



**FORMAL AGENDA ITEM**

**COUNCIL MEETING DATE:** October 27, 2009

**TO:** Honorable Mayor and Members of City Council

**VIA:** Penelope Culbreth-Graft, DPA - City Manager

**FROM:** Terri Velasquez, Chief Financial Officer *Terri Velasquez*  
Kara Skinner, Financial Services Manager *Kara Skinner*  
Leslie Hickey, Principal Analyst, Financial Services Division *Leslie Hickey*

**Subject Title: BRIARGATE CENTER BUSINESS IMPROVEMENT DISTRICT 2010 BUDGET AND OPERATING PLAN**

**Strategic Goal(s) this item supports:** The Business Improvement District is a vehicle to provide public infrastructure to support current development and to provide a catalyst for future development.



**SUMMARY:** The Briargate Center Business Improvement District (BID) is a legal entity separate from the City of Colorado Springs. However, as required by State statute, it is necessary for City Council to review and approve the proposed 2010 Budget and Operating Plan for the BID.

**PREVIOUS COUNCIL ACTION:** City Council has approved the BID Budget and Operating Plan annually since its formation.

**BACKGROUND:** The BID boundaries were established pursuant to an election in 2001 and approved by City Council in 2002. The Briargate Center is also known as The Shops at Briargate. Primary services provided by the BID are the financing and maintenance of street improvements, parking areas, sidewalks, pedestrian malls, retaining walls, and common landscaping. All improvements are completed.

**FINANCIAL IMPLICATIONS:** The District issued \$2,895,000 in Limited Tax General Obligations Bonds, Series 2002A and \$6,875,000 in Special Assessment Revenue Bonds, Series 2002B, for the purpose of financing the construction and/or acquisition of

the public improvements needed to serve the Business Area. In 2006, the BID refunded its 2002B Special Assessment Bonds through the issuance of \$7,360,000 in Special Assessment Refunding Revenue Bonds, Series 2006. The proposed mill levy for the BID in 2010 is 25.000 mills and is the same as was levied in 2009. As a separate legal entity, the financial activities of the BID are separate from those of the City.

**ALTERNATIVES:** N/A

**BOARD/COMMISSION RECOMMENDATION:** The BID Board of Directors recommends City Council's approval of the 2010 Budget and Operating Plan.

**RECOMMENDATION:** Staff recommends approval of the attached proposed 2010 Budget and Operating Plan.

**PROPOSED MOTION:** A motion to approve the proposed 2010 Budget and Operating Plan for the Briargate Center Business Improvement District.

C: Mike Anderson, Assistant City Manager  
Nancy Johnson, Assistant City Manager  
Public Communications

**List of attachments for this item:**

Briargate Center BID 2010 Budget and Operating Plan

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September 30, 2009

VIA E-MAIL: KYOUNG@SPRINGSGOV.COM  
AND U.S. MAIL

Kathryn Young  
City Clerk  
Post Office Box 1575, Mail Code 110  
Colorado Springs, Colorado 80901

**Re: Briargate Center Business Improvement District  
2010 Operating Plan and Budget**

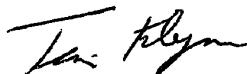
Dear Ms Young:

Transmitted herewith please find a proposed Operating Plan and Budget for 2010 for the Briargate Center Business Improvement District. Also enclosed please find a Petition formally requesting City Council to review and approve the 2010 Operating Plan and Budget.

With the original of this letter that is being sent to you through regular mail, I am enclosing an original Petition and an original 2010 Operating Plan and Budget.

Please call should you have any questions.

Sincerely yours,



Timothy J. Flynn

TJF/cds

Enclosure

cc: David Selberg (via email)  
Josh Poag (via email)  
Leslie Hickey (via email)  
Board of Directors (w/enclosures)

TO: THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO

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PETITION FOR APPROVAL OF 2010 OPERATING PLAN AND BUDGET

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IN RE THE MATTER OF THE BRIARGATE CENTER BUSINESS IMPROVEMENT DISTRICT, COLORADO SPRINGS, COLORADO

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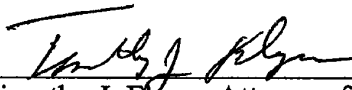
Comes now the Briargate Center Business Improvement District ("BID"), by and through its undersigned attorney and pursuant to § 31-25-1211, C.R.S. and § 31-25-1209(1)(b), C.R.S., hereby petitions the City Council to approve by appropriate motion or resolution the BID's Operating Plan and Budget for 2010.

AS GROUNDS THEREFORE, Petitioner states as follows:

1. The BID was established by the City of Colorado Springs, Colorado, Ordinance No. 02-24, has finally passed on the 12th day of February, 2002.
2. Pursuant to § 31-25-1211, C.R.S., the BID is to file an operating plan and proposed budget for the next fiscal year with the City on or before September 30th of each year. The City is to approve the same no later than December 5th of each year.
3. Attached hereto is the Operating Plan and Budget for the BID for calendar year 2010.

WHEREFORE, Petitioner respectfully requests that the City Council hear this Petition at a duly called public meeting and that an appropriate Resolution or Motion approving the BID's 2010 Operating Plan and Budget be duly adopted by City Council.

Respectfully submitted this 30th day of September, 2009.

  
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Timothy J. Flynn, Attorney for  
Briargate Center Business Improvement  
District  
390 Union Boulevard, Suite 400  
Denver, Colorado 80228  
Phone Number: (303) 986-1551

**2010**  
**OPERATING PLAN AND BUDGET**  
**for**  
**BRIARGATE CENTER BUSINESS**  
**IMPROVEMENT DISTRICT**  
**In the City of Colorado Springs, El Paso County,**  
**Colorado**

**September 2009**

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**2010 OPERATING PLAN AND BUDGET  
FOR  
BRIARGATE CENTER BUSINESS IMPROVEMENT DISTRICT**

**ARTICLE I**

**BACKGROUND**

The Briargate Center Business Improvement District was formed for the purpose of financing the public improvements and services necessary for the development and continued operation of The Shops at Briargate (“Business Area”), and in connection therewith to acquire, construct, install and in certain instances, operate and maintain various public improvements. The Shops at Briargate was developed by Poag & McEwen Lifestyle Centers—Colorado Springs, LLC, now known as CS Lifestyle Center, LLC (the “Developer”).

Pursuant to § 31-25-1211, C.R.S., by September 30th of each calendar year, the Briargate Center Business Improvement District (“BID”) is to submit an annual operating plan and budget for the next calendar year to the City Council for review and approval on or before December 5th of the calendar year, but in no event later than thirty (30) days after final submittals have been received by the City. This operating plan and budget for 2010 (“2010 Operating Plan”) may be amended in the future, but only with the approval of the City Council.

**ARTICLE II**

**2009 AND PRIOR YEAR ACTIVITIES**

All public improvements described in the BID’s initial Operating Plan dated February 14, 2002 have been completed. The BID’s 2009 activities focused on maintaining BID owned public improvements and servicing the debt that was incurred to finance these public improvements.

In August 2002, the BID issued \$2,895,000 in Limited Tax General Obligation Bonds, Series 2002A, and \$6,875,000 in Special Assessment Revenue Bonds, Series 2002B, for the purpose of financing the construction and/or acquisition of the public improvements needed to serve the Business Area.

On May 1, 2006, the BID refunded its 2002B Special Assessment Bonds through the issuance of \$7,360,000 in Special Assessment Refunding Revenue Bonds, Series 2006. The refunding produced a net present value savings to the BID of 12.24%, or

approximately \$812,290.00. As a result, the BID was able to reduce the annual installment payment under the special assessment lien that secures the refunding bonds, by approximately \$60,000.00 per year.

### **ARTICLE III**

#### **2010 SERVICES**

The BID has no plans to construct any public improvements during 2010.

In 2010, the primary focus of the BID will be to service the debt incurred by the BID in connection with the construction and acquisition of the BID's public improvements. During 2010, the BID contemplates collection of sufficient property tax revenues to enable the BID to pay 2010 scheduled interest and principal payments due on the BID's Limited Tax General Obligation Bonds, Series 2002A. The BID also contemplates receipt of sufficient special assessment revenue to permit the BID to pay the interest due in 2010 on its Special Assessment Revenue Refunding Bonds, Series 2006 and to also redeem a portion of the principal amount of the Refunding Bonds that are outstanding.

The BID's preliminary taxable assessed valuation for tax year 2009 is \$9,410,980. This represents a decrease of \$98,740 in taxable assessed valuation from tax year 2008.

For tax year 2009 (BID's 2010 Operating Plan), the BID anticipates certifying a debt service mill levy of 25.000 mills (the same as certified for the 2008 tax year). This will generate sufficient revenues to make the debt service payments on the BID's Limited Tax General Obligation Bonds.

The BID is currently exploring the feasibility of providing marketing or other business type development services. To fund these services the BID would impose a property tax mill levy, subject to prior voter approval. At the present time, the BID does not have any specific plan to expand the nature or extent of its activities. Before taking any such steps the BID would provide a written plan to the City for approval, which would contain financial projections including the projected revenues and expenses of any such activity.

### **ARTICLE IV**

#### **2010 BUDGET**

A proposed 2010 budget for the BID prepared in accordance with the Local Government Budget Law, Section 29-1-101, C.R.S., *et seq.*, is attached hereto as Exhibit 1 (consisting of four pages). The 2010 budget was prepared by the BID's budget officer, Louise Kirkland. Finalization of the budget is expected to be substantially in accordance

with the budget attached hereto, subject to whatever changes may be necessary as the result of a final certification of assessed valuation received from the El Paso County Assessor's Office in December 2009.

## ARTICLE V

### CONCLUSION

The BID would like to take this opportunity to thank the City Council and City staff for their continued assistance with the ongoing operations of the BID. To enable the BID to comply with the provisions of Section 31-25-1211, C.R.S., the BID respectfully requests that City Council adopt a resolution approving the BID's 2010 Operating Plan and Budget as submitted.

**EXHIBIT 1**

**BRIARGATE'S CENTER BUSINESS IMPROVEMENT DISTRICT**

**CITY OF COLORADO SPRINGS**

**EL PASO COUNTY**

**COLORADO**

**PROPOSED 2010 BUDGET**

## BUDGET MESSAGE

The modified accrual basis of accounting for governmental funds was used in the preparation of this budget. Revenue is recorded when susceptible to accrual and expenditures are recorded when the liability is incurred.

THE BRIARGATE CENTER BUSINESS IMPROVEMENT DISTRICT ("BID") was formed pursuant to City of Colorado Springs Ordinance No. 02-24, adopted on February 12, 2002 pursuant to Section 31-25-1201, *et seq.*, C.R.S. for the purpose of financing the public improvements and services needed to promote the continued vitality of the commercial businesses within the District, which is located entirely within the City of Colorado Springs, Colorado, and known as the Shops at Briargate. By way of explanation and not limitation, the BID's initial Operating Plan and Budget provided for the BID to construct, install or acquire street improvements, curbs, gutters, traffic safety devices, paid parking areas, sidewalks, pedestrian malls, street lights, drainage, water and sewer facilities, and landscaping of common public areas.

In 2002, the BID issued \$2,895,000.00 in Limited Tax General Obligation Bonds, Series 2002A and \$6,875,000.00 in Special Assessment Revenue Bonds, Series 2000B, for the purpose of financing the construction and/or acquisition of the public infrastructure needed to serve the commercial area within the BIDS' boundaries. All of the proceeds of those initial bond issues have been expended. In 2006, the BID refunded its Special Assessment Revenue Bonds, Series 2000 B through the issuance of Special Assessment Refunding Revenue Bonds, Series 2006 dated May 1, 2006.

The primary function of the BID in 2010 will be to service the debt on the BID's outstanding bonds.

The BID has not entered into nor does it contemplate entering into any lease purchase contracts during 2010. Accordingly, no lease purchase contract transactions are contemplated in the proposed 2010 budget.

BRIARGATE CENTER BUSINESS  
IMPROVEMENT DISTRICT  
Proposed Budget  
General Fund  
2010

	2008 Actual	2009 Estimated	2010 Proposed
BEGINNING FUNDS AVAILABLE	<u>\$817,977</u>	<u>\$860,477</u>	<u>\$882,965</u>
REVENUE			
Property taxes	241,898	237,743	235,275
Specific ownership taxes	27,711	24,000	24,000
Special Assess. - Principal	219,699	234,603	241,527
Special Assess. - Interest	346,797	336,142	324,970
Special Assess. - Collection fee	5,666	11,332	11,332
Interest income	<u>17,026</u>	<u>1,000</u>	<u>1,000</u>
Total revenue	858,797	844,820	838,104
Total funds available	<u>1,676,774</u>	<u>1,705,297</u>	<u>1,721,069</u>
EXPENDITURES			
General			
Accounting	1,425	2,000	2,000
Audit	5,500	5,500	5,500
Insurance	0	0	0
Legal	7,284	4,000	4,000
Maintenance	0	0	0
Miscellaneous	60	100	100
Debt Service			
Bond principal			
General obligation bonds	25,000	30,000	40,000
Special assessment refunding bonds	220,000	230,000	245,000
Bond interest			
General obligation bonds	213,070	211,207	208,973
Special assessment refunding bonds	334,188	324,295	313,945
Paying agent/Trustee fees	6,140	6,000	6,000
Treasurer fee - Property taxes	3,630	3,566	3,529
Treasurer fee - Special Assess.	0	5,664	5,664
Emergency reserves			300
Total expenditures	<u>816,297</u>	<u>822,332</u>	<u>835,011</u>
ENDING FUNDS AVAILABLE	<u>\$860,477</u>	<u>\$882,965</u>	<u>\$886,058</u>
Funds Available - Restricted	798,043	807,131	796,824
Funds Available - Unrestricted	<u>62,434</u>	<u>75,834</u>	<u>89,234</u>
Total Funds Available	<u>\$860,477</u>	<u>\$882,965</u>	<u>\$886,058</u>

9/30/2009

BRIARGATE CENTER BUSINESS  
IMPROVEMENT DISTRICT  
Property tax summary  
2010

	<u>2008 Actual</u>	<u>2009 Estimated</u>	<u>2010 Proposed</u>
Assessed valuation - El Paso County	\$9,734,910	\$9,509,720	\$9,410,980
Mill levy	<u>25.0000</u>	<u>25.0000</u>	<u>25.0000</u>
Property tax revenue	<u>\$243,373</u>	<u>\$237,743</u>	<u>\$235,275</u>