

**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 Norwood 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 with an interest rate of 8.5% (“2010 Bonds”). The 2010 Bonds are subject to redemption at the District’s option. This issuance was approved by the City Council by Resolution No. 185-10 as required by the 2010 Operating Plan.

Deleted:

On June 8, 2016, the District issued its \$4,765,000 Limited Tax General Obligation Bonds, Series 2016 with an interest rate of 6.5%. This issuance was approved by the City Council by Resolution No. 54-16 as required by the 2016 Operating Plan.

Deleted:

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:**

<b>NAME &amp; ADDRESS</b>	<b>POSITION</b>	<b>TERM(S)</b>	<b>PHONE #/E-MAIL</b>
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 <a href="mailto:tseibert@nor-wood.com">tseibert@nor-wood.com</a>
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 <a href="mailto:chrisjenkins@nor-wood.com">chrisjenkins@nor-wood.com</a>
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 <a href="mailto:ddj@nor-wood.com">ddj@nor-wood.com</a>
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 <a href="mailto:djohnson@nor-wood.com">djohnson@nor-wood.com</a>
Vacancy		2018-2022	

**DISTRICT CONTACT:**

**DISTRICT MANAGER:**

Delroy L. Johnson, Assistant Secretary Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903 (w) 719-593-2600 <a href="mailto:djohnson@nor-wood.com">djohnson@nor-wood.com</a>	Josh Miller CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 600 Greenwood Village, CO 80111 (w) 303-779-5710 <a href="mailto:josh.miller@claconnect.com">josh.miller@claconnect.com</a>
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**ACCOUNTANT:**

**AUDITOR:**

Carrie Bartow, CPA CliftonLarsonAllen LLP 102 South Tejon, Suite 350 Colorado Springs, CO 80903 (w) 719-635-0300 x 77839 (f) 719-473-3630 <a href="mailto:carrie.bartow@claconnect.com">carrie.bartow@claconnect.com</a>	BiggsKofford, PC 630 Southpointe Court, Suite 200 Colorado Springs, CO 80906 719-579-9090 (f) 719-576-012
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**INSURANCE AND BONDS:**

**STAFF:**

T. Charles Wilson Insurance Service  
384 Inverness Parkway  
Centennial, CO 80112  
303-368-5757

N/A

**EXHIBIT B**

**2021 BID Budget**

**General Fund**

**Debt Service Fund**

**Capital Projects Fund**

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

**EXHIBIT C**  
**District Boundary**  
**Map**

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