

HIGHLINE BUSINESS IMPROVEMENT DISTRICT

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November 7, 2016

VIA ELECTRONIC AND U.S. MAIL
ccwh@littletongov.org

City of Littleton Council Members
c/o Mike Braaten, Deputy City Manager
2255 W. Berry Ave.
Littleton, CO 80120

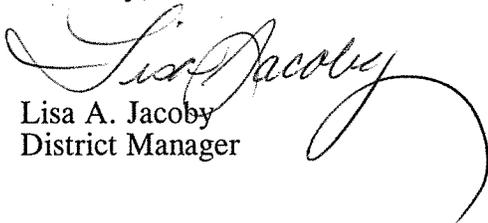
Re: Highline Business Improvement District (HBID)
2017 Operating Plan and Budget

Dear Council Members:

Please excuse the Budget provided September 2, 2016 and find enclosed a revised 2017 Budget for your consideration. It appears that a formula error was identified; however, the incorrect version was attached to the Operating Plan submitted, instead of the correct version.

The Highline Business Improvement District met on November 1, 2016 to review and approve the aforementioned corrected Budget. Also find attached an announcement of the District's very favorable financial accomplishments.

Sincerely,



Lisa A. Jacoby
District Manager

enclosure

c: Rick Kron, Esq.; Spencer Fane

HIGHLINE BUSINESS IMPROVEMENT DISTRICT
Assessed Value, Property Tax and Mill Levy Information

	2015 Actual	2016 Adopted Budget	2017 Preliminary Budget
Assessed Valuation	\$ 10,363,695	\$ 10,717,618	\$ 11,030,695
Mill Levy			
General Fund	2.900	2.900	2.900
Debt Service Fund	37.000	33.200	22.000
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Total Mill Levy	39.900	36.100	24.900
Property Taxes			
General Fund	\$ 30,055	\$ 31,081	\$ 31,989
Debt Service Fund	383,457	355,825	242,675
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	\$ 413,512	\$ 386,906	\$ 274,664

HIGHLINE BUSINESS IMPROVEMENT DISTRICT

GENERAL FUND
2017 Preliminary Budget
with 2015 Actual, 2016 Budget, 2016 Amended Budget, and 2016 Estimated Budget

	2015 YTD Actual	01/16-09/16 YTD Actual	2016 Adopted Budget	2016 Estimated Budget	2017 Preliminary Budget
1-501 BEGINNING FUND BALANCE	\$ 46,439	\$ 24,368	\$ 18,441	\$ 24,368	\$ 20,037
REVENUE					
1-510 Property Tax Revenue	29,888	31,050	31,081	31,081	31,989
1-515 Specific Ownership Taxes	9,805	1,614	1,554	1,554	1,599
1-560 Interest Income	88	106	100	100	100
1-580 Transfer from Debt Service	20,875	-	-	-	-
Total Revenue	60,655	32,770	32,735	32,735	33,688
Total Funds Available	107,094	57,138	51,176	57,103	53,725
EXPENDITURES					
1-612 Accounting	8,483	6,409	9,000	8,000	6,000
1-614 Management Fee	12,694	3,115	9,000	5,000	4,000
1-615 Audit	4,202	4,068	5,000	4,500	4,500
1-670 Insurance/SDA	3,300	3,387	3,452	5,000	5,000
1-675 Legal	7,174	1,042	9,000	5,000	4,000
1-679 Statutory Compliance	47	-	-	-	-
1-690 Miscellaneous	1,377	526	600	600	600
1-700 Treasurer's Fees	449	466	466	466	480
1-794 Dissolution Reserve	-	-	-	-	-
Total Expenditures	37,726	19,013	36,518	28,566	24,580
Other Financing (Sources) Uses					
1-795 Contingency	-	-	8,676	3,500	5,000
1-793 Transfer to Debt Service	45,000	-	-	-	-
1-895 Emergency Reserves	-	-	982	-	1,011
Total Expenditures Requiring Appropriation	82,726	19,013	46,176	32,066	30,591
Designated for Dissolution Reserve	-	-	-	5,000	5,000
ENDING FUND BALANCE	\$ 24,368	\$ 38,125	\$ 5,000	\$ 20,037	\$ 23,134

* - The Board is not anticipating the use of these funds until 2025, therefore the balance has been designated as a portion of the ending fund balance rather than as an expenditure in the current year.

HIGHLINE BUSINESS IMPROVEMENT DISTRICT

**DEBT SERVICE FUND
2017 Preliminary Budget**

with 2015 Actual, 2016 Adopted Budget, 2016 Amended Budget, and 2016 Estimated Budget

	2015 Actual	01/16-09/16 YTD Actual	2016 Adopted Budget	2016 Estimated Budget	2017 Preliminary Budget
2-501 BEGINNING FUND BALANCE	\$ 4,331	\$ 282,510	\$ 297,694	\$ 282,510	\$ 282,573
REVENUE					
2-510 Property Tax Revenue	381,336	355,465	355,825	355,825	242,675
2-515 Specific Ownership Taxes	21,394	18,479	17,791	17,791	12,134
2-520 Loan Proceeds	3,000,000	-	-	-	-
2-530 Contract Rev. (Church)	92,568	169,806	169,806	169,806	117,124
2-575 Miscellaneous income	-	-	-	-	-
2-560 Interest Income	972	793	505	505	505
2-593 Transfer from General Fund	45,000	-	-	-	-
2-594 Transfer from Special Revenue	92,568	-	111	111	-
Total Revenue	3,633,838	544,543	544,038	544,038	372,438
Total Funds Available	3,638,169	827,053	841,732	826,548	655,011
EXPENDITURES					
2-605 Bond Principal	2,650,000	-	-	-	-
2-606 Bond Interest	-	-	-	-	-
2-607 Loan Principal	200,865	-	260,000	260,000	270,000
2-608 Loan Interest	79,921	52,297	104,420	104,420	94,758
2-610 Construction/Mgmt Payoff	150,000	-	-	-	-
2-611 Advance and Reimbursement Agreement	180,000	171,907	169,062	171,907	- **
2-630 Cost of Issuance	68,261	-	-	-	-
2-668 Paying Agent Fees	15	-	2,200	2,200	2,200
2-700 Treasurer's Fees	5,722	5,335	5,337	5,337	3,640
Total Expenditures	3,334,784	229,539	541,019	543,864	370,598
Other Financing (Sources) Uses					
2-890 Transfer to General Fund	20,875	-	-	111	-
Total Expenditures Requiring Appropriation	3,355,658	229,539	541,019	543,975	370,598
Reserve Fund	-	-	250,000	250,000	250,000
ENDING FUND BALANCE	\$ 282,510	\$ 597,514	\$ 300,713	\$ 282,573	\$ 284,413

NOTES TO DEBT SERVICE FUND

** Advance and Reimbursement Agreement was paid off in 2015 and 2016.

HIGHLINE BUSINESS IMPROVEMENT DISTRICT
SPECIAL REVENUE FUND
2017 Preliminary Budget
with 2015 Actual, 2016 Adopted Budget, 2016 Estimated Budget

	2015 YTD Actual	2016 Adopted Budget	2016 Estimated Budget	2017 Preliminary Budget
BEGINNING FUND BALANCE	\$ 111	\$ 111	\$ 111	(0)
REVENUE				
Contract Rev. (Church)	92,568	-	-	-
Interest Income	0	-	-	-
Total Revenue	92,568	-	-	-
Total Funds Available	92,679	111	111	(0)
EXPENDITURES				
Contingency	-	-	-	-
Transfer to Debt Service	92,568	111	111	-
Total Expenditures	92,568	111	111	-
Total Expenditures Requiring Appropriation	92,568	111	111	-
ENDING FUND BALANCE	\$ 111	\$ -	(0) \$	-

ANNOUNCEMENT

THE HIGHLINE BUSINESS IMPROVEMENT DISTRICT (“THE DISTRICT”) IS PLEASED TO ANNOUNCE THE FOLLOWING FINANCIAL ACCOMPLISHMENTS:

WHO WE ARE: The Highline Business Improvement District was organized in 1998 to provide financing for construction of public improvements and services needed within the Highline Business Area, commonly known as the Ridge at SouthPark.

The District is governed by a Board of Directors consisting of a total of 5 electors of the District appointed by the City Council of the City of Littleton. Listed below are the 4 (current) Board of Directors, their position on the Board and their business affiliation within SouthPark:

Steven Rasmussen, President. Affiliation - MIE Properties, Inc.

Jacob P. Kuijper, Treasurer. Affiliation - Colorado County Officials and Employees Retirement Association

Mike McKesson, Assistant Secretary. Affiliation - Facilities Contracting Inc.

Keith Carson, Assistant Secretary. Affiliation - Mission Hills Baptist Church

(Note: Patrick Dunahay informed the Board on October 31, 2016 that he was no longer qualified to serve as a Director due the sale of his building and therefore resigned from the Board. Due to this event, there is currently a vacancy on the Board; however, the remaining Directors are soliciting for a potential replacement to recommend to City Council).

FINANCIAL ACCOMPLISHMENT: The District was successful in negotiating the following financial accomplishments towards the reduction of overall debt, which otherwise could not have been achieved with the District’s limited tax revenue stream, nor without the cooperation of those parties affected.

1. Reduction in bond debt: In 2015, the District successfully negotiated with the bondholder a reduction and payoff of bond debt, which reduced the overall bond debt from \$3,949,525 to \$2,650,000. Remaining bond debt was then refinanced with a Loan from CoBiz Bank, thus reducing the previous bond interest rate of 8.75% down to a Loan interest rate of 3.600%; an overall cost savings to the District (along with the forgiveness of debt via the bondholder) of \$1,299,525.

2. Payoff of contracted debt (aka the Operations and Management Agreement): In 2015, the District also successfully negotiated with the beneficiaries of a 2003 Agreement (known as the Operations and Management Agreement), for a reduction in debt from \$389,112 to \$150,000; a total savings of \$239,112.

3. Payoff of contracted debt (the Advance and Reimbursement Agreement): In 2016 the District successfully paid-off the remaining principal and interest due to the beneficiaries of the 2001 Advance and Reimbursement Agreement, an amount totaling \$351,907.

IN SUMMARY: Due to debt forgiveness and refinancing of the bonds, the overall District debt has presently been reduced by \$1,890,544. Taxpayers are receiving a direct benefit of a reduction in the mill levy in budget year 2017 of approximately 33%. Further, projections for tax year 2018 indicate that taxpayers will receive an approximate additional 20% reduction in mill levy.