

2025 OPERATING PLAN AND BUDGET

**INTERQUEST SOUTH
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2025
OPERATING PLAN FOR THE
INTERQUEST SOUTH 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 South 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 Operating 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 years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2025 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 to be provided by the District include parking facilities, roadways, lighting, driveways, public utilities and landscaping.

D. *Ownership of Property or Major Assets.*

Lot 2, Interquest Filing No. 3C. The District also owns street, water, and sewer facilities. The District may own additional property or major physical assets as part of anticipated development. Funds in the General Fund set forth in **EXHIBIT B** have been budgeted for maintenance expenses.

E. *Contracts and Agreement.*

The District may enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is not

currently a party to any significant active contracts or agreements. The District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. *Organization.*

The Interquest South Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-238 on October 26, 2004.

B. *Governance.*

On September 22, 2015, the City Council of the City of Colorado Springs passed Resolution No. 93-15 and Ordinance No. 15-17 which authorized the City to appoint members to the District's Board of Directors when vacancies occurred outside of an election.

C. *Current Board.*

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

Stacie M. Tucker, President
Bethany A. Fitzgerald, Secretary
Jerry D. Biggs, Treasurer
Gregory M. Tucker, Assistant Secretary
Andrew Biggs, Assistant Secretary

Director and other pertinent contact information are provided in **EXHIBIT A**.

D. *Term Limits.*

The District's election on 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

A current District boundary map is depicted in **EXHIBIT C**. The District does not anticipate any inclusion or exclusion requests in the coming year.

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. 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.

5. ADMINISTRATION, OPERATIONS, SERVICES, PROPERTY OWNERSHIP, AND MAINTENANCE

As mentioned above, the District owns certain real property located within the boundaries of the District, which is intended to be used as parking facilities. The District also owns street, water, and sewer facilities. 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. *2025 Budget.*

The proposed 2025 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 \$24,000,000 for street improvements. 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 \$3,500,000 for water and sanitary sewer. As set forth in the District's 2005 Operating Plan, the City has limited the amount of debt to be issued to a total of \$24,000,000 in the authorized voted categories. This maximum debt authorization amount shall not be exceeded without the City's express prior approval.

C. *Maximum Debt and Operating Mill Levies.*

The mill levy limitations in the District's original Operating Plan (being 50 mills for debt service and one (1) mill for general operations and administrative expenses) remain unchanged. The mill levy caps set forth in this paragraph may be subject to upward or downward adjustments addressing any Mill Levy Adjustment or any abatement occurring

after, but not before January 1, 2006. Such upward or downward adjustments are 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.

D. District Revenues.

See the proposed 2025 Budget attached hereto as **EXHIBIT B**.

E. Existing Debt Obligations.

On December 19, 2017, the District issued \$4,000,000 in Series 2017 Limited Property Tax and Public Improvement Fee Revenue Bonds (the “Series 2017 Bonds”) to fund public improvements, pay bond issue costs, fund an initial deposit to the Surplus Fund, and fund capitalized interest. The Series 2017 Bonds bear interest ranging from 4.5% to 5.0%, paid semi-annually on June 1 and December 1, beginning December 1, 2019. The Series 2017 Bonds mature December 1, 2047. The District receives revenue from a public improvement fee imposed upon property within the District’s boundaries. Such revenues, net of the cost of collection and less the Annual Operations Deduction Amount, are pledged to the payment of the Series 2017 Bonds (in addition to property tax revenues). The “Annual Operations Deduction Amount” is an amount equal to the following for the applicable bond year, or such lesser amount as may be determined in the discretion of the District: (i) the Bond Year ending December 1, 2017, \$0; (ii) the Bond Year ending December 1, 2018, December 1, 2019, and December 1, 2020, \$50,000; (iii) the Bond Year ending December 1, 2021, \$135,000; and (iv) for each Bond Year thereafter, the dollar amount for the prior year plus 1.00%. The District’s current debt service schedule is attached as **EXHIBIT B**.

F. Future Debt Obligations.

In accordance with the City’s Special District Policy, 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. The District does not anticipate issuing debt in the coming year.

G. Developer Funding Agreements

The District entered into a Reimbursement Agreement with Development Management, Inc. on December 31, 2006 (7.0% interest rate); a Reimbursement Agreement with COPT Interquest, LLC on March 5, 2008 (7% interest rate); a Facilities Funding and Reimbursement Agreement with Chalon Properties, Inc., on January 1, 2016 (8% interest rate); and a Reimbursement Agreement with Chalon Properties, Inc., on January 1, 2016 (8% interest rate). It is anticipated that at the end of 2024, the District will have a total developer advances of \$4,649,588, including principal and interest.

Developer Funding Agreements entered into by this District after January 1, 2023 shall be limited to a term of no greater than twenty (20) years, from the time of the first such agreement, after which time any remaining balances must be either converted to Debt or shall no longer be considered an obligation of the District. The Interest Rate on any Developer Funding Agreements initially entered into, or with additional costs added to after January 1, 2023, shall not exceed the Index Rate plus 400 basis points, and interest shall only accrue on the principal balance.

H. 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.

I. 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.

J. Limited 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.

K. Privately Placed Debt and Related Party 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. The Interest Rate for Related Party Privately Placed Debt shall not exceed the Index Rate by more than 400 basis points. Related Party Privately Placed Debt shall not be issued with an optional call date of greater than five (5) years from the date of issuance.

L. End User Fee Limitation

The District shall not impose an End User Fee for the purpose of servicing District Debt without prior approval of City Council.

M. Debt Not an Obligation of the City.

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.

N. Land Development Entitlements

The District shall not issue Debt, enter into any other Long Term Financial Obligation or certify a Debt Mill Levy unless a Land Development Entitlement has been approved for the property.

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 31st 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. Notwithstanding the foregoing, the District may submit a completed audit exemption application to the City Finance Department in lieu of an annual audit if the District qualifies for an audit exemption pursuant to state law.

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 or Authority 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 to be 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.

F. Concealed Carry Prohibition.

The District shall not adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying a concealed

handgun in a building or specific area under the direct control or management of the District as provided in C.R.S. § 18-12-214.

G. *Eligible Expenses or Costs for Reimbursement.*

In addition to any limits or prohibitions contained in Colorado Revised Statutes, the District shall not issue debt for or otherwise fund any costs or expenses not allowed for by the Special District Policy.

H. *Intergovernmental Agreements.*

The District is not party to any intergovernmental agreements and does not anticipate entering into any intergovernmental agreements in 2025.

I. *Overlapping Districts.*

There are no overlapping Districts within the District's boundaries.

8. 2025 ACTIVITIES, PROJECTS AND CHANGES

A. *Activities.*

The District provides the following services and maintains the following improvements: parking facilities, roadways, lighting, driveways, public utilities, snow removal and landscaping.

B. *Projects and Public Improvements.*

The District does not anticipate constructing any public improvements in 2025.

C. *Summary of 2025 Activities and Changes from Prior Year.*

In 2025, the District will provide, operate, and maintain the public improvements mentioned above.

Boundary changes: Not anticipated for the upcoming year.

Changes to board or governance structure: A regular election will be held on May 6, 2025.

Mill levy changes: The District imposed 1.00 mill for operations and maintenance and 5.00 mills for debt service in 2024. The District anticipates imposing 1.00 mills for operations and maintenance 5.00 mills for debt service in 2025.

New, refinanced or fully discharged debt: Not anticipated for the upcoming year.

Elections: May 6, 2025

Major changes in development activity anticipated for the upcoming year: The District completed the construction of public improvements in 2022 and therefore does not anticipate development activity in the coming year.

Ability to meet current financial obligations: See 2025 Budget attached as **EXHIBIT B.**

9. DISCLOSURE AND COMMUNICATION

The District shall maintain a website that includes content similar to that required for metropolitan districts by Colorado Revised Statutes § 32-1-104.5 and as required by Section K

of the Special District Policy, to the extent this content is applicable to BIDs. The District's website is www.interquestsouthbid.com.

10. 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.

11. CONCLUSION

It is submitted that this Operating Plan and Budget for the District meet 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 South Business Improvement District

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM	E-MAIL
Stacie M. Tucker 720 E. 4 th Avenue Durango, CO 81301	President	2022-2025	stacie@fredowencpa.com
Bethany Fitzgerald 2130 72 nd Avenue Court Greeley, CO 80634	Secretary	2022-2025	bethany@fredowencpa.com
Gregory M. Tucker 720 E. 4 th Avenue Durango, CO 81301	Assistant Secretary	2023-2027	greg@tbylaw.com
Jerry D. Biggs 12937 Crowfoot Springs Road Larkspur, Colorado 80118	Treasurer	2022-2025	jbiggs@proterrace.com
Andrew Biggs 6740 Hodgen Road Colorado Springs, CO 80908	Assistant Secretary	2023-2027	abiggs@proterrace.com

DISTRICT MANAGER

ACCOUNTANT:

Josh Miller & Sandy Brandenburger CliftonLarsonAllen LLP 121 South Tejon Street, Suite 1100 Colorado Springs, CO 80903 (w) 719-284-7226 (f) 719-635-0330 josh.miller@claconnect.com Ssandy.brandenburger@claconnect.com	Seef Le Roux, CPA CliftonLarsonAllen LLP 121South Tejon, Suite 1100 Colorado Springs, CO 80903 (w) 719-284-7225 (f) 719-473-3630 Seef.LeRoux@claconnect.com
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INSURANCE AND BONDS:

STAFF:

T. Charles Wilson Insurance Service 384 Inverness Parkway Centennial, CO 80112 303-368-5757 The Colorado Special District Property and Liability Pool McGriff, Seibels & Williams PO Box 1539 Portland, OR 82207-7322	N/A
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EXHIBIT B

(2025 BID Budget)

**INTERQUEST SOUTH BUSINESS
IMPROVEMENT DISTRICT**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 372,396	\$ 589,167	\$ 640,326	\$ 640,326	\$ 841,185
REVENUES					
Property taxes	163,820	216,350	207,747	216,350	215,856
Specific ownership taxes	17,159	21,635	9,828	19,656	21,586
Interest income	28,051	21,954	20,070	29,904	39,300
Reimbursed expenditures	11,114	12,500	5,590	6,000	6,000
Other revenue	20,327	2,000	1,014	2,000	2,500
PIF Revenue	410,409	335,000	185,718	371,436	375,000
Total revenues	<u>650,880</u>	<u>609,439</u>	<u>429,967</u>	<u>645,346</u>	<u>660,242</u>
TRANSFERS IN	<u>135,000</u>	<u>139,158</u>	<u>72,259</u>	<u>274,930</u>	<u>140,482</u>
Total funds available	<u>1,158,276</u>	<u>1,337,764</u>	<u>1,142,552</u>	<u>1,560,602</u>	<u>1,641,909</u>
EXPENDITURES					
General Fund	133,501	230,000	51,476	186,858	220,000
Debt Service Fund	249,449	260,000	99,330	257,629	265,000
Total expenditures	<u>382,950</u>	<u>490,000</u>	<u>150,806</u>	<u>444,487</u>	<u>485,000</u>
TRANSFERS OUT	<u>135,000</u>	<u>139,158</u>	<u>72,259</u>	<u>274,930</u>	<u>140,482</u>
Total expenditures and transfers out requiring appropriation	<u>517,950</u>	<u>629,158</u>	<u>223,065</u>	<u>719,417</u>	<u>625,482</u>
ENDING FUND BALANCES	<u>\$ 640,326</u>	<u>\$ 708,606</u>	<u>\$ 919,487</u>	<u>\$ 841,185</u>	<u>\$ 1,016,427</u>
EMERGENCY RESERVE	\$ 2,300	\$ 2,300	\$ 1,700	\$ 2,100	\$ 2,200
RESERVE - REPAIR AND MAINTENANCE	-	-	-	100,000	150,000
AVAILABLE FOR OPERATIONS	68,202	41,838	143,091	125,021	65,765
SURPLUS FUND (MAX - \$700,000)	569,761	664,468	700,000	700,000	700,000
TOTAL RESERVE	<u>\$ 640,263</u>	<u>\$ 708,606</u>	<u>\$ 844,791</u>	<u>\$ 927,121</u>	<u>\$ 917,965</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION					
Commercial	\$ 22,184,590	\$ 30,443,470	\$ 30,443,470	\$ 30,443,470	\$ 30,359,400
Industrial	3,494,820	4,372,520	4,372,520	4,372,520	4,372,520
State assessed	103,340	32,830	32,830	32,830	34,500
Vacant land	1,535,970	1,209,500	1,209,500	1,209,500	1,209,500
Certified Assessed Value	<u>\$ 27,318,720</u>	<u>\$ 36,058,320</u>	<u>\$ 36,058,320</u>	<u>\$ 36,058,320</u>	<u>\$ 35,975,920</u>
MILL LEVY					
General	1.000	1.000	1.000	1.000	1.000
Debt Service	5.000	5.000	5.000	5.000	5.000
Total mill levy	<u>6.000</u>	<u>6.000</u>	<u>6.000</u>	<u>6.000</u>	<u>6.000</u>
PROPERTY TAXES					
General	\$ 27,319	\$ 36,058	\$ 36,058	\$ 36,058	\$ 35,976
Debt Service	136,594	180,292	180,292	180,292	179,880
Levied property taxes	<u>163,913</u>	<u>216,350</u>	<u>216,350</u>	<u>216,350</u>	<u>215,856</u>
Adjustments to actual/rounding	100	-	(8,077)	527	-
Refunds and abatements	(193)	-	(527)	(527)	-
Budgeted property taxes	<u>\$ 163,820</u>	<u>\$ 216,350</u>	<u>\$ 207,746</u>	<u>\$ 216,350</u>	<u>\$ 215,856</u>
BUDGETED PROPERTY TAXES					
General	<u>\$ 27,303</u>	<u>\$ 36,058</u>	<u>\$ 34,624</u>	<u>\$ 36,058</u>	<u>\$ 35,976</u>
Debt Service	<u>\$ 136,517</u>	<u>180,292</u>	<u>173,123</u>	<u>180,292</u>	<u>179,880</u>
	<u>\$ 163,820</u>	<u>\$ 216,350</u>	<u>\$ 207,747</u>	<u>\$ 216,350</u>	<u>\$ 215,856</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (6,932)	\$ 60,404	\$ 70,502	\$ 70,502	\$ 227,121
REVENUES					
Property taxes	27,303	36,058	34,624	36,058	35,976
Specific ownership taxes	17,159	21,635	9,828	19,656	21,586
Interest income	32	2,450	2,450	4,900	4,300
Reimbursed expenditures	11,114	12,500	5,590	6,000	6,000
Other revenue	20,327	2,000	1,014	2,000	2,500
Total revenues	<u>75,935</u>	<u>74,643</u>	<u>53,506</u>	<u>68,614</u>	<u>70,362</u>
TRANSFERS IN					
Transfers from other funds	<u>135,000</u>	<u>139,091</u>	<u>72,259</u>	<u>274,863</u>	<u>140,482</u>
Total funds available	<u>204,003</u>	<u>274,138</u>	<u>196,267</u>	<u>413,979</u>	<u>437,965</u>
EXPENDITURES					
General and administrative					
Accounting	33,305	34,500	13,818	30,000	34,500
Auditing	4,550	5,000	5,000	5,000	5,250
County Treasurer's Fee	410	542	523	542	540
Dues and membership	2,158	2,058	2,072	2,072	2,500
Insurance	2,136	2,200	2,194	2,194	2,500
District management	39,947	30,000	10,463	25,000	31,500
Legal	9,502	10,000	3,249	10,000	10,500
Miscellaneous	1,746	2,000	715	2,000	2,000
Banking fees	-	200	19	50	200
PIF Collection Fees	10,380	11,500	3,142	8,000	12,800
Election	691	-	-	-	-
Repay developer advance	-	60,000	-	60,000	60,000
Contingency	-	5,000	-	-	9,210
Operations and maintenance					
Landscaping	15,536	21,000	5,194	15,000	18,000
Repairs and maintenance	1,308	7,500	-	3,500	5,000
Snow removal	1,622	12,000	975	10,000	12,000
Utilities	10,210	25,000	4,112	12,000	12,000
Miscellaneous	-	1,500	-	1,500	1,500
Total expenditures	<u>133,501</u>	<u>230,000</u>	<u>51,476</u>	<u>186,858</u>	<u>220,000</u>
Total expenditures and transfers out requiring appropriation	<u>133,501</u>	<u>230,000</u>	<u>51,476</u>	<u>186,858</u>	<u>220,000</u>
ENDING FUND BALANCES	<u>\$ 70,502</u>	<u>\$ 44,138</u>	<u>\$ 144,791</u>	<u>\$ 227,121</u>	<u>\$ 217,965</u>
EMERGENCY RESERVE	\$ 2,300	\$ 2,300	\$ 1,700	\$ 2,100	\$ 2,200
RESERVE - REPAIR AND MAINTENANCE AVAILABLE FOR OPERATIONS	-	-	-	100,000	150,000
TOTAL RESERVE	<u>\$ 70,502</u>	<u>\$ 44,138</u>	<u>\$ 144,791</u>	<u>\$ 227,121</u>	<u>\$ 217,965</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 379,269	\$ 528,700	\$ 569,761	\$ 569,761	\$ 614,064
REVENUES					
Property taxes	136,517	180,292	173,123	180,292	179,880
PIF Revenue	410,409	335,000	185,718	371,436	375,000
Interest income	28,015	19,500	17,618	25,000	35,000
Total revenues	<u>574,941</u>	<u>534,792</u>	<u>376,459</u>	<u>576,728</u>	<u>589,880</u>
TRANSFERS IN					
Transfers from other funds	-	67	-	67	-
Total funds available	<u>954,210</u>	<u>1,063,559</u>	<u>946,220</u>	<u>1,146,556</u>	<u>1,203,944</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	2,049	2,704	2,617	2,704	2,698
Paying agent fees	3,500	3,500	3,500	3,500	3,500
Contingency	-	2,371	-	-	5,302
Debt Service					
Bond interest - Series 2017	188,900	186,425	93,213	186,425	183,500
Bond principal - Series 2017	55,000	65,000	-	65,000	70,000
Total expenditures	<u>249,449</u>	<u>260,000</u>	<u>99,330</u>	<u>257,629</u>	<u>265,000</u>
TRANSFERS OUT					
Transfers to other fund	135,000	139,091	72,259	274,863	140,482
Total expenditures and transfers out requiring appropriation	<u>384,449</u>	<u>399,091</u>	<u>171,589</u>	<u>532,492</u>	<u>405,482</u>
ENDING FUND BALANCES	<u>\$ 569,761</u>	<u>\$ 664,468</u>	<u>\$ 774,631</u>	<u>\$ 614,064</u>	<u>\$ 798,462</u>
SURPLUS FUND (MAX - \$700,000)	<u>\$ 569,761</u>	<u>\$ 664,468</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>
TOTAL RESERVE	<u>\$ 569,761</u>	<u>\$ 664,468</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 59	\$ 63	\$ 63	\$ 63	\$ -
REVENUES					
Interest income	4	4	2	4	-
Total revenues	<u>4</u>	<u>4</u>	<u>2</u>	<u>4</u>	<u>-</u>
Total funds available	<u>63</u>	<u>67</u>	<u>65</u>	<u>67</u>	<u>-</u>
EXPENDITURES					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>67</u>	<u>-</u>	<u>67</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>67</u>	<u>-</u>	<u>67</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide the 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. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District was organized by Ordinance of the City of Colorado Springs on October 26, 2004.

At an election held on November 2, 2004, the voters approved general obligation indebtedness of \$24,000,000 for street improvements. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,500,000 for water and sanitary sewer. The voters also approved an annual increase in taxes of \$60,000, 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. 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. As set forth in the District's 2005 operating plan, the City has limited the amount of debt to be issued to a total of \$24,000,000 in the authorized voted categories, without future approval by the City.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those difference may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District is required to impose a maximum Required Mill Levy of 6.000 mills for collection in 2025. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up and deficiencies in the Reserve Fund].

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes - Continued

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2025, SB22-238, SB 22-238, SB 23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

PIF Fees

The District charges a public improvement fee (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods at a rate of 1.50%, in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District and remitted to the District within 20 days after month end. All PIF fees are pledged to the payment of the District's Series 2017 Special Tax Revenue Bonds, except for \$140,482, which is to be transferred in 2025 to the General Fund for operations and maintenance funding. The amount transferred each year will be increased 1% per year.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operations/Maintenance Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and other administrative expenses. The District has also budgeted for operations and maintenance expenditures for landscaping, snow removal, utilities, and repairs and maintenance of District property.

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2017 Bonds (discussed under Debt and Leases).

Debt and Leases

Series 2017 Bonds

On December 19, 2017, the District issued \$4,000,000 in Series 2017 Limited Property Tax and Public Improvement Fee Revenue Bonds ("the Bonds") on December 7, 2017 to fund public improvements, pay bond issue costs, fund an initial deposit to the Surplus Fund, and fund capitalized interest. The Bonds bear interest ranging from 4.5% to 5.0% paid semi-annually on June 1 and December 1, beginning December 1, 2019. The Bonds mature on December 1, 2047. The Bonds will be secured by and payable solely from pledged revenues, after the Annual Operations Deduction Amount and net of the cost of collection, consisting of (1) revenues attributable to a privately imposed public improvement fee payable with respect to certain retail sales transactions and construction activities occurring within the development, (2) revenues attributable to property taxes derived from an initial required mill levy of 5.000 mills, up to an estimated maximum of 30.000 mills, and (3) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund. The Annual Operations Deduction Amount is an amount equal to: (i) for the Bond Year ending December 1, 2017, \$0; (ii) for each of the Bond Years ending December 1, 2018, December 1, 2019, and December 1, 2020, \$50,000; (iii) for the Bond Year ending December 1, 2021, \$135,000; and (iv) for each Bond Year thereafter, the dollar amount for the prior year plus 1.00%. The District's current debt service schedule is attached.

Developer Advances

The District entered into a Reimbursement Agreement (Agreements) for Operations and Capital with the Developer on January 1, 2016. The District agrees to repay the Developer along with accrued interest, at a rate of 8% beginning on the date the advance were made to the date of repayment. The Agreements does not constitute a multiple-fiscal year obligation.

The District has no operating leases.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Developer Advances (continued)

The District has no capital or operating leases. Anticipated activity is as follows:

	Balance - December 31, 2023	Additions	Retirements	Balance - December 31, 2024*
Property Tax and Public Improvement Fee Revenue				
Bonds - 2017	\$ 3,785,000	\$ -	\$ 65,000	\$ 3,720,000
Developer Advance - Norwood	16,000	-	-	16,000
Accrued Interest - Developer Advances - Norwood	18,620	1,120	-	19,740
Developer Advance				-
Developer Advance - COPT	99,400	-	-	99,400
Accrued Interest - Developer Advances - COPT	88,527	6,958	-	95,485
Developer Advance - Chalon	595,140		60,000	535,140
Accrued Interest - Developer Advances - Chalon	118,612	45,211	-	163,823
	<u>\$ 4,721,299</u>	<u>\$ 53,289</u>	<u>\$ 125,000</u>	<u>\$ 4,649,588</u>
	Balance - December 31, 2024*	Additions	Retirements	Balance - December 31, 2025*
Property Tax and Public Improvement Fee Revenue				
Bonds - 2017	\$ 3,720,000	\$ -	\$ 70,000	\$ 3,650,000
Developer Advance - Norwood	16,000	-	-	16,000
Accrued Interest - Developer Advances - Norwood	19,740	1,120	-	20,860
Developer Advance				-
Developer Advance - COPT	99,400	-	-	99,400
Accrued Interest - Developer Advances - COPT	95,485	6,958	-	102,443
Developer Advance - Chalon	535,140		60,000	475,140
Accrued Interest - Developer Advances - Chalon	163,823	40,411	-	204,234
	<u>\$ 4,649,588</u>	<u>\$ 48,489</u>	<u>\$ 130,000</u>	<u>\$ 4,568,077</u>

*Estimate

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves - (continued)

Surplus Fund (continued)

With the issuance of the Series 2017 Bonds, an initial deposit was made into a Surplus Fund. Pledged Revenue that is not needed to pay debt service on the Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$700,000. Amounts on deposit in the Surplus Fund, if any, on the maturity date of the Bonds will be applied to the payment of the Bonds.

This information is an integral part of the accompanying budget.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$4,000,000
Limited Property Tax and Public
Improvement Fee Revenue Bonds
Series 2017
Dated December 19, 2017
Interest Rate 4.5% - 5.0%
Interest Due June 1 and December 1
Principal due December 1

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total All Bonds</u>
2025	\$ 70,000	\$ 183,500	\$ 253,500
2026	75,000	180,350	255,350
2027	80,000	176,975	256,975
2028	85,000	173,375	258,375
2029	90,000	169,550	259,550
2030	100,000	165,500	265,500
2031	105,000	161,000	266,000
2032	115,000	155,750	270,750
2033	120,000	150,000	270,000
2034	130,000	144,000	274,000
2035	140,000	137,500	277,500
2036	150,000	130,500	280,500
2037	160,000	123,000	283,000
2038	170,000	115,000	285,000
2039	180,000	106,500	286,500
2040	195,000	97,500	292,500
2041	205,000	87,750	292,750
2042	220,000	77,500	297,500
2043	235,000	66,500	301,500
2044	250,000	54,750	304,750
2045	265,000	42,250	307,250
2046	280,000	29,000	309,000
2047	300,000	15,000	315,000
Total	<u>\$ 3,720,000</u>	<u>\$ 2,742,750</u>	<u>\$ 6,462,750</u>

No assurance provided. See summary of significant assumptions.

EXHIBIT C

(District Boundary Map)

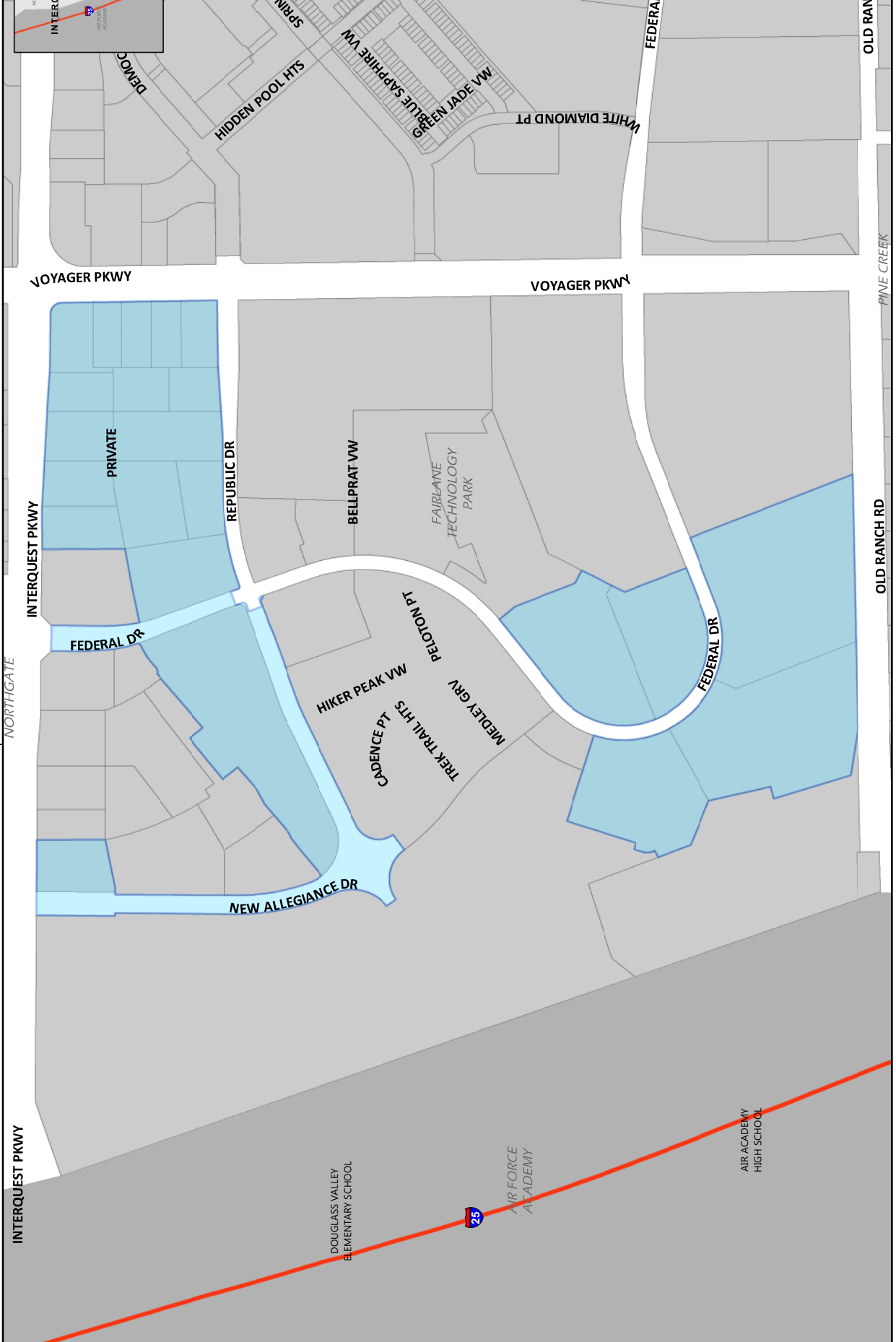
INTERQUEST SOUTH BID

08/19/2022 EPC Assessor's Office
NAD: 1983 StatePlane_Colorado_Central_FIPS_5002_Feet
Projection: Lambert_Conformal_Conic

Tax Boundary
1 inch = 400.6 feet



NORTHGATE



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EXHIBIT D

(Terms and Definitions)

The following terms and definitions from the City of Colorado Springs Special District Policy are specifically incorporated for use in this Operating Plan and Budget.

- a. Authority-** An entity with separate legal powers or authorities, created by intergovernmental agreement (IGA) between or among Districts, or between or among one or more Districts, and another governmental entity.
- b. City-** The City of Colorado Springs, acting legislatively through its City Council or administratively through its mayor or chief of staff, consistent with Colorado Revised Statutes and the City Charter.
- c. Combination of Districts-** Any combination of Metropolitan Districts, BIDs and/or GIDs that overlay each other that are organized by petition of a property developer that are specific to property within a single development project and do not serve any property outside of that project such as regional service district or non-developer controlled existing district.
- d. C.R.S.-** Colorado Revised Statutes.
- e. Debt-** Any bond, note debenture, contract or other multiple year financial obligation of a District which is payable in whole or in part from, or which constitutes an encumbrance on, the proceeds of ad valorem property tax or End User Debt Service Fee imposed by the District, or pledged for the purposes of meeting the obligation.
- f. Debt Mill Levy-** For the purpose of this Policy and its associated plans the debt mill levy is that portion of the overall mill levy of the District, pledged, dedicated or otherwise used to repay formally issued Debt or long terms.
- g. Developer Funding Agreements-** Short or long-term obligations of Districts entered into between Districts and developers related to advancement of reimbursement of Public Improvements or operations and maintenance costs. Such agreements may or may not accrue interest, but do not qualify as formally issued Debt as defined under this Policy or under TABOR.
- h. District –** This Interquest South Business Improvement District.
- i. End User-** A property owner anticipated to have long term, multi-year responsibility for the tax and/or fee obligations of a District. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an end user. A master property developer or business entity that constructs homes or commercial structures for occupancy or ownership primarily by third parties, is not an end user.
- j. End User Debt Service Fees-** Any fees, rates, tolls or charges assessed or pledged or otherwise obligated to End Users by a District for the payment of Debt. End User Debt Service Fees are not intended to include public improvement fees (PIFs) if authorized by this Operating Plan and Budget. .
- k. External Financial Advisor-** A consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a

public finance advisor in the Bond Buyer's Municipal Market Place (also known as the Redbook); and (3) is not an officer of the District.

l. Index Interest Rate- The AAA 30-year MMD (Municipal Market Data) index interest rate.

m. Interest Rate-The annual rate of charge applied to Debt or other District financial obligations.

n. Land Development Entitlement – A City-approved master plan, concept plan or other more detailed land use plan, zoning or combinations thereof, applicable to a substantial proportion of the property to be included in the District and sufficient to support the need for the District along with relevant public improvements financing assumptions and proposed limits.

o. Maximum Debt Mill Levy- The maximum mill levy a District or Combination of Districts is permitted to impose for the payment of Debt. For the purpose of this Policy, a mill levy certified for contractual obligations is part of the Maximum Debt Mill Levy.

p. Maximum Operating Mill Levy- The maximum mill levy a District or Combination of Districts is permitted to impose for operating and maintenance expenses.

q. Mill Levy Adjustment -Any statutory, legislative or constitutional changes that adjust or impact the assessed or actual valuation of property or the assessment ratio pursuant to which taxes are calculated.

r. Model BID Operating Plan and Budget- The most recent version of the template for BID Operating Plans and Budgets adopted in accordance with this Policy.

s. Planning and Community Development Department Director- The Director of the Colorado Springs Planning and Community Development Department or other position which may be established for the purpose of administering this Policy, or their designee.

t. Policy or Special District Policy -The City's adopted Special District Policy as may be amended from time to time.

u. Privately Placed Debt- Debt that is not marketed to multiple independent accredited investors as defined in Rule 501(a) promulgated under the Securities Act of 1933 by a registered bond underwriter or placed directly with a chartered lending institution or credit union.

v. Public Improvements – Any capital or site improvements, (or directly related planning or engineering costs) legally determined to be eligible for ownership, maintenance and/or financing by a District in accordance with the applicable State statutes.

w. Related Party Privately Placed Debt - Privately Placed Debt that is or will be placed with and directly held by a party related to the issuing District.