

**2021 OPERATING PLAN AND BUDGET**

**GSF BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2021**  
**OPERATING PLAN FOR THE**  
**GSF 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, Colorado Revised Statutes, requires that the GSF 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 Operating Plan and any subsequent Operating Plans approved by the City will be incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

**C. Purposes.** As articulated in this Operating Plan, the contemplated purposes of the District for 2021 include financing, acquisition, construction, completion, installation, replacement, and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

**D. Ownership of Property or Major Assets.** The District will own public improvements as constructed, including certain parking facilities, if such improvements are not otherwise dedicated to other public entities for operation and maintenance.

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

## 2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

- A. *Organization.*** The GSF Business Improvement District is sought to be organized by the City of Colorado Springs, Colorado as requested in the Petition for Organization for the District.
- B. *Governance.*** Pursuant to Section 31-25-1209(1)(d), C.R.S., the City hereby appoints the initial board of directors for the District, which shall have up to five members. Each member shall be an elector of the District. The City will appoint the initial board of directors for the District after which the positions on the board of directors shall be elected starting with an election on November 2, 2021.
- C. *Current Board.*** If approved by the City, the District will be managed by a Board of Directors consisting of five electors, all of whom shall be voting members. The proposed Board members are:

- 1) Jeffrey Finn
- 2) Christopher Jenkins
- 3) David Jenkins
- 4) Delroy Johnson
- 5) Vacant

Director and other pertinent contact information is provided in Exhibit A.

- D. *Term Limits.*** A ballot question will be included to eliminate term limits at the November 2, 2021 election.

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

## 3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District is proposed to initially include approximately 23 acres with boundaries as legally described in Exhibit C and as depicted in Exhibit D. In the coming years, the District anticipates inclusion requests as development within the District occurs.

## 4. PUBLIC IMPROVEMENTS

The District will primarily be 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 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 existential 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, 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 property owners of the District request that the City designate the territory within the District as a location for new business or commercial development under Section 31-25-1203(10), C.R.S.

## **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. The District does not anticipate having any employees.

## **6. FINANCIAL PLAN AND BUDGET**

- A. *2021 Budget.*** The 2021 Budget for the District is attached as Exhibit B.
- B. *Authorized Indebtedness.*** It is anticipated that the District will hold an election on November 2, 2021 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 initial maximum debt authorization for the District shall be \$83,100,000. The initial maximum debt authorization amount is the aggregate debt authorization for the District and the GSF Metropolitan District Nos. 1 & 2, which are being formed in conjunction with the District. The District shall not issue debt in excess of the initial maximum debt authorization amount without the City’s express prior approval. The initial maximum debt authorization will provide the District with sufficient debt capacity to finance the proposed Public Improvements for the entire project. The total amount of the cost of the proposed Public Improvements for the project will be allocated between the District and the GSF Metropolitan District Nos. 1 & 2 as appropriate and as development occurs.
- C. *Property Tax and Mill Levy Caps.*** The District taxing ability shall be constrained to a mill levy limitation 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 the District will undertake 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 anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District also anticipates relying on public improvement fees to support public improvement construction and future bonds for that purpose.
- E. *Existing Debt Obligations.*** The District has no current debt.
- F. *Future Debt Obligations.*** The District does not anticipate issuing any debt in 2021.
- 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. It is anticipated that the District will enter into a developer reimbursement agreement to help fund the District's initial administrative and operational expenses.
- 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. *No City Obligation.*** 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 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.*** This District anticipates utilizing revenues from a public improvement fee.

**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.*** It is anticipated that the District will primarily be engaged in the initial organization activities for the area and improvements planning in 2021.

**B. *Projects and Public Improvements.*** The District will be primarily engaged in the initial organization activities for the area and improvements planning in 2021.

**C. *Summary of 2021 Activities.***

Boundary changes: The District anticipates inclusion requests in the coming years as development within the District occurs.

Changes to board or governance structure: The City will appoint the initial board of directors for the District, after which the positions on the board shall be elected, starting with an election on November 2, 2021.

Mill levy changes: N/A

New, refinanced or fully discharged debt: Not anticipated.

Elections: November 2, 2021 Special Election

Major changes in development activity or valuation: Not anticipated

Ability to meet current financial obligations: The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes and public improvement fees. The District may enter into agreements and leases for ongoing services for general operations and maintenance of the District.

## **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:**

Christopher Jenkins  
Nor'wood Development Group  
111 South Tejon Street, Suite 222  
Colorado Springs, CO 80903  
(719) 593-2600  
chrisjenkins@nor-wood.com

David Jenkins  
Nor'wood Development Group  
111 South Tejon Street, Suite 222  
Colorado Springs, CO 80903  
(719) 593-2600  
ddj@nor-wood.com

Delroy Johnson  
Nor'wood Development Group  
111 South Tejon Street, Suite 222  
Colorado Springs, CO 80903  
(719) 593-2600  
djohnson@nor-wood.com

Jeffrey Finn  
Nor'wood Development Group  
111 South Tejon Street, Suite 222  
Colorado Springs, CO 80903  
(719) 593-2600  
jfinn@nor-wood.com

Vacancy

**DISTRICT MANAGER:** (None at this time)

**DISTRICT CONTACT:**

Russell Dykstra  
Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203  
rdykstra@spencerfane.com

**INSURANCE AND DIRECTORS' BONDS:** (None at this time)

**ACCOUNTANT:** (None at this time)

**AUDITOR:** (None at this time)

**STAFF:** (None at this time)

**EXHIBIT B**

**2021 BID Budget  
General Fund**

<u>Expense</u>	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Proposed 2021</u>
Beginning Funds Balance	\$ -	\$ -	\$ -
Revenue			
Property Taxes	\$ -	\$ -	\$ -
Specific Ownership Taxes	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ 50,000.00
Interest Income			
Miscellaneous Income	\$ -	\$ -	\$ -
	\$ -	\$ -	
Total Revenue	\$ -	\$ -	\$ 50,000.00
Total Funds Available	\$ -	\$ -	\$ 50,000.00
Expenditures			
Accounting / Audit	\$ -	\$ -	\$ 2,500.00
Election Expense	\$ -	\$ -	\$ -
Engineering	\$ -	\$ -	\$ 10,000.00
Insurance/SDA Dues	\$ -	\$ -	\$ 2,500.00
Legal	\$ -	\$ -	\$ 15,000.00
Management	\$ -	\$ -	\$ 1,500.00
Contingency	\$ -	\$ -	\$ 15,000.00
Misc. Expenses	\$ -	\$ -	\$ 2,000.00
Treasurer's Fees	\$ -	\$ -	\$ -
Repay Developer Advances	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ 48,500.00
Emergency Reserve	\$ -	\$ -	\$ 1,500.00
Total Expenditures requiring appropriation	\$ -	\$ -	\$ 50,000.00
Ending Funds Balance	\$ -	\$ -	\$ -

## Capital Projects Fund

<u>Expense</u>	Actual <u>2019</u>	Actual <u>2020</u>	Proposed <u>2021</u>
Beginning Funds Balance	\$ -	\$ -	\$ -
Revenue			
Developer Advances	\$ -	\$ -	\$ -
Bond Proceeds	\$ -	\$ -	\$ -
Total Funds Available	\$ -	\$ -	\$ -
Expenditures			
Issuance costs	\$ -	\$ -	\$ -
Organization costs	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -
Capital expenditures	\$ -	\$ -	\$ -
Repay developer advances	\$ -	\$ -	\$ -
Repay developer advances- interest	\$ -	\$ -	\$ -
Transfer to Debt Service	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -
Assessed Valuation appropriation	\$ -	\$ -	\$ -
Total Mill Levy	0	0	0

## Debt Service Fund

<u>Expense</u>	Actual <u>2019</u>	Actual <u>2020</u>	Proposed <u>2021</u>
Beginning Funds Balance	\$ -	\$ -	\$ -
Revenue			
Property Taxes	\$ -	\$ -	\$ -
Specific Ownership Taxes	\$ -	\$ -	\$ -
Developer Fees	\$ -	\$ -	\$ -
Transfer from Capital Projects	\$ -	\$ -	\$ -
Interest Income			
	\$ -	\$ -	
Total Revenues	\$ -	\$ -	\$ -
Total Funds Available	\$ -	\$ -	\$ -
Expenditures			
Bond interest expense	\$ -	\$ -	\$ -
Bond principal	\$ -	\$ -	\$ -
Treasurer's Fees	\$ -	\$ -	\$ -
Trustee/paying agent fees	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Management	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -
Misc. Expenses	\$ -	\$ -	\$ -
Treasurer's Fees	\$ -	\$ -	\$ -
Repay Developer Advances	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -
Assessed Valuation appropriation	\$ -	\$ -	\$ -
Total Mill Levy	0	0	0

**EXHIBIT C**  
**Legal Description**



619 N. Cascade Avenue, Suite 200 (719) 785-0790  
Colorado Springs, Colorado 80903 (719) 785-0799 (Fax)

**LEGAL DESCRIPTION:**

A PARCEL OF LAND BEING A PORTION OF SECTION 17, TOWNSHIP 14 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN IN THE CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO BEING DESCRIBED AS FOLLOWS:

**BASIS OF BEARINGS:** THE EASTERLY BOUNDARY OF LOT 2, BLOCK 3 AS PLATTED IN PIKES PEAK ADDITION TO THE CITY OF COLORADO SPRINGS, RECORDED IN PLAT BOOK B AT PAGE 12, RECORDS OF EL PASO COUNTY, COLORADO, BEING MONUMENTED AT BOTH ENDS BY AN ILLEGIBLE 1-1/2" ALUMINUM SURVEYORS CAP, IS ASSUMED TO BEAR N00°49'58"E, A DISTANCE OF 210.00 FEET.

COMMENCING AT THE NORTHEASTERLY CORNER OF LOT 2, BLOCK 3 AS PLATTED IN PIKES PEAK ADDITION TO THE CITY OF COLORADO SPRINGS, RECORDED IN PLAT BOOK B AT PAGE 12, RECORDS OF EL PASO COUNTY, COLORADO, SAID POINT BEING THE NORTHWESTERLY CORNER OF A 20 FOOT ALLEY AS PLATTED IN SAID PIKES PEAK ADDITION TO COLORADO SPRINGS AND VACATED BY ORDINANCE 15-3, RECORDED UNDER RECEPTION NO. 215104026 SAID POINT BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF PIKES PEAK AVENUE AS PLATTED IN SAID PIKES PEAK ADDITION TO COLORADO SPRINGS.

THENCE N80°38'57"W, A DISTANCE OF 385.44 FEET TO THE INTERSECTION OF THE CENTERLINE OF EL PASO STREET AND SAID PIKES PEAK AVENUE SAID POINT BEING THE POINT OF BEGINNING;

THENCE S88°04'41"E, ON THE CENTERLINE OF SAID PIKES PEAK AVENUE A DISTANCE OF 1394.74 FEET TO THE INTERSECTION OF THE CENTERLINE SAID PIKES PEAK AVENUE AND THE CENTERLINE OF INSTITUTE STREET;  
THENCE S00°16'06"W, ON THE CENTERLINE OF SAID INSTITUTE STREET A DISTANCE OF 771.84 FEET TO THE INTERSECTION OF SAID INSTITUTE STREET AND THE CENTERLINE OF AN EAST-WEST ALLEY IN BLOCK 6 AS PLATTED IN SAID PIKES PEAK ADDITION TO COLORADO SPRINGS;  
THENCE N88°00'25"W, ON THE CENTERLINE OF SAID EAST-WEST ALLEY AND THE EAST-WEST ALLEY IN BLOCK 5 AS PLATTED IN SAID PIKES PEAK ADDITION TO COLORADO SPRINGS A DISTANCE OF 1124.20 FEET TO A POINT OF INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE COMMON LOT LINE BETWEEN LOT 5 AND LOT 6 BLOCK 5 AS PLATTED IN SAID PIKES PEAK ADDITION TO COLORADO SPRINGS;  
THENCE N 01°08'57"E, ON THE SAID SOUTHERLY EXTENSION, SAID COMMON LOT LINE BETWEEN LOT 5 AND LOT 6 BLOCK 5 AND THE NORTHERLY EXTENSION OF SAID COMMON LOT LINE BETWEEN LOT 5 AND LOT 6 BLOCK 5 A DISTANCE OF 250.01 FEET TO INSECT THE CENTERLINE OF EAST COLORADO AVENUE, PLATTED AS HUERFANO STREET IN PIKES PEAK ADDITION TO COLORADO SPRINGS;  
THENCE N88°06'06"W, ON THE CENTERLINE OF SAID EAST COLORADO AVENUE A DISTANCE OF 282.97 FEET TO THE CENTERLINE OF SAID EL PASO STREET;  
THENCE N01°12'33"E, ON THE CENTERLINE OF SAID EL PASO STREET A DISTANCE OF 520.30 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 23.164 ACRES

**LEGAL DESCRIPTION STATEMENT:**

I, DOUGLAS P. REINELT, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF ARE CORRECT.

DOUGLAS P. REINELT, PROFESSIONAL LAND SURVEYOR  
COLORADO P.L.S. NO. 30118  
FOR AND ON BEHALF OF CLASSIC CONSULTING  
ENGINEERS AND SURVEYORS

JAN 29, 2021  
DATE

Except that parcel described as follows:

S 38 FEET OF N 76 FEET OF LOTS 8, 9 CAPITAL HILL ADDITION, COLORADO SPRINGS, EL PASO COUNTY, COLORADO, containing a total of 0.089 acres.



**EXHIBIT D**

**Boundary Map**

# PROPOSED DISTRICT BOUNDARY MAP

PROSPECT ST

INSTITUTE ST

E PIKES PEAK AVE

E COLORADO AVE

S EL PASO ST

CUCHARRAS ST

GSF  
DISTRICT  
BOUNDARY



# PROPOSED DISTRICT PARCEL MAP

