement to recognize advances, and accrued interest, made to the District prior to 2006. Such advances were originally recorded in the District's records as a contribution.

On February 22, 2017, the District entered into the Facilities Funding and Reimbursement Agreement. Under the terms of this agreement, the District agrees to reimburse the Developer for all verified capital costs, together with interest of 8% from the date of the expenditure.

The District has no capital or operating leases.

The District has outstanding Developer Advances with anticipated activity as follows:

		Balance -			Balance -
		December 31,		Retirements/	December 31,
		2021	Additions	Reductions	2022
Developer Advances		\$ 124,657	\$ -	\$ 41,047	\$ 83,610
Accrued Interest - Developer					
Advances		55,255	8,792	15,260	48,787
Total		\$ 179,912	\$ 8,792	\$ 56,307	\$ 132,397
		Balance -			Balance -
		December 31,		Retirements/	December 31,
		2022	Additions	Reductions	2023
Developer Advances		\$ 83,610	\$ -	\$ 5,000	\$ 78,610
Accrued Interest - Developer					
Advances		48,787	5,853	-	54,640
Total		\$ 132,397	\$ 5,853	\$ 5,000	\$ 133,250

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.

**BARNES & POWERS NORTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$4,000,000 General Obligation Bonds
Dated June 27, 2007
Interest Rate 6.5%
Principal and Interest Due December 1**


	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 135,000	\$ 187,850	\$ 322,850
2024	140,000	179,075	319,075
2025	150,000	169,975	319,975
2026	160,000	160,225	320,225
2027	170,000	149,825	319,825
2028	180,000	138,775	318,775
2029	195,000	127,075	322,075
2030	205,000	114,400	319,400
2031	220,000	101,075	321,075
2032	235,000	86,775	321,775
2033	250,000	71,500	321,500
2034	265,000	55,250	320,250
2035	285,000	38,025	323,025
2036	300,000	19,500	319,500
	<u>\$ 2,890,000</u>	<u>\$ 1,599,325</u>	<u>\$ 4,489,325</u>

No assurance provided. See summary of significant assumptions.

EXHIBIT C
District Boundary Map

BARNES & POWERS NORTH BID

 Tax Boundary


1 inch = 147.89 feet

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

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EXHIBIT D
Terms and Definitions

The following terms and definitions from the City of Colorado Springs Special District Policy are specifically incorporated for use in this Operating Plan and Budget.

- a. **Authority-** An entity with separate legal powers or authorities, created by intergovernmental agreement (IGA) between or among Districts, or between or among one or more Districts, and another governmental entity.
- b. **City-** The City of Colorado Springs, acting legislatively through its City Council or administratively through its mayor or chief of staff consistent with Colorado Revised Statutes and the City Charter.
- c. **Combination of Districts-** Any combination of Metropolitan Districts, BIDs and/or GIDs that overlay each other that are organized by petition of a property developer that are specific to property within a single development project and do not serve any property outside of that project such as regional service district or non-developer controlled existing district.
- d. **C.R.S.-** Colorado Revised Statutes
- e. **Debt-** Any bond, note debenture, contract or other multiple year financial obligation of a District which is payable in whole or in part from, or which constitutes an encumbrance on, the proceeds of ad valorem property tax or End User Debt Service Fee imposed by the District, or pledged for the purposes of meeting the obligation.
- f. **Debt Mill Levy-** For the purpose of this Policy and its associated plans the debt mill levy is that portion of the overall mill levy of the District, pledged, dedicated or otherwise used to repay formally issued Debt or long terms.
- g. **Developer Funding Agreements-** Short or long-term obligations of Districts entered into between Districts and developers related to advancement of reimbursement of Public Improvements or operations and maintenance costs. Such agreements may or may not accrue interest, but do not qualify as formally issued Debt as defined under this Policy or under TABOR.
- h. **District –** This Barnes and Powers North Business Improvement District
- i. **End User-** A property owner anticipated to be have long term, multi-year responsibility for the tax and/or fee obligations of a District. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an end user. A master property developer or business entity that constructs homes or commercial structures for occupancy or ownership primarily by third parties, is not an end user.
- j. **End User Debt Service Fees-** Any fees, rates, tolls or charges assessed or pledged or otherwise obligated to End Users by a District for the payment of Debt. End User Debt Service Fees are not intended to include public improvement fees (PIFs) if authorized by this Operating Plan and Budget. .
- k. **External Financial Advisor-** A consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed

as a public finance advisor in the Bond Buyer's Municipal Market Place (also known as the Redbook); and (3) is not an officer of the Districts.

- l. Index Interest Rate-** The AAA 30-year MMD (Municipal Market Data) index interest rate.
- m. Interest Rate-**The annual rate of charge applied to Debt or other District financial obligations
- n. Land Development Entitlement** – A City-approved master plan, concept plan or other more detailed land use plan, zoning or combinations thereof, applicable to a substantial proportion of the property to be included in the District and sufficient to support the need for the District along with relevant public improvements financing assumptions and proposed limits.
- o. Maximum Debt Mill Levy-** The maximum mill levy a District or Combination of Districts is permitted to impose for the payment of Debt. For the purpose of this Policy, a mill levy certified for contractual obligations is part of the Maximum Debt Mill Levy.
- p. Maximum Operating Mill Levy-** The maximum mill levy a District or Combination of Districts is permitted to impose for operating and maintenance expenses.
- q. Mill Levy Adjustment** -Any statutory, legislative or constitutional changes that adjust or impact the assessed or actual valuation of property or the assessment ratio pursuant to which taxes are calculated
- r. Model BID Operating Plan and Budget-** The most recent version of the template for BID Operating Plans and Budgets adopted in accordance with this Policy.
- s. Planning and Community Development Department Director-** The Director of the Colorado Springs Planning and Community Development Department or other position which may be established for the purpose of administering this Policy, or their designee.
- t. Policy or Special District Policy** -The City's adopted Special District Policy as may be amended from time to time.
- u. Privately Placed Debt-** Debt that is not marketed to multiple independent accredited investors as defined in Rule 501(a) promulgated under the Securities Act of 1933 by a registered bond underwriter or placed directly with a chartered lending institution or credit union.
- v. Public Improvements** – Any capital or site improvements, (or directly related planning or engineering costs) legally determined to be eligible for ownership, maintenance and/or financing by a District in accordance with the applicable State statutes.
- w. Related Party Privately Placed Debt** - Privately Placed Debt that is or will be placed with and directly held by a party related to the issuing District.