

2019 OPERATING PLAN AND BUDGET

**Greater Downtown
Colorado Springs
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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2019
OPERATING PLAN FOR THE GREATER DOWNTOWN COLORADO SPRINGS
BUSINESS IMPROVEMENT DISTRICT

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 Greater Downtown Colorado Springs 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.

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.

The District’s original plan, 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 year’s Operating Plans, the ongoing and/or contemplated purposes of this District for 2018 include public space management and consumer marketing.

D. Ownership of Property or Major Assets The BID owns a truck, small equipment and supplies and an inventory of Van Briggles tile, valued after depreciation at \$5,207 as of July 31, 2018; the assets are used in the enhancements and maintenance of public spaces downtown.

E. Contracts and Agreements The BID engages in contracts for its services, primarily:

- Timberline Landscaping, Jan. 1, 2019-Dec. 31, 2019, for daily cleaning and landscaping services, \$227,793.

- Robertson’s Landscaping for holiday décor installation and deinstallation, Jan. 1, 2019-Dec. 31, 2019, not yet completed, approximately \$14,000.
- Downtown Partnership, Jan. 1, 2019-Dec. 31, 2019, for financial services, administrative services, public space management oversight and marketing services, \$201,092.
- Mercurial Solutions, for supplemental private security, Jan. 1, 2019-Dec. 31,2019, to be determined.

ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

- A. Organization. The Greater Downtown Colorado Springs Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 01-98 dated July 10, 2001.
- B. Governance. The District is governed by an appointed board of directors.
- C. Current Board. The persons who currently serve as the Board of Directors are:
 - 1) William Nelson
 - 2) Jessica Modeer
 - 3) David Bunkers
 - 4) Tim O’Donnell
 - 5) Craig Ralston
 - 6) Simon Penner
 - 7) Russ Ware
 - 8) Sarah Garza
 - 9) Luke Travins
 - 10) Lauren Ciborowski
 - 11) Colin Christie

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

- C. Term Limits. Board members may serve a maximum of two, full, three-year terms. Bylaws stipulate seven directors representing owners of real estate, of which two of these must represent real estate of 50,000 square feet or greater; a minimum one retail/restaurant tenant; a minimum of one service business tenant; a minimum of one office tenant; and one resident.
- E. Advisory Board. No Advisory Board has been appointed.

BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District currently includes 30 city blocks with boundaries as depicted in Exhibit C. The BID continues to examine possible limited expansion due to growing demand for BID services. In particular, the east side of the 500 block of South Tejon Street as well as the 600 blocks of

South Tejon Street, east and west, are under consideration, due to improved properties and public usage in that block and inquiries by property owners concerning desire for BID services.

PUBLIC IMPROVEMENTS

BID does not anticipate financing major public improvements in 2019. BID services exist primarily to clean and maintain improved sidewalks and public spaces on an everyday basis.

ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

The BID seeks to protect public and private investment in Downtown Colorado Springs and to attract new investments to the Downtown. The BID works to preserve and improve economic, cultural and civic conditions within the BID by facilitating partnerships of people and organizations to achieve mutual goals. The BID can provide funding to plan, evaluate, facilitate and implement the BID objectives, services and promotional activities that will help to acquire and grow viable and sustainable markets, thus strengthening competitiveness in the regional marketplace. Since the inception of the district, the objectives of the BID have been, and continue to be, revitalization of Downtown to support the attraction of residents, merchants, businesses, office users, entrepreneurs, corporate headquarters, entertainment, culture and the arts; all will increase the customer experience and traffic downtown, better enabling the Downtown to compete for customers and tenants and to position it as a destination point. Key focus areas are public space management and consumer marketing.

The services, facilities and improvements to be provided by the BID are not intended to duplicate or supplant the services, facilities and improvements provided by the City of Colorado Springs within the boundaries of the BID. The BID was created to enhance services, facilities and improvements within the BID.

The BID contracts for cleaning, landscaping, administrative, financial, management, security and marketing services, as described previously. Specific activities are listed in the Activities section below.

FINANCIAL PLAN AND BUDGET

1. 2019 Budget. The 2018 Budget for the District is attached as Exhibit B. BID anticipates no significant changes in budget and services. However, the board has designated a contingency from reserves which may, at a date to be determined, be allocated to increase supplemental security services to more year-round instead of seasonal operations.
2. Authorized Indebtedness. None currently and none anticipated for 2019.
3. Property Tax and Mill Levy Caps. The original 5 mill levy was established when the Greater Downtown Business Improvement District was created. It cannot be

increased without approval by District voters. In the November 4, 2003, election District voters approved the de-TABORing of revenues received by the District under Section X, Article 20 of the Colorado Constitution. At that election the District voters also approved the exemption of the 5 mill levy from the property tax increase limitations contained in Colorado Revised Statutes 29-1-301 and 29-1-302. There is no Gallagher adjustment authorized. There are no property tax abatements at this time.

4. District Revenues. The BID is financed, in whole or in part, by a 5 mill levy on real and personal property within the district. The revenue so derived is used to fund legally authorized programs and services of the BID. Unexpended monies at the end of the fiscal year may be placed in one or more reserve funds to be expended as determined by the BID Board of Directors, including for capital expenses and operating expenses.
5. Existing Debt Obligations. The BID has no existing debt obligations.
6. Future Debt Obligations. The BID does not anticipate future debt obligations for 2019.
7. Other Financial Obligations. The BID has no existing financial obligations beyond standard legal requirements and the aforementioned contracts.
8. 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. 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. 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. 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

MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

(a) **Audit.** The District will submit an annual audit to the City Finance Department no later than March 1 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 will not utilize any revenues from a new, increased or expanded public improvement fee (PIF) unless specifically authorized in a subsequent operating plan and budget, or separately approved by City Council. The imposition of a PIF and any provisions for adjustment of a PIF that have been previously approved by City Council shall not be subject to this restriction.

(e) **Condemnation.** The Colorado Revised Statutes do not authorize BIDs to use powers of eminent domain. The exercise of eminent domain authority by any City-authorized district is also specifically prohibited without express prior City Council approval.

2018 ACTIVITIES, PROJECTS AND CHANGES

1. Activities

Public space management programs are designed to keep the BID clean, safe and welcoming for customers, workers, property owners and pedestrians. Services include but are not limited to: seven-day-a-week removal of litter, cigarette butts and waste on sidewalks, alleys and public amenities such as benches; limited snow removal; power-washing and spot washing of sidewalks; monitoring and reporting of safety concerns to CSPD; seasonal private security; graffiti and gum removal; watering and maintenance of more than 100 flowerbeds and nearly 50 flowerpots; installation and deinstallation of holiday décor; installation and deinstallation of lamppost banners for downtown promotions and through contracts with local nonprofits.

Consumer marketing drives patrons and customers downtown and supports the economic viability of the scores of primarily locally owned and operated stores and restaurants. Activities include but are not limited to: maintenance of a robust website; communication through an e-blast and use of social media such as Facebook and Twitter; print advertisements in The

Gazette, Independent and Colorado Springs Business Journal; radio and TV broadcast promotion; design and distribution of 80,000 copies of a downtown map; monthly printing and distribution of rack cards and posters promoting downtown events and activities.

Marketing campaigns include but are not limited to Mother's Day; beer-focused restaurant promotion; Summer Sidewalk Sale; and, especially, significant holiday campaign initiatives to include promotion of Small Business Saturday and the Holiday Stroll. The BID also promotes and sells a gift card redeemable at more than 100 merchants and restaurants to encourage downtown shopping and dining.

Supplemental security efforts are provided on a contract basis with a team of two officers walking and/or biking throughout the BID, providing assistance to merchants with safety concerns and relaying information to Colorado Springs Police Department.

Additionally, the BID hosts regular meetings to inform and seek feedback from merchants. The BID partners with CSPD in support of its volunteer Ambassadors program. The BID creates awareness of City parking options and educates regarding safety and vagrancy concerns in the downtown area. BID contractors attend monthly city event permitting meetings to ensure events enhance the downtown experience and do not unduly burden retail; BID informs BID owners and tenants regarding frequent street closures and other issues.

2. Projects and Public Improvements

No major projects or public improvements scheduled.

3. Summary of 2019 Activities and Changes from Prior Year

- Boundary changes: Possible addition of one or more blocks on the southern boundary, based on increased public usage of those blocks and inquiries by property owners regarding a desire for BID services.
- Changes to board or governance structure: None anticipated.
- Mill levy changes: None anticipated.
- New, refinanced or fully discharged debt: None anticipated.
- Elections: None anticipated
- Major changes in development activity or valuation: None anticipated.
- Ability to meet current financial obligations: Not applicable.

DISSOLUTION

The BID will have perpetual existence unless a budget is not submitted to City Council for two consecutive years, in which case the BID will be dissolved by operation of law.

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

- William Nelson, attorney, Lewis, Roca, Rothgerber. *Chair, appointed first full term June 2013.* wnelson@lrrlaw.com
- Jessica Modeer, co-owner of Zeezo's costume and magic shop. *Vice chair, appointed first full term June 2013.* jmodeer@msn.com.
- David Bunkers, CFO, Griffis Blessing. *Treasurer, appointed first full term June 2013.* dave@gb85.com.
- Lauren Ciborowski, owner, Modbo gallery. *Appointed first full term June 2015.* laurenthepianist@gmail.com
- Tim O'Donnell, resident, Giddings Lofts at 101 North Tejon Street *Appointed first full term July 2018.* Tim_ODonnell@live.com
- Sarah Garza, assistant vice president, US Bank Downtown office. *Appointed first full term July 2018.* Sarah.Gonzales1@usbank.com
- Simon Penner, principal, Newmark Grubb Knight Frank. *Appointed first full term June 2017.* spenner@ngkf.com
- Craig Ralston, executive director, The Sachs Foundation. *Appointed partial term May 2015.* craig@ralston21.com
- Luke Travins, co-owner, Concept Restaurants. *Appointed first full term June 2014.* luke@conceptrestaurants.net
- Russ Ware, co-owner, Wild Goose Meeting House. *Appointed first full term June 2015.* russ@wildgoosemeetinghouse.com
- Colin Christie, Marketing Manager, 365 Grand Properties and Neon Pig Creative. *Appointed partial term February 2017.* colin@neonpigcreative.com

DISTRICT MANAGER: Downtown Partnership provides day-to-day management through a contract for services.

DISTRICT CONTACT: Susan Edmondson, President & CEO, Downtown Partnership, 111 S. Tejon St. Ste. 404, Colorado Springs, CO 80903. 719-886-0088. susan@downtowncs.com.

INSURANCE AND DIRECTOR'S BONDS:

Directors & Officers Liability
Philadelphia Insurance Companies
Policy No. PHSD1189886, Policy Period 12/3/16-12/3/2017

Commercial Policy to include Property, General Liability, Crime, Auto and Inland Marine
Philadelphia Insurance Companies
Policy No. PHPK1583817, Policy Period 12/3/16-12/3/2017
Travelers Insurance Company
Policy No. 105488510, Policy Period 12/3/15-12/3/2018

ACCOUNTANT: Downtown Partnership

AUDITOR: Osborne, Parsons, Rosacker, 601 N. Nevada Ave., Colorado Springs, CO 80903, 719-636-2321.

STAFF: The BID does not have staff. Day-to-day management is provided through a contract for services with Downtown Partnership.

EXHIBIT B – BUDGET

EXHIBIT B - 2019 BID BUDGET
General Fund

	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Budget
Beginning balance - January 1	\$ 416,468.90	\$ 397,784.33	\$ 368,109.00	\$ 392,021.00	\$ 403,428.00
REVENUES					
Property taxes (less abatements)	\$ 507,960.66	\$ 484,539.26	\$ 472,399.00	\$ 509,838.00	\$ 494,442.00
Specific ownership taxes	\$ 61,033.63	\$ 59,020.41	\$ 67,509.00	\$ 52,300.00	\$ 52,300.00
Interest income	\$ 365.19	\$ 1,388.64	\$ 1,950.00	\$ 30.00	\$ 100.00
Other	\$ 14,615.44	\$ 20,346.25	\$ 21,560.00	\$ 28,000.00	\$ 27,000.00
Proceeds from sale of capital assets, net	\$ 800.00	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 584,774.92	\$ 565,294.56	\$ 563,408.00	\$ 590,168.00	\$ 573,842.00
Total Funds Available	\$ 1,001,243.82	\$ 963,078.89	\$ 931,517.00	\$ 982,189.00	\$ 977,271.00
EXPENDITURES					
Public Space Management	\$ 395,317.39	\$ 391,303.75	\$ 391,518.00	\$ 430,000.00	\$ 432,626.00
Marketing Services	\$ 158,511.94	\$ 161,297.71	\$ 91,663.00	\$ 97,300.00	\$ 105,050.00
Parking and Transportation Services/Transportation	\$ 7,871.24	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ 12,958.00	\$ -	\$ -
Direct Overhead	\$ 41,758.92	\$ 42,368.43	\$ 43,357.00	\$ 51,462.00	\$ 50,462.00
Contingency Budget Expense	\$ -	\$ -	\$ -	\$ -	\$ 110,000.00
Fund Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 603,459.49	\$ 594,969.89	\$ 539,496.00	\$ 578,761.00	\$ 698,138.00
Ending Balance - December 31	\$ 397,784.33	\$ 368,109.00	\$ 392,021.00	\$ 403,428.00	\$ 279,133.00

EXHIBIT C - MAP

