

ORDINANCE NO. 18-77

AN ORDINANCE ORGANIZING THE USAFA VISITOR'S
CENTER BUSINESS IMPROVEMENT DISTRICT AND
APPOINTING AN INITIAL BOARD OF DIRECTORS

WHEREAS, City Council received a Petition (the "Petition"), attached as Exhibit "A", filed pursuant to C.R.S. § 31-25-1205 for the organization of the USAFA Visitor's Center Business Improvement District ("District"); and

WHEREAS, in accord with the Business Improvement District Act, a public notice of the Petition has been given and published in the Daily Transcript, calling for a public hearing on the organization request set forth in the Petition, proof of publication for which is attached and made a part of this ordinance as Exhibit "B"; and

WHEREAS, based upon the Petition and other evidence presented to City Council, the Petition has been signed in conformity with Part 12 of Article 25 of Title 31, C.R.S., the signatures on the Petition are genuine, and the signatures represent the persons who own real or personal property in the service area of the proposed District having a valuation for assessment of not less than fifty percent of the valuation for assessment of all real and personal property in the service area of the proposed District and who own at least fifty percent of the acreage in the proposed District; and

WHEREAS, the petitioner has also provided an initial 2018 Operating Plan and Budget for this District ("the Initial Operating Plan and Budget") which is attached and made part of this ordinance as Exhibit "C"; and

WHEREAS, the Petition and the Operating Plan and Budget set forth, among other things:

- (a) The name of the proposed District, which shall include a descriptive name and the words "business improvement district", to wit "USAFA Visitor's Center Business Improvement District";
- (b) A general description of the boundaries and service area of the District;
- (c) A general description of the types of service or improvements or both to be provided by the District;
- (d) The names of three persons to represent the petitioners, who have the power to enter into agreements relating to organization of the District;
- (e) A specific statement that the initial Board of Directors are to be appointed by City Council;
- (f) A request that City Council determine that the location of the proposed District and its service area be designated for new or redeveloped business, or

COS. _____
CAO. _____

commercial development;

(g) A request for the organization of the District; and

WHEREAS, by Resolution No. 9-06, City Council approved the City Financial Policy Regarding the Use of Districts (the "Special District Policy") on January 24, 2006, providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure, which is attached and made part of this ordinance as Exhibit "D"; and

WHEREAS, City Council conducted a Public Hearing on July 24, 2018 and heard all persons having objections to the organization of the District; and

WHEREAS, the Initial Operating Plan and Budget of the District adequately addresses the unique circumstances and contingences associated with the formation and ultimate location of the District.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. City Council finds and determines that it has jurisdiction in this matter pursuant to the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S.

Section 2. City Council declares the organization of the USAFA Visitor's Center Business Improvement District ("District") in a location designated by the City as a location for new or redeveloped business or commercial development, which shall have the initial boundaries and service area set forth in Exhibit A, attached hereto and incorporated by reference.

Section 3. The District shall be a quasi-municipal corporation and political subdivision of the state with all powers and responsibilities thereof except as also limited by the Initial Operating Plan and Budget as well as the Special District Policy. See Exhibits C and D attached hereto and incorporated by reference.

Section 4. Pursuant to C.R.S. § 31-25-1209(1)(b) and (d), City Council provides for a board of directors for the District which shall have five members. Each member shall

COS. 
CAO. _____

be an elector of the District. The initial members of the board of directors shall be appointed by City Council. A subsequent election of the members of the District shall take place no later than May 2022. The board of directors shall carry out the responsibilities required of such board by the Business Improvement District Act and other law.

Section 5. The 2018 Initial Operating Plan and Budget is approved and incorporated herein by reference, including the declaration of public interest and necessity for holding the November 6, 2018 elections contained therein. The District is authorized to proceed with an election on November 6, 2018 concerning such ballot issues and questions as shall be certified by the board of directors.

Section 6. The board of directors of the District shall file its future operating plans and budgets and amendments with the City Clerk for approval by City Council as provided in C.R.S. §31-25-1211.

Section 7. The City Clerk is directed to file a certified copy of this ordinance with the County Clerk and Recorder of El Paso County, Colorado.

Section 8. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter.

Section 9. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance shall be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this 24th day of July, 2018.

Finally passed: August 14th, 2018



Council President


COS: _____
CAO: _____

Mayor's Action:

- Approved on August 16, 2018.
- Disapproved on _____, based on the following objections:

Mayor John W. Suthers

Council Action After Disapproval:

- Council did not act to override the Mayor's veto.
- Finally adopted on a vote of _____, on _____.
- Council action on _____ failed to override the Mayor's veto.

Council President

ATTEST:

Sarah B. Johnson
Sarah B. Johnson, City Clerk



TJP
COS:
CAO: TJP

I HEREBY CERTIFY, that the foregoing ordinance entitled “AN ORDINANCE ORGANIZING THE USAFA VISITOR’S CENTER BUSINESS IMPROVEMENT DISTRICT AND APPOINTING AN INTITAL BOARD OF DIRECTORS” was introduced and read at a regular meeting of the City Council of the City of Colorado Springs, held on July 24th, 2018; that said ordinance was finally passed at a regular meeting of the City Council of said City, held on the 14th day of August, 2018, and that the same was published by title and summary, in accordance with Section 3-80 of Article III of the Charter, in the Transcript, a newspaper published and in general circulation in said City, at least ten days before its passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 16th day of August, 2018.


Sarah B. Johnson, City Clerk



1st Publication Date: July 27th, 2018
2nd Publication Date: August 22nd, 2018
Effective Date: August 27th, 2018

Initial: SBS
City Clerk

**WARNING:
IT IS AGAINST THE LAW:**

For anyone to sign this petition with any name other than one's own or to knowingly sign one's name more than once for the same measure or to knowingly sign the petition when not eligible to do so.

Do not sign this petition unless you are a person who owns real or personal property in the service area of the proposed district.

Do not sign this petition unless you have read and have had read to you the petition in its entirety and understand its meaning.

**PETITION FOR THE ORGANIZATION
OF THE USAFA VISITOR'S CENTER BUSINESS
IMPROVEMENT DISTRICT WITHIN THE
CITY OF COLORADO SPRINGS, COLORADO**

The undersigned owner of taxable real or personal property within the proposed service area described in **Exhibit A**, attached hereto and made a part hereof, (the "Service Area"), hereby petitions the Mayor and City Council of the City of Colorado Springs (the "City") for the organization of the **USAFA Visitor's Center Business Improvement District** (the "District") in accordance with the provisions of the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. In support of this Petition, Petitioner states:

(a) The name of the District shall be the USAFA Visitor's Center Business Improvement District.

(b) A description of the boundaries and service area of the District is in the attached **Exhibit A**. The service area shall be the commercial property within these general boundaries. Pursuant to Section 31-12-1203(10), C.R.S., the proposed service area includes property that the Petitioner requests that the City, following a notice and a public hearing, designate as a location for new business or commercial development.

(c) A general description of the types of services or improvements or both to be provided by the District includes, but is not limited to:

The acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and improvements allowed under Colorado law for business improvement districts, including "Improvements" as that term is defined in Section 31-25-1203(5), C.R.S., services as described in Section 31-25-1212(1)(f), C.R.S., and other powers granted to such districts under Section 31-25-1212, C.R.S.

(d) The name(s) of three persons to represent the Petitioner, who have the power to enter into agreements relating to the organization of the District are:

1. Donald Hunt
2. Daniel Schnepf
3. Thomas Markham

(e) Pursuant to Section 31-25-1205(2), C.R.S, this petition is signed by persons who own real or personal property in the service area of the District having a valuation for assessment of not less than fifty percent (50%) of the valuation for the assessment of all real and personal

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property in the service area of the District, and who own at least fifty percent (50%) of the acreage in the District.

(f) Pursuant to Section 31-25-1205(3), C.R.S., this petition is accompanied by a bond with security provided by the governing body or a cash deposit sufficient to cover all expenses connected with the proceedings in case the organization of the District is not effected. If at any time during the organization proceedings the governing body determines that the bond first executed or the amount of the cash deposited is insufficient in amount, it may require the Petitioner to execute an additional bond or the deposit of additional cash within a time to be fixed, not less than ten (10) days thereafter, and Petitioner acknowledges that upon failure of the Petitioner to file or deposit the same, the petition may be dismissed.

(g) Pursuant to Section 31-25-1209(1)(d), C.R.S., the City may provide by ordinance for a board of directors of the District consisting of five (5) members. The five member Board of Directors of the proposed District will be appointed by the Mayor and will serve at the pleasure of the City. Petitioner requests that the City pass such an ordinance and that the initial board of directors be the following electors of the District:

1. Donald Hunt
2. John Fox
3. Eric Smith
4. Daniel Schnepf
5. Thomas Markham

Each member shall fulfill all statutory requirements prior to undertaking official duties.

(h) The commercial property owners of the District request that the City, after public notice and hearing, designate the territory within the District as a location for new business or commercial development under Section 31-25-1203(10), C.R.S.

(i) Pursuant to Section 31-25-1213, C.R.S., the board of directors of the District shall have the power to issue indebtedness and to levy and collect ad valorem taxes on and against all taxable commercial property within the boundaries of the District in an amount authorized by election and allowed by the operating plan and budget to be approved by the City. The board of directors shall, in accordance with Sections 31-25-1214 and 39-5-128, C.R.S., certify the mill levy to the El Paso County Board of County Commissioners as appropriate.

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(j) The board of directors of the District shall have all other powers as may be necessary, convenient, and authorized by statute set forth in the operating plan and budget of the District. The District shall file its operating plan and budget by September 30 of each year for approval by the City as provided by Section 31-25-1211, C.R.S.

THEREFORE, Petitioner respectfully requests that the City approve the organization of the USAFA Visitor's Center Business Improvement District and adopt the ordinance and take the actions requested in the petition to provide for its effective and efficient operation.

PETITIONER:

GREAT RIVER EQUITIES LLP,
a Colorado limited liability partnership

By: 

Name: DAN SCHNEFF

As its: MANAGING PARTNER

Date of Signing: 6/21/18

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AFFIDAVIT OF AUTHORITY

I, DAN SCHNEPF (print name) do solemnly swear or affirm that I am a MANAGING PARTNER of GREAT RIVER EQUITIES LLP, a Colorado limited liability partnership, the record owner of property located within the service area of the proposed USAFA Visitor's Center Business Improvement District as more particularly described in the foregoing Petition, that I signed the Petition for the formation of said District on behalf of the owner of said property, and that I am authorized to sign the Petition on behalf of the said owner.

Date: 6/21/18 Signature: *[Handwritten Signature]*
Office Held: MANAGING PARTNER

Your signature must be notarized by a Notary Public unless you sign this petition before the petition circulator.

Notarization:

STATE OF COLORADO)
) ss.
COUNTY OF El Paso)

The foregoing signature was subscribed or acknowledged before me this 21 day of June, 2018, by Dan Schnepf as Managing Partner of GREAT RIVER EQUITIES LLP, a Colorado limited liability partnership.

My commission expires: 9.7.2020

[SEAL]

[Handwritten Signature]
Notary Public

JANET E TURLEY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124058546
MY COMMISSION EXPIRES SEPTEMBER 7, 2020

PUBLIC NOTICE OF HEARING ON

PETITION FOR THE ORGANIZATION OF THE BLUE AND SILVER BUSINESS IMPROVEMENT DISTRICT IN THE CITY OF COLORADO SPRINGS, COLORADO, AND CONSIDERATION OF AN ORDINANCE ORGANIZING THE BLUE AND SILVER BUSINESS IMPROVEMENT DISTRICT, APPOINTING THE INITIAL BOARD OF DIRECTORS, APPROVING THE 2018 OPERATING PLAN AND BUDGET, AND DESIGNATING THE AREA AS A LOCATION FOR NEW BUSINESS OR COMMERCIAL DEVELOPMENT

PUBLIC NOTICE IS HEREBY GIVEN that there was filed in the office of the City Clerk of the City of Colorado Springs, Colorado, a Petition for the Organization of the Blue and Silver Business Improvement District ("Proposed District") in accordance with the provisions of the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. Said Petition is pending the hearing on the sufficiency of said Petition and action on an ordinance to organize the Proposed District by the City Council as the governing body of the City of Colorado Springs, Colorado (the "City").

Said Petition states, among other things:

(a) A general description of the boundaries and service area of the Proposed District, attached hereto as Exhibit A and incorporated herein by reference;

(b) The Proposed District shall be empowered to provide all or part of the services and improvements allowed under Colorado law for business improvement districts, including "Improvements" as that term is defined in Section 31-25-1203(5), C.R.S., services as described in Section 31-25-1212(1)(f), C.R.S., and other powers granted to such districts under Section 31-25-1212, C.R.S., to the extent set forth in its Operating Plan; and

(c) That the initial five (5) members of the Board of Directors of the Proposed District shall be appointed by the City, as provided in Section 31-25-1209(1)(b), C.R.S.

The petition is on file at the office of the City Clerk of the City of Colorado Springs and is available for public inspection.

NOTICE IS FURTHER GIVEN that by resolution of the City Council, a public hearing on said Petition shall be held at the hour of 1:00 p.m., on Tuesday, the 24th day of July, 2018, in Council Chambers located on the third floor of City Hall located at 107 N. Nevada Avenue, Colorado Springs, CO 80903, at which time and place any interested party may appear and be heard on the sufficiency of the Petition.

NOTICE IS FURTHER GIVEN that the City Council, at the conclusion of said hearing, if it determines that the Petition satisfies the requirements of the Business Improvement District Act, will consider the adoption of a proposed ordinance organizing the Blue and Silver Business Improvement District, appointing the initial board of directors, approving the 2018 operating plan and budget, and designating the area as a location for new business or commercial development.

/s/ Sarah B. Johnson, City Clerk, City of Colorado Springs

Exhibit A

LOT 1 GRE/CSHP FILING NO. 1, CITY OF COLORADO SPRINGS, EL PASO COUNTY,
COLORADO; A/K/A PARCEL NO. 6233401052, AND 2435 RESEARCH PKWY., COLORADO
SPRINGS, CO 80920

2018 OPERATING PLAN AND BUDGET

~~BLUE AND~~
~~SILVERUS AFA~~
VISITOR'S CENTER
BUSINESS
IMPROVEMENT
DISTRICT

City of Colorado Springs, El Paso County, Colorado

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2018
OPERATING PLAN FOR THE
~~BLUE AND SILVER~~USAFA VISITOR'S CENTER 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 ~~Blue and Silver~~USAFA Visitor's Center 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, as amended, as further described and limited by this Operating Plan.

This 2018 Operating Plan is the District's initial Operating Plan following its organization by the City.

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, 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.

C. Purposes. The District's primary purpose is to provide for the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of the services and public improvements necessary to support the development of a 57 acre commercial mixed-use development located near the north entrance to the United States Air Force Academy (the "Project"). The Project is located on property owned by the United States Air Force Academy ("USAFA") that will be developed by Blue & Silver Development Partners, LLC (the "Developer"), through a long term lease arrangement with the USAFA as part of the USAFA's Enhanced Use Leasing Project.

The 57 acres underlying the Project (the "USAFA Property") is not currently located within the boundaries of the City. As further described in this Operating Plan, the District will initially be formed on a smaller parcel of land located within the City. The USAFA Property will be annexed into the City at a later date and will subsequently be included into the District boundaries.

The District shall be expressly prohibited from owning any property or improvements, providing any services, issuing any debt or other financial obligations, or imposing any ad valorem

property taxes, fees or assessments unless and until the USAFA Property is annexed into the City and included within the District boundaries.

Notwithstanding the foregoing limitation, the District may engage such consultants and take such actions as are necessary to conduct an organizational/TABOR election on November 6, 2018, to carry out the District's basic administration and operations, and to comply with all applicable statutory and City-imposed requirements for business improvement districts.

As further set forth in Section 9 of this Operating Plan, if the USAFA Property is not annexed into the City and included within the boundaries of the District on or before December 31, 2021, the District shall be dissolved.

D. Ownership of Property or Major Assets. The District may own property or major physical assets as part of the anticipated development.

E. Contracts and Agreements. The District does not currently have any significant contracts or agreements associated with any financial obligations. Following its organization, the District may engage accounting, legal and other consultants as necessary to carry out the District's basic administration.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. Organization. The District was organized by the City of Colorado Springs, Colorado in 2018.

B. Governance. The District is governed by an appointed board of directors comprised of five members.

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

1. John Fox
2. Don Hunt
3. Tom Markham
4. Dan Schnepf
5. Eric Smith

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

D. Term Limits. The Board of Directors is appointed by City Council to serve at the pleasure of the City Council. There are no established terms, and term limits will be waived by the District's electors at the District's November 6, 2018, 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 currently includes approximately 1.705 acres within its boundaries as described in Exhibit C and depicted in Exhibit D (the “Initial District Boundaries”). It is anticipated that the District will include the USAFA Property within its boundaries at a later date.

4. PUBLIC IMPROVEMENTS

The public improvements that the District may 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, the following types of improvements: water, safety protection, sanitation, dry utilities, streets, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, parks, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the “Public Improvements”).

5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

Subject to the express limitations of this Operating Plan, the District may engage such consultants and take such actions as are necessary to conduct an election on November 6, 2018, to carry out the District’s basic administration and operations, and to comply with all applicable statutory and City-imposed requirements for business improvement districts.

The District will not have any employees in 2018 and will contract with consultants as necessary to carry out the District’s basic administration and operations.

6. FINANCIAL PLAN AND BUDGET

A. 2018 Budget. The 2018 Budget for the District is attached as Exhibit B.

B. Authorized Indebtedness. This District is not authorized to issue any debt under this Operating Plan. The District will hold an election on November 6, 2018, regarding the District’s revenue and debt authority.

C. Property Tax and Mill Levy Caps. The District may impose ad valorem property taxes to fund the district’s debt service obligations and operations and maintenance expenses. The District may impose a debt service mill levy not to exceed 50 mills and an operations and maintenance mill levy not to exceed 10 mills. The District does not intent to impose either a debt service mill levy or an operations and maintenance levy in 2018.

Commencing in 2019, the District may impose an ad valorem property tax mill levy, and utilize public improvement fees, any other lawful revenue source and the revenues derived

therefrom in order to establish a sinking fund to pay for the demolition and restoration of the USAFA Property as required by the terms of the USAFA's Enhanced Use Lease ("ELU").

D. District Revenues. It is anticipated that the District will impose a debt service mill levy of 50 mills and an operations and maintenance mill levy of 10 mills to support the Project. In addition, it is anticipated that the Developer will facilitate the imposition of public improvement fees (PIFs) on all taxable sales and lodging within the Project, with all revenues associated with such PIFs being pledged to the District to fund the District's debt service, operation and maintenance obligations, and obligations to perform the obligations under the ELU that are assumed by the District ("ELU Obligations").

E. Existing Debt Obligations. The District does not have any existing debt obligations.

F. Future Debt Obligations. Subject to the constraints specified in this Operating Plan it is anticipated that the District will issue debt in 2019.

G. Other Financial Obligations. It is anticipated that the District's initial operations will be funded by the Developer, and such funding will be reimbursed to the Developer pursuant to one or more reimbursement agreements that may be entered into between the District and the Developer on an annual appropriations basis.

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 Obligations. 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, prospectuses, 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 District may utilize revenues derived from public improvement fees (PIFs) on all taxable sales and lodging within the Project to fund the District's debt service, operation and maintenance obligations and ELU obligations.

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. 2018 ACTIVITIES, PROJECTS AND CHANGES

A. Activities. The District will conduct an organizational/TABOR election on November 6, 2018, and carry out only basic administration and operations activities as necessary to comply with all applicable statutory and City-imposed requirements for business improvement districts.

B. Projects and Public Improvements. The District will not finance or construct any public improvements in 2018.

C. Summary of 2018 Activities.

Boundary changes: It is anticipated that the District will include the USAFA Property into its boundaries.

Changes to board or governance structure: None.

Mill levy changes: None.

New, refinanced or fully discharged debt: It is anticipated that the District will issue debt in 2019.

Elections: The District will hold an election on November 6, 2018, on the District's revenue and debt authority and other organizational questions.

Major changes in development activity or valuation: Upon its annexation into the City the District will include the USAFA Property into its boundaries, and it is anticipated that development within the USAFA Property will commence in 2019.

Ability to meet current financial obligations: The District does not have any current financial obligations. It is anticipated that the District's initial operations will be funded by the Developer.

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. In the event the USAFA Property is not annexed into the City and included in the District boundaries on or before December 31, 2021, the District shall be dissolved, and such dissolution proceedings may be commenced unilaterally by City Council Resolution.

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:

1. John Fox
2. Don Hunt
105 Sunset Drive, P.O. Box 224
Frisco, CO 80443
303-378-2650
dhunt@anteronet.com
3. Tom Markham
tommarkham66@gmail.com
4. Dan Schnepf
2435 Research Parkway, Suite 300
Colorado Springs, CO 80920
719-238-4888
dan_schnepf@matrixdesigngroup.com
5. Eric Smith
12 Kreg Lane
Manitou Springs, CO 80829
719-338-2388
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EXHIBIT B
District Budget 2018

GENERAL FUND

	2018
Beginning Fund Balance	-
REVENUES	
Property Taxes	-
Specific Ownership Taxes	-
Public Improvement Fees	-
Developer Advance	75,000
Net Investment Income	-
Intergovernmental Revenue	-
Total Revenues	75,000
EXPENDITURES	
Accounting	10,000
Audit	-
Contingency	-
District Management	-
Dues and Membership	1,000
Insurance	4,000
Legal	50,000
Miscellaneous	5,000
Total Expenditures	70,000
ENDING FUND BALANCE	5,000
Emergency Reserve	5,000
Total Reserve	5,000

CAPITAL PROJECTS FUND

	2018
Beginning Fund Balance	-
REVENUES	
Property Taxes	-
Public Improvement Fees	-
Developer Advance	-
Net Investment Income	-
Intergovernmental Revenue	-
Bond Issuance	-
Total Revenues	-
EXPENDITURES	-
Total Expenditures	-
ENDING FUND BALANCE	-

DEBT SERVICE FUND

	2018
Beginning Fund Balance	-
REVENUES	
Property Taxes	-
Public Improvement Fees	-
Developer Advance	-
Net Investment Income	-
Intergovernmental Revenue	-
Total Revenues	-
EXPENDITURES	
Bond Interest	-
Bond Principal	-
Miscellaneous	-
Contingency	-
Total Expenditures	-
ENDING FUND BALANCE	-

EXHIBIT C
District Boundary Legal Description

LOT 1 GRE/CSHP FILING NO. 1, CITY OF COLORADO SPRINGS, EL PASO COUNTY,
COLORADO; A/K/A PARCEL NO. 6233401052, AND 2435 RESEARCH PKWY.,
COLORADO SPRINGS, CO 80920

EXHIBIT D
District Boundary Map

Special District Policy
Approved January 24, 2006

1. This policy applies to Business Improvement Districts (BID), General Improvement Districts (GID), and Metropolitan Service Districts as allowed under Colorado Revised Statutes Titles 31 and 32.
2. Applicants must complete and submit a Titles 31 and 32 Special District Transmittal Form and applicants for Title 32 Metropolitan Districts must complete and submit a Service Plan. Any deviation from the Metropolitan District Model Service Plan will be reviewed by City Staff and, if deemed material by Staff, will require specific City Council review and approval as a Service Plan modification. For Title 32 Metropolitan Districts, the Model Service Plan contains the complete and comprehensive description of all Policy components.
3. 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.
4. 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.
5. Any proposed District must commit to the City that its mill levy dedicated to repaying any bonded debt will not exceed the greater of 30 mills for residential properties or 50 mills for commercial properties and may be Gallagher adjusted (or otherwise adjusted) to the extent permitted by law. The maximum allowed for operating is 10 mills for both residential and commercial properties which may be Gallagher adjusted (or otherwise adjusted) to the extent permitted by law.
6. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.
7. Districts shall not impose a debt service mill levy on any District initially established as a Residential District which exceeds 40 years after the year of the initial imposition of such debt service mill levy unless: (1) a majority of the Board of Directors of the District imposing the mill levy are residents of such District and (2) such Board has voted in favor of issuing debt with a term which requires or contemplates the imposition of a debt service mill levy for a longer period of time than the limitation contained herein.

8. The District cannot issue debt or certify a debt service mill levy until the property included within the District has a City approved Master Plan and other more detailed land use approvals.
9. Limited tax general obligation bonds issued by a 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. 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. The bonds or other debt instruments of Districts will be limited to those that are payable either from ad valorem property taxes, assessments, permitted user fees, reimbursements and interest earnings of the District, and from other revenues made available to the District. No District will be allowed to impose a sales tax.
12. The debt of any 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 any District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District. Districts formed under Title 32, CRS shall not utilize the City of Colorado Springs' name in the name of the District.
13. The issuance of all bonds or other debt instruments of Districts shall be subject to the approval of the City Council. City Council's review of the bonds or other debt instruments of the Districts shall be conducted to ensure compliance with the Service Plan and all applicable laws.
14. All District bonds or other debt instrument, if not rated as investment grade, must be issued in minimum denominations of \$100,000 and sold only to either accredited investors as defined in rule 501 (a) promulgated under the Securities Act of 1933 or to the developer(s) of property within the District.
15. Proceeds from the sale of debt instruments and other revenue of Districts may not be used to pay landowners within the District for any real property required to be dedicated for public use by annexation agreements or land use codes. Examples of ineligible reimbursements include but are not limited to: the acquisition of rights of way, easements, water rights, land for prudent line drainage, parkland, or open space unless consent from the City Council is given. Proceeds from the sale of debt instruments and other revenue of Districts also may not be used to pay for the construction of any utility infrastructure except for those categories of utility infrastructure covered by utility tariffs, rules, and regulations. Additionally, if the landowner/developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive the report of an independent engineer or accountant confirming that the amount of the reimbursement is reasonable.

16. Should the District construct infrastructure subject to a recovery agreement with the City or other entity, the District retains all benefits under the recovery agreement. Any such reimbursements for public improvements installed or financed by a District will remain the property of the District and be applied towards the repayment of its bonded debt, if any. Any reimbursement revenue not necessary to repay District bonded debt may be utilized by the District to construct additional public improvements as approved by City Council. The above provisions also apply in their entirety to circumstances where the public infrastructure has been constructed by the landowner/developer and subsequently conveyed to the District in return for a reimbursement obligation from the District; under those circumstances all applicable recovery agreements will be assigned to the District.
17. The existence of the District will not be considered a substitute for a financial assurance.
18. The City will establish and charge review and filing fees commensurate with the actual cost of processing and reviewing new and amended plans. Such fees are established by separate Council resolution and made available to all Service Plan applicants.
19. Districts shall take all reasonable steps necessary to ensure adequate disclosure of the existence, financial condition, and status of the District to all property owners within its boundaries. Specific written disclosure will be provided to all buyers of property within the District as required in 38-35.7-101 CRS. As required by 7-100 of the City Charter, the City will make available to the public all information regarding the financial condition and status of all General Improvement Districts within the City. Within 90 days of District formation, the District will record the approved Disclosure form included as an Exhibit in the approved Service Plan with the El Paso County Clerk and Recorder against all property included in the District.
20. All BIDs are required to submit an annual audit by March 31 performed by an independent certified public accounting firm.
21. No District shall have the authority of eminent domain or dominant eminent domain without prior City Council approval.
22. The Districts shall not include within any of their boundaries any property outside the Service Area (as described in the Service Plan) without the prior written consent of the City Council.

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO, } ss.
COUNTY OF EL PASO }

I, Amy Sweet, Publisher and Executive Editor, or the undersigned Authorized Agent of the Publisher and Executive Editor, do solemnly swear that I am the Publisher and Executive Editor, or Authorized Agent of the Publisher and Executive Editor of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

09, JULY, A.D. 2018.

And that the last publication of said notice was in the issue of said newspaper dated:

09, JULY, A.D. 2018.

In witness whereof, I have hereunto set my hand this 20th day of August, A.D. 2018.

Cathy Reilly

Publisher and Executive Editor / Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 20th day of August, A.D. 2018.

Melissa N. Edwards
Notary Public

PUBLIC NOTICE OF HEARING ON PETITION FOR THE ORGANIZATION OF THE BLUE AND SILVER BUSINESS IMPROVEMENT DISTRICT IN THE CITY OF COLORADO SPRINGS, COLORADO, AND CONSIDERATION OF AN ORDINANCE ORGANIZING THE BLUE AND SILVER BUSINESS IMPROVEMENT DISTRICT, APPOINTING THE INITIAL BOARD OF DIRECTORS, APPROVING THE 2018 OPERATING PLAN AND BUDGET, AND DESIGNATING THE AREA AS A LOCATION FOR NEW BUSINESS OR COMMERCIAL DEVELOPMENT

PUBLIC NOTICE IS HEREBY GIVEN that there was filed in the office of the City Clerk of the City of Colorado Springs, Colorado, a Petition for the Organization of the Blue and Silver Business Improvement District ("Proposed District") in accordance with the provisions of the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. Said Petition is pending the hearing on the sufficiency of said Petition and action on an ordinance to organize the Proposed District by the City Council as the governing body of the City of Colorado Springs, Colorado (the "City").

Said Petition states, among other things:

(a) A general description of the boundaries and service area of the Proposed District, attached hereto as Exhibit A and incorporated herein by reference;

(b) The Proposed District shall be empowered to provide all or part of the services and improvements allowed under Colorado law for business improvement districts, including "Improvements" as that term is defined in Section 31-25-1203(5), C.R.S., services as described in Section 31-25-1212(1)(f), C.R.S., and other powers granted to such districts under Section 31-25-1212, C.R.S., to the extent set forth in its Operating Plan; and

(c) That the initial five (5) members of the Board of Directors of the Proposed District shall be appointed by the City, as provided in Section 31-25-1209(1)(b), C.R.S.

The petition is on file at the office of the City Clerk of the City of Colorado Springs and is available for public inspection.

NOTICE IS FURTHER GIVEN that by resolution of the City Council, a public hearing on said Petition shall be held at the hour of 1:00 p.m., on Tuesday, the 24th day of July, 2018, in Council Chambers located on the third floor of City Hall located at 107 N. Nevada Avenue, Colorado Springs, CO 80903, at which time and place any interested party may appear and be heard on the sufficiency of the Petition.

NOTICE IS FURTHER GIVEN that the City Council, at the conclusion of said hearing, if it determines that the Petition satisfies the requirements of the Business Improvement District Act, will consider the adoption of a proposed ordinance organizing the Blue and Silver Business Improvement District, appointing the initial board of directors, approving the 2018 operating plan and budget, and designating the area as a location for new business or commercial development.

/s/ Sarah B. Johnson
City Clerk
City of Colorado Springs

Exhibit A

LOT 1 GRE/CSHP FILING NO. 1,
CITY OF COLORADO SPRINGS,
EL PASO COUNTY, COLORADO;
A/K/A PARCEL NO. 6233401052,
AND 2435 RESEARCH PKWY.,
COLORADO SPRINGS, CO 80920
Publication Date: July 9, 2018
Published in The Transcript
DT33782

MELISSA N EDWARDS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 20084013959
MY COMMISSION EXPIRES 04-24-2020

EXHIBIT B