

~~[Insert year]~~2021 OPERATING PLAN
AND BUDGET

~~[Insert name]~~GSF

BUSINESS
IMPROVEMENT
DISTRICT

City of Colorado Springs, El Paso County, Colorado

TABLE OF CONTENTS

PURPOSE AND SCOPE OF THIS DISTRICT	1
A. Requirement for this [insert year] Operating Plan	1
B. What Must Be Included in the Operating Plan?	1
C. Purposes	
D. Ownership of Property or Major Assets	
E. Contracts or Agreements	
ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS	2
BOUNDARIES, INCLUSIONS AND EXCLUSIONS	2
PUBLIC IMPROVEMENTS	2
ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE	3
FINANCIAL PLAN AND BUDGET	3
MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES	5
 [INSERT DATE] ACTIVITIES, PROJECTS AND CHANGES	 5
1. Activities	5
2. Projects and Public Improvements	5
3. Summary of [Insert Date] Activities and Changes	5
 DISSOLUTION	 6
CONCLUSION	6

1. PURPOSE AND SCOPE OF THIS DISTRICT	1
A. Requirement for this Operating Plan	1
B. What Must Be Included in the Operating Plan?	1
C. Purposes	1
D. Ownership of Property or Major Assets	1
E. Contracts or Agreements	1
2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS	2
A. Organization	2
B. Governance	2
C. Current Board	2
D. Term Limits	2
E. Advisory Board	2
3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS	2
4. PUBLIC IMPROVEMENTS	2
5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE	3
6. FINANCIAL PLAN AND BUDGET	3
7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES	5
8. 2021 ACTIVITIES, PROJECTS AND CHANGES	5
9. DISSOLUTION	6
10. CONCLUSION	6

EXHIBIT A - Director Contact Information

EXHIBIT B - BID Budget ~~{Insert year}~~2021

General Fund

Capital Projects Fund

Debt Service Fund

EXHIBIT C – Legal Description

EXHIBIT D – Initial District Boundary Map

~~{Insert year}~~
2021
OPERATING PLAN FOR THE
~~{Insert name}~~**G**S**F 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., Colorado Revised Statutes,~~ requires that the ~~{Insert name}~~**G**S**F** 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.*, ~~Colorado Revised Statutes, 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.*, ~~Colorado Revised Statutes, 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 {Insert year}, Operating Plan~~ and any subsequent Operating Plans, ~~previously~~ approved by the City, are will be 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 year’s~~ this Operating ~~Plans~~Plan, the ~~ongoing and/or~~ contemplated purposes of ~~this~~the District for ~~{Insert year}~~2021 include ~~{Insert language as applicable including any operational/financing, acquisition, construction, completion, installation, replacement, and/or operation and maintenance/marketing purposes etc. outside of routine administration and compliance}~~all of the services and public improvements allowed under Colorado law for business improvement districts.

D. Ownership of Property or Major Assets ~~[Describe, as applicable, whether the District owns or expects,~~ The District will own public improvements as constructed, including certain parking facilities, if such improvements are not otherwise dedicated to own any fee simple property or major physical assets, particularly within the applicable budget year}other public entities for operation and maintenance.

~~E. Contracts and Agreements ~~Describe.~~ 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 entered into by the District particularly associated with financial obligations; contracts/agreements for routine/ongoing administration and compliance can be generalized} other districts encompassing adjacent developments in order to cooperate on infrastructure projects.~~

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

~~A. **Organization.** The ~~Insert name~~ GSF Business Improvement District ~~was~~ sought to be organized by the City of Colorado Springs, Colorado ~~by Ordinance No. [Insert #] on [Insert date].~~ as requested in the Petition for Organization for the District.~~

~~B. **Governance.** The District is governed by an [Insert “elected” or “appointed”] board of directors.~~

~~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.** ~~The persons who currently serve as the~~ 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) ~~Insert names~~ Jeffrey Finn
- 2) Christopher Jenkins
- 3) David Jenkins
- 4) Delroy Johnson
- 5) Vacant

~~Director and other pertinent contact information is provided in Exhibit A. ~~At a minimum, include names, terms and contact information for all directors as well as administrative staff, legal counsel and auditor, as applicable~~~~

~~D. **Term Limits.** ~~Insert language as applicable as to whether~~ A ballot question will be included to eliminate term limits apply 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. ~~[Modify as applicable]~~

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District ~~currently includes [or “is proposed to include”]~~initially include approximately ~~[Insert number]~~23 acres with boundaries as legally described in Exhibit C and as depicted in Exhibit C. ~~[also refer to any prior inclusions or exclusions by year and ordinance if applicable]. D.~~ In ~~[Insert year]~~the coming years, the District ~~[insert “anticipates” or “does not anticipate”]~~ inclusion ~~or exclusion~~ requests in the coming year. ~~[Describe nature and justification if applicable]. [note: if boundaries are clearly delineated on a development within the exhibit, the acreage may be omitted for existing districts]. District occurs.~~

4. PUBLIC IMPROVEMENTS

~~[Describe, as applicable, the general nature and extent of public improvements that are now or are anticipated to be owned, leased, financed and/or maintained by the District]~~

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 costs of such Public Improvements, including costs of design, acquisition, construction and financing, are referred to herein as the “Public Improvement Costs.” [Delete or modify as applicable]“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

~~[Describe administrative, operational]~~The District shall provide for ownership, operation, and maintenance provisions of District facilities as activities of the District; ~~routine administrative and compliance activities may be highly generalized]~~

~~[Describe whether itself or by contract with other units of government or the private sector. The District has/does not anticipate having any employees, or alternately contracts for all services].~~

6. FINANCIAL PLAN AND BUDGET

~~**I.A.** [Insert year]2021 Budget. The ~~[inset year]2021~~ Budget for the District is attached as Exhibit B.~~

~~[Describe any major changes from the prior year's budget, if applicable]~~

~~**B.** Authorized Indebtedness. [Describe authorized indebtedness based on prior or contemplated TABOR elections, as applicable, and any additional limitations imposed from prior City Council approvals; specifically address any proposed requests/initiatives to increase authorizations]~~

~~**C.** Property Tax and Mill Levy Caps. [Address mill levy caps including their basis and potential for exceptions pertaining to Gallagher adjustments, potential for abatements and any other reasons]~~

~~**D.** District Revenues. [Describe the nature and extent of the revenues currently available to the District and/or anticipated in the future; Specifically identify the total property tax mill levy to be certified for the coming year, broken out by debt service and operational levies if applicable; Address any other sources available to the District including PIF revenues or other fees if applicable]~~

~~**E.** Existing Debt Obligations. [Describe any existing formal debt obligation by amount and year of issuance, expected terms and interest rates citing the dates and numbers of City Council resolutions as applicable; attach most recent debt service schedules, if applicable]~~

~~**F.** Future Debt Obligations. [Describe the intent and expectations of the District concerning issuance of future formal debt, with a particular emphasis on the upcoming budget year]~~

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 \$100,000,000. 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.

7.G. Other Financial Obligations. ~~{Describe any other significant financial obligations of the District, either existing or anticipated in the coming year, not otherwise addressed above; specifically including—~~ The District may enter into agreements, including reimbursement or similar agreements and leases; ~~there is no need to specifically list contracts/, 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.

8.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.

9.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.

10.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.

11.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)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)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)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)D. Public Improvement Fees. This District ~~will not utilize any~~anticipates utilizing revenues from a ~~new, increased or expanded~~ public improvement fee ~~(PIF) unless specifically~~

Elections: November 2, 2021 Special Election

Major changes in development activity or valuation: Not anticipated

~~Ability to meet current financial obligations:~~

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

~~[Address the topic of potential dissolution from the perspective of Colorado Revised Statutes § 31-25-1225 including whether perpetual existence is or is not contemplated at this time]~~

~~—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.

~~SAMPLE EXHIBIT A [Complete and maintain as applicable]~~
Director and Other Contact Information

BOARD OF DIRECTORS:

~~_____~~, President [Insert phone, fax and e-mail]
[Insert Address]

Term: ~~[Insert "Elected" or "Appointed"]~~; ~~__~~-year term

~~_____~~, Vice President
[Insert Address]
Term: ~~_____~~; ~~__~~-year term

[Insert remaining contact information]

~~DISTRICT MANAGER:~~

~~DISTRICT CONTACT:~~

~~INSURANCE AND DIRECTORS' BONDS:~~

~~ACCOUNTANT:~~

~~AUDITOR:~~

~~STAFF:~~

[Insert all contact information as applicable]

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

**[Insert year]2021 BID Budget
General Fund**

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

Capital Projects Fund
Debt Service Fund
(including taxes, fees, assessments and
estimated principal amount of bonds)

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

Debt Service Fund

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

EXHIBIT C

Legal Description

EXHIBIT D
Boundary Map