

2020 OPERATING PLAN AND BUDGET

**INTERQUEST SOUTH
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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2020
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., 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 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 2020 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.*

The District may own property or major physical assets as part of anticipated development.

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/Treasurer
Jerry D. Biggs, Assistant Secretary
Gregory M. Tucker, Assistant Secretary
Vacancy

There is currently one vacancy on the Board of Directors. As development moves forward, a new Board member may be qualified to serve on the Board.

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 as development and completion of existing projects occurs in 2020. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install or cause to be constructed and installed, include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, et seq., C.R.S., lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the "Public Improvements"). The costs of such Public Improvements, including costs of design, acquisition, construction and financing, are referred to herein as the "Public Improvement Costs."

5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

6. FINANCIAL PLAN AND BUDGET

A. *2020 Budget.*

The proposed 2020 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 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. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,500,000 for water and sanitary sewer. 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.

C. *Property Tax and Mill Levy Caps.*

The mill levy limitations in the original Operating Plan (being 50 mills for debt service and one (1) mill for general operations and administrative expenses) remain unchanged. The District anticipates collection of a debt mill levy and operations and maintenance mill levy in 2020.

D. *District Revenues.*

See proposed 2020 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 “Bonds”) 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, beginning December 1, 2019. The Bonds mature December 1, 2047. The Annual Operations Deduction Amount is an amount equal to: (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**.

A bond issuance is not contemplated for 2020, however, if the District desires to issue bonds it will submit the bond financing plan to the City for review.

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.

G. *Other Financial Obligations.*

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

H. *City Charter Limitations.*

In accordance with 7-100 of the City Charter, the District shall not issue any debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth in 7-100 of the City Charter, the total debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the

taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.

I. Non-Default Provisions.

Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.

J. Privately Placed Debt.

Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the debt.

K. The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District.

7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

A. Audit.

The District agrees to submit an annual audit to the City Finance Department no later than March 1st of each year which is performed by an independent certified public accounting firm. Even if the state grants an audit exemption, the District must submit an annual audit as specified above.

B. SID Formation.

The District affirms that it will provide an Amended Operating Plan and seek prior approval of City Council prior to formation of any Special Improvement District within its boundaries in the future.

C. City Authorization Prior to Debt Issuance.

In accordance with the City's Special District Policy, and notwithstanding any statements of intent in the Budget and Operating Plan, this District shall request and obtain approval of City Council prior to issuance of any debt in accordance with the financing plan for the District as previously approved. The standards for City approval shall generally be consistent with the City's Special District Policy, as it may be amended, along with the most recently approved operating plan and budget and any requirements or limitations contained therein to the extent that they are consistent with the financing plans for the District.

D. Public Improvement Fees.

The use of a public improvement fee (PIF) is in place to provide necessary funding revenues for the improvements 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.

8. 2020 ACTIVITIES, PROJECTS AND CHANGES

Activities. The District will continue with development activity in 2020.

Projects and Public Improvements. The District anticipates funding the design, installation or acquisition of additional public improvements during 2020 as noted in **EXHIBIT B**.

Summary of 2020 Activities and Changes from Prior Year. The District anticipates continued development in 2020, limited improvements or services being furnished and operations and maintenance activities being undertaken.

Boundary changes: Not anticipated for the upcoming year.

Changes to board or governance structure: As development moves forward, a new Board member may be qualified and eligible for election to fill the one vacancy that exists on the Board.

Mill levy changes: Not anticipated for the upcoming year.

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

Elections: May 5, 2020 Regular Election.

Major changes in development activity anticipated for the upcoming year: Anticipated for the upcoming year.

Ability to meet current financial obligations: See 2020 Budget attached as **EXHIBIT B**.

9. DISSOLUTION

The District may be dissolved under the conditions of Section 31-25-1225, C.R.S. Perpetual existence is not contemplated at this time.

10. CONCLUSION

It is submitted that this Operating Plan and Budget for the District 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(S)	PHONE #/E-MAIL
Stacie M. Tucker 4020 Foxchase Way Colorado Springs, CO 80908	President	2016-2018; 2018-2022	stacie@fredowencpa.com
Bethany Fitzgerald 4022 Cooke Drive Colorado Springs, CO 80911	Secretary/Treasurer	2016-2018; 2018-2022	bethany@fredowencpa.com
Gregory M. Tucker 4020 Foxchase Way Colorado Springs, CO 80908	Assistant Secretary	2017-2018; 2018-2020	greg@tbylaw.com
Jerry D. Biggs 12937 Crowfoot Springs Road Larkspur, Colorado 80118	Assistant Secretary	2017-2018; 2018-2022	jbiggs@proterraco.com
Vacancy			

DISTRICT MANAGER

ACCOUNTANT:

Josh Miller CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 600 Greenwood Village, CO 80111 (w) 303-779-5710 (f) 303-779-0348 josh.miller@claconnect.com	Carrie Bartow, CPA CliftonLarsonAllen LLP 102 South Tejon, Suite 350 Colorado Springs, CO 80903 (w) 719-635-0300 x 77839 (f) 719-473-3630 carrie.bartow@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

**2020 BID Budget
General Fund
Debt Service Fund
Capital Projects Fund**



CliftonLarsonAllen

CliftonLarsonAllen LLP
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Accountant's Compilation Report

Board of Directors
Interquest South Business Improvement District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Interquest South Business Improvement District for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these difference may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Interquest South Business Improvement District.

Colorado Springs, Colorado
_____, 2019



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**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

9/23/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 1,480,350	\$ 1,438,504	\$ 1,436,538	\$ 1,436,538	\$ 1,384,768
REVENUES					
Property taxes	96,484	107,471	105,005	107,471	132,480
Specific Ownership Tax	13,118	12,897	7,300	12,897	14,573
Interest Income	28,141	15,950	19,617	33,556	12,920
Public improvement Fees	108,980	125,913	73,650	133,329	136,766
Developer Advance	25,000	25,000	29,708	84,708	50,000
Total revenues	<u>271,723</u>	<u>287,231</u>	<u>235,280</u>	<u>371,961</u>	<u>346,739</u>
TRANSFERS IN	<u>59,407</u>	<u>50,000</u>	<u>28,530</u>	<u>50,325</u>	<u>50,000</u>
Total funds available	<u>1,811,480</u>	<u>1,775,735</u>	<u>1,700,348</u>	<u>1,858,824</u>	<u>1,781,507</u>
EXPENDITURES					
General Fund	123,071	140,000	76,681	133,990	132,500
Debt Service Fund	187,602	225,000	102,865	230,000	231,000
Capital Projects Fund	4,862	990,294	59,741	59,741	1,015,417
Total expenditures	<u>315,535</u>	<u>1,355,294</u>	<u>239,287</u>	<u>423,731</u>	<u>1,378,917</u>
TRANSFERS OUT	<u>59,407</u>	<u>50,000</u>	<u>28,530</u>	<u>50,325</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>374,942</u>	<u>1,405,294</u>	<u>267,817</u>	<u>474,056</u>	<u>1,428,917</u>
ENDING FUND BALANCES	<u>\$ 1,436,538</u>	<u>\$ 370,441</u>	<u>\$ 1,432,531</u>	<u>\$ 1,384,768</u>	<u>\$ 352,590</u>
EMERGENCY RESERVE	\$ 2,400	\$ 2,400	\$ 1,600	\$ 2,500	\$ 2,600
AVAILABLE FOR OPERATIONS	952	1,939	(21,576)	2,368	6,455
SURPLUS FUND	300,000	300,000	300,000	300,000	300,000
TOTAL RESERVE	<u>\$ 303,352</u>	<u>\$ 304,339</u>	<u>\$ 280,024</u>	<u>\$ 304,868</u>	<u>\$ 309,055</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

9/23/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION					
Commercial	\$ 15,161,000	\$ 14,759,510	\$ 14,759,510	\$ 14,759,510	\$ 16,607,220
Industrial	1,619,690	1,619,690	1,619,690	1,619,690	3,453,350
State assessed	35,890	9,420	9,420	9,420	8,830
Vacant land	486,370	648,700	648,700	648,700	2,010,590
Certified Assessed Value	<u>\$ 17,302,950</u>	<u>\$ 17,037,320</u>	<u>\$ 17,037,320</u>	<u>\$ 17,037,320</u>	<u>\$ 22,079,990</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
Refund and abatements	0.000	0.308	0.308	0.308	0.000
Total mill levy	<u>6.000</u>	<u>6.308</u>	<u>6.308</u>	<u>6.308</u>	<u>6.000</u>
PROPERTY TAXES					
General	\$ 17,303	\$ 17,037	\$ 17,037	\$ 17,037	\$ 22,080
Debt Service	86,515	85,187	85,187	85,187	110,400
Refund and abatements	-	5,247	5,247	5,247	-
Levied property taxes	<u>103,818</u>	<u>107,471</u>	<u>107,471</u>	<u>107,471</u>	<u>132,480</u>
Adjustments to actual/rounding	-	-	(2,466)	-	-
Refunds and abatements	(7,334)	-	-	-	-
Budgeted property taxes	<u>\$ 96,484</u>	<u>\$ 107,471</u>	<u>\$ 105,005</u>	<u>\$ 107,471</u>	<u>\$ 132,480</u>
BUDGETED PROPERTY TAXES					
General	<u>\$ 16,081</u>	<u>\$ 17,912</u>	<u>\$ 17,501</u>	<u>\$ 17,912</u>	<u>\$ 22,080</u>
Debt Service	<u>80,403</u>	<u>89,559</u>	<u>87,504</u>	<u>89,559</u>	<u>110,400</u>
	<u>\$ 96,484</u>	<u>\$ 107,471</u>	<u>\$ 105,005</u>	<u>\$ 107,471</u>	<u>\$ 132,480</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

9/23/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 27,084	\$ 38,530	\$ 3,352	\$ 3,352	\$ 4,868
REVENUES					
Property Taxes	16,081	17,912	17,501	17,912	22,080
Specific Ownership Tax	13,118	12,897	7,300	12,897	14,573
Interest Income	-	-	22	22	34
Developer Advance	25,000	25,000	-	55,000	50,000
Total revenues	<u>54,199</u>	<u>55,809</u>	<u>24,823</u>	<u>85,831</u>	<u>86,687</u>
TRANSFERS IN					
Transfers from Debt Service Fund	50,000	50,000	28,530	50,000	50,000
Total funds available	<u>131,283</u>	<u>144,339</u>	<u>56,705</u>	<u>139,183</u>	<u>141,555</u>
EXPENDITURES					
General and administrative					
Accounting	31,587	25,500	19,706	30,000	30,000
Audit	3,050	2,700	3,100	3,100	3,200
County Treasurer's Fee	246	269	263	269	331
PIF Collection Fees	4,024	4,100	3,527	6,000	5,000
Dues and Licenses	370	400	384	384	400
Insurance and Bonds	1,337	1,600	1,337	1,337	1,400
District Management	14,666	15,300	12,793	22,000	18,000
Legal	9,263	25,500	5,008	15,000	10,000
Miscellaneous	1,081	2,100	326	700	2,100
Interest Expense	16	-	-	-	-
Election	1,114	-	-	-	2,000
Contingency	-	1,631	-	-	2,369
Operations and maintenance					
Repairs and Maintenance	1,500	2,100	1,567	3,000	2,500
Landscaping	19,338	15,300	8,006	15,300	16,000
Miscellaneous - O&M	-	1,100	-	1,200	1,200
Snow removal	5,143	10,200	1,629	3,500	5,000
Utilities	30,336	32,200	19,035	32,200	33,000
Total expenditures	<u>123,071</u>	<u>140,000</u>	<u>76,681</u>	<u>133,990</u>	<u>132,500</u>
TRANSFERS OUT					
Transfers to Capital Projects Fund	4,860	-	-	325	-
Total expenditures and transfers out requiring appropriation	<u>127,931</u>	<u>140,000</u>	<u>76,681</u>	<u>134,315</u>	<u>132,500</u>
ENDING FUND BALANCE	\$ 3,352	\$ 4,339	\$ (19,976)	\$ 4,868	\$ 9,055
EMERGENCY RESERVE	\$ 2,400	\$ 2,400	\$ 1,600	\$ 2,500	\$ 2,600
AVAILABLE FOR OPERATIONS	952	1,939	(21,576)	2,368	6,455
TOTAL RESERVE	<u>\$ 3,352</u>	<u>\$ 4,339</u>	<u>\$ (19,976)</u>	<u>\$ 4,868</u>	<u>\$ 9,055</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

9/23/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 453,311	\$ 419,680	\$ 418,620	\$ 418,620	\$ 372,042
REVENUES					
Public Improvement Fees	108,980	125,913	73,650	133,329	136,766
Property Taxes	80,403	89,559	87,504	89,559	110,400
Interest Income	8,981	5,950	6,145	10,534	5,327
Total revenues	<u>198,364</u>	<u>221,422</u>	<u>167,299</u>	<u>233,422</u>	<u>252,493</u>
TRANSFERS IN					
Transfers from Capital Projects Fund	<u>4,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>656,222</u>	<u>641,102</u>	<u>585,919</u>	<u>652,042</u>	<u>624,535</u>
EXPENDITURES					
County Treasurer's Fee	1,229	1,343	1,315	1,343	1,656
Paying Agent Fees	-	2,000	3,500	3,500	3,500
Interest Expense	78	-	-	-	-
Contingency	-	557	-	4,057	869
Debt Service					
Bond Interest - Series 2017	186,295	196,100	98,050	196,100	194,975
Bond Principal - Series 2017	-	25,000	-	25,000	30,000
Total expenditures	<u>187,602</u>	<u>225,000</u>	<u>102,865</u>	<u>230,000</u>	<u>231,000</u>
TRANSFERS OUT					
Transfers to General Fund	<u>50,000</u>	<u>50,000</u>	<u>28,530</u>	<u>50,000</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>237,602</u>	<u>275,000</u>	<u>131,395</u>	<u>280,000</u>	<u>281,000</u>
ENDING FUND BALANCE	<u>\$ 418,620</u>	<u>\$ 366,102</u>	<u>\$ 454,524</u>	<u>\$ 372,042</u>	<u>\$ 343,535</u>
SURPLUS FUND	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
TOTAL RESERVE	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

9/23/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 999,955	\$ 980,294	\$ 1,014,566	\$ 1,014,566	\$ 1,007,858
REVENUES					
Interest Income	19,160	10,000	13,450	23,000	7,559
Developer Advance	-	-	29,708	29,708	-
Total revenues	<u>19,160</u>	<u>10,000</u>	<u>43,158</u>	<u>52,708</u>	<u>7,559</u>
TRANSFERS IN					
Transfers from General Fund	<u>4,860</u>	<u>-</u>	<u>-</u>	<u>325</u>	<u>-</u>
Total funds available	<u>1,023,975</u>	<u>990,294</u>	<u>1,057,724</u>	<u>1,067,599</u>	<u>1,015,417</u>
EXPENDITURES					
General and Administrative					
Accounting	4,822	-	325	325	-
Legal services	40	-	-	-	-
Capital Projects					
Repay Developer Advance	-	-	29,708	29,708	-
Capital outlay	-	990,294	29,708	29,708	1,015,417
Total expenditures	<u>4,862</u>	<u>990,294</u>	<u>59,741</u>	<u>59,741</u>	<u>1,015,417</u>
TRANSFERS OUT					
Transfers to Debt Service Fund	<u>4,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>9,409</u>	<u>990,294</u>	<u>59,741</u>	<u>59,741</u>	<u>1,015,417</u>
ENDING FUND BALANCE	<u>\$ 1,014,566</u>	<u>\$ -</u>	<u>\$ 997,983</u>	<u>\$ 1,007,858</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2020 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 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.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

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 11% 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 1.50%.

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 \$50,000, which is to be transferred in 2020 to the General Fund for operations and maintenance funding. Beginning in 2021, the amount to be transferred will increase to \$135,000. The amount transferred each year will be increased 1% per year beginning in 2022.

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).

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

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.

The District has no capital or operating leases.

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.

Surplus Fund

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

Series 2017 Limited Property Tax and Public Improvement Fee Revenue Bonds

Dated December 19, 2017

Interest Rate 4.5% - 5.0%

Interest Payable June 1 and December 1

Principal Due December 1

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2020	\$ 30,000	\$	194,975	\$	224,975
2021	50,000		193,625		243,625
2022	55,000		191,375		246,375
2023	55,000		188,900		243,900
2024	65,000		186,425		251,425
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
	<u>\$ 3,975,000</u>	<u>\$</u>	<u>3,698,050</u>	<u>\$</u>	<u>7,673,050</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

EXHIBIT C
District Boundary Map

INTERQUEST SOUTH BID

 Tax Boundary

1 inch = 427.43 feet

07/19/2019 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

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