

2020
Operating Plan and Budget
for
Aspen Grove Business Improvement District
In the City of Littleton, Arapahoe County, Colorado

September 2019

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2020 OPERATING PLAN AND BUDGET
FOR
ASPEN GROVE BUSINESS IMPROVEMENT DISTRICT

ARTICLE I.
BACKGROUND

The Aspen Grove Business Improvement District (“BID”) was formed by Littleton City Ordinance No. 24 as adopted on August 15, 2000, for the purpose of financing the public improvements and services necessary for the development and continued operation of the Aspen Grove Lifestyle Center (“Lifestyle Center”), and in connection therewith, to acquire, construct, install and in certain instances, own, operate and maintain various public improvements. Aspen Grove GRF2, LLC, a Delaware limited liability company, has owned the Aspen Grove Lifestyle Center since October 16, 2016.

Pursuant to Section 31-25-1211, C.R.S., by September 30 of each calendar year, the 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 2020 (“2020 Operating Plan”) may be amended in the future, but any substantial amendments would only with the approval of the City Council.

ARTICLE II.
2019 BID ACTIVITIES

The BID did not construct or acquire improvements during 2019.

As set forth in its 2019 Operating Plan and Budget, on April 13, 2018, the BID refunded its Limited Tax General Obligation Refunding Bond, Series 2007, which were outstanding in the amount of \$6,500,000 through issuance of a \$5,435,000 Limited Tax General Obligation Refunding Bond, Series 2018 (“2018 Bond”). The 2018 Bond bears interest at the rate of 3.45% and has a final maturity of December 1, 2030. The 2018 Bond produced a net present value savings to the BID of \$181,244.60, or 3.334767%.

In 2008 City Council excluded Lot 2, Block 3, Aspen Grove Subdivision (“Lot 2”) from the BID’s territorial boundaries so that Lot 2 could be developed into residential apartment units. Even though Lot 2 was excluded from the BID’s territorial boundaries, it remains subject to the BID’s debt service mill levy for the bonds that were in place at the time of the exclusion including any debt service mill levy that is necessary to pay principal and interest on any refunding bonds, including the 2018 Bond.

The 2019 preliminary assessed valuation for the area of the BID that is subject to the BID's debt service mill levy is \$31,598,068. This is an increase of approximately 19% over the BID's final 2018 assessed valuation of \$26,586,973.

As a result, the BID will be able to reduce its debt service mill levy from 40 mills to 25 mills.

ARTICLE III. **2020 SERVICES**

The BID has no plans to construct any improvements during 2020.

In 2020, the BID's focus will be to service the BID's outstanding 2018 Bond and to maintain the public improvements the BID currently owns. The BID has sufficient funds to make its next debt service payment due December 1, 2019 in the amount of \$449,959. Further, based on the BID's contemplated 2020 Budget, the BID will have sufficient funds to make all scheduled 2020 debt service payments.

ARTICLE IV. **BUDGET**

A proposed 2020 Budget for the BID prepared in accordance with the Local Government Budget Law, Section 29-1-101, *et seq.*, C.R.S., is attached hereto as Exhibit 1 (consisting of five pages). The 2019 Budget was prepared by the BID's Budget officer, Roberta Stake, of Morgan Stake Consulting. The BID's 2020 Budget as finally adopted, is expected to be substantially in accordance with the proposed 2020 Budget as attached hereto, subject to whatever changes may be necessary as a result of the final certification of assessed valuation received from the Arapahoe County Assessor's Office in December 2019.

ARTICLE V. **CONCLUSION**

The BID would like to take this opportunity to thank the City Council and the 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 or appropriate Motion approving the BID's 2020 Operating Plan and Budget as submitted.

EXHIBIT 1

ASPEN GROVE BUSINESS IMPROVEMENT DISTRICT

CITY OF LITTLETON

COUNTY OF ARAPAHOE

COLORADO

PROPOSED 2020 BUDGET

September 2019

2020 BUDGET MESSAGE

The modified accrual basis of accounting for governmental funds was used in the preparation of the 2020 Budget. Revenue is recorded when susceptible to accrual and expenditures are recorded when the liability is incurred.

The Aspen Grove Business Improvement District (“BID”) was formed pursuant to City of Littleton Ordinance No. 24, Series 2000, adopted on August 15, 2000 pursuant to Section 31-25-1201, et seq., C.R.S. for the purpose of financing the public improvements and services needed for the Aspen Grove Lifestyle Center, a commercial business area located within Arapahoe County, and entirely within the City of Littleton, Colorado. By way of explanation and not limitation, the initial approved Operating Plan for the BID provided for the BID to construct, install and/or acquire street improvements, including bicycle paths, curbs, gutters, traffic safety control devices, sidewalks, pedestrian malls, street lights, drainage facilities, water and sewer facilities, and landscaping of common areas.

In 2018, the BID refunded its Limited Tax General Obligation Refunding Bonds, Series 2007 then outstanding in the amount of \$6,500,00.

The primary function of the BID during 2020 will be to service the debt on the BID’s 2018 Bond.

The BID has not entered into nor does it contemplate entering into any lease purchase contracts during 2020. Accordingly, no lease purchase contract transactions are contemplated in the proposed 2020 Budget.

ASPEN GROVE BUSINESS IMPROVEMENT
DISTRICT

Property tax summary
2020

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Proposed</u>
Assessed valuation - Arapahoe County	26,586,973	26,314,052	31,598,068
Mill levy	<u>40.000</u>	<u>40.223</u>	<u>25.000</u>
Property tax revenue	<u>1,063,479</u>	<u>1,058,430</u>	<u>789,952</u>

ASPEN GROVE BUSINESS IMPROVEMENT
DISTRICT
Proposed Budget
General Fund
2020

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Proposed</u>
BEGINNING FUNDS AVAILABLE	<u>568,230</u>	<u>659,407</u>	<u>748,507</u>
REVENUE			
Specific ownership taxes	77,284	76,000	55,000
Interest income	31,485	30,000	25,000
Total revenue	<u>108,769</u>	<u>106,000</u>	<u>80,000</u>
Total funds available	<u>676,999</u>	<u>765,407</u>	<u>828,507</u>
EXPENDITURES			
Accounting	2,253	2,400	2,700
Audit	4,000	4,000	5,000
Legal	11,134	10,000	15,000
Maintenance	0	0	0
Miscellaneous	205	500	500
Developer reimbursement	0	0	0
Emergency reserves and contingency		0	56,800
Total expenditures	<u>17,592</u>	<u>16,900</u>	<u>80,000</u>
ENDING FUNDS AVAILABLE	<u><u>659,407</u></u>	<u><u>748,507</u></u>	<u><u>748,507</u></u>

ASPEN GROVE BUSINESS IMPROVEMENT
DISTRICT

Proposed Budget
Debt Service Fund
2020

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Proposed</u>
BEGINNING FUNDS AVAILABLE	<u>1,041,029</u>	<u>950,794</u>	<u>1,453,606</u>
REVENUE			
Property taxes	1,062,784	1,058,430	789,952
Specific ownership taxes	0	0	0
Interest	2,302	3,300	1,000
Bond proceeds	<u>5,435,000</u>	<u>0</u>	<u>0</u>
Total revenue	<u>6,500,086</u>	<u>1,061,730</u>	<u>790,952</u>
 Total funds available	 <u>7,541,115</u>	 <u>2,012,524</u>	 <u>2,244,558</u>
EXPENDITURES			
Bond interest	118,755	179,918	167,498
Bond principal	220,000	360,000	370,000
Trustee/Paying agent fees	0	3,000	5,000
Treasurer's fee	15,942	16,000	16,000
Legal	0	0	1,500
Payment to refunding escrow	6,120,395	0	0
Bond issuance costs	115,229	0	0
Contingency	<u>0</u>	<u>0</u>	<u>230,954</u>
Total expenditures	<u>6,590,321</u>	<u>558,918</u>	<u>790,952</u>
ENDING FUNDS AVAILABLE	<u><u>950,794</u></u>	<u><u>1,453,606</u></u>	<u><u>1,453,606</u></u>