

**AMENDED 2023 - 2024 OPERATING
PLAN AND BUDGET**

**MINERAL
BUSINESS
IMPROVEMENT
DISTRICT**

City of Littleton, Arapahoe County, Colorado

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**AMENDED 2023 - 2024
OPERATING PLAN AND BUDGET FOR THE
MINERAL BUSINESS IMPROVEMENT DISTRICT**

1. PURPOSE AND SCOPE OF THIS DISTRICT

A. Requirement for this Operating Plan and Budget. The Business Improvement District Act, specifically Section 31-25-1211, Colorado Revised Statutes (C.R.S.), requires that the Mineral 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 Business Improvement District Act, the City is to approve the operating plan and budget within 30 days of the submittal of all required information.

The District will operate under the authorities and powers allowed under the Business Improvement District Act, Section 31-25-1201, *et seq.*, C.R.S., as amended (the “Act”), as further described and limited by this Operating Plan.

B. What Must Be Included in the Operating Plan? Pursuant to the provisions of the Act, 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.

This Operating Plan and any subsequent Operating Plans that the City approves will be incorporated herein by reference and shall remain in full force and effect except as specifically or necessarily modified hereby in future Operating Plans approved by the City.

C. Purposes. The ongoing and/or contemplated purposes of this District 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.

D. Ownership of Property or Major Assets. The District will own public improvements as constructed if such improvements are not otherwise dedicated to and accepted by other public entities for operation and maintenance. It is anticipated that some of the public improvements may be dedicated to the City as required and agreed to by the City.

E. Contracts and Agreements. It is anticipated that the District will 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.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. Organization. Pursuant to the Petition for Organization for the District, the petitioner has requested the City of Littleton organize the District.

B. Governance. Pursuant to Section 31-25-1209(1)(d), C.R.S., the City hereby appoints the initial board of directors for the District, which shall have up to five members. Each member shall be an elector of the District. The City will appoint the initial board of directors for the District, after which the positions on the board shall be elected at the next regular election.

C. Current Board. The District will be managed by a board of directors consisting of five electors all of whom shall be voting members. The proposed initial five board members are:

- 1) Grant Nelson
- 2) Kien Arnold
- 3) Michael Gunter
- 4) Andy Buettner
- 5) Wes Stites

Director and other pertinent contact information is provided in Exhibit A.

D. Term Limits. A ballot question will be included on the November 7, 2023 election ballot to eliminate term limits.

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.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District's boundaries initially consist of approximately 45.6 acres. A legal description of the District's boundaries is attached as Exhibit B and a map of the District's boundaries is attached as Exhibit C. Future inclusions or exclusions shall be considered by the City Council in accordance with the Act.

4. PUBLIC IMPROVEMENTS

The District will be primarily concerned with the provision of the significant amount of public improvements and services required within the boundaries of the District consistent with the approved development and land use plans for the property within the District; however, there may be instances where the District will provide public improvements or services outside of the boundaries of the District as may be required for development of the project. 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 Act, Section 31-25-1201, *et seq.*, C.R.S., lawfully be paid for by the District, including, without limitation, water improvements, safety protection devices, sanitation improvements, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, security, landscaping, irrigation canal, and storm and wastewater management facilities and associated land acquisition and remediation. The District also anticipates providing services as authorized pursuant to Section 31-25-1212(1)(f), C.R.S.

The property owners of the District request that the City designate the territory within the District as a location for new business or commercial development under Section 31-25-1203(10), C.R.S.

5. ADMINISTRATION, OPERATIONS, SERVICES, AND MAINTENANCE

The District shall provide services and 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. 2023 – 2024 Budget. The proposed 2023 - 2024 Budget for the District is attached as Exhibit D. The District anticipates a bond issuance in 2024, as reflected in the Budget.

B. Authorized Indebtedness. It is anticipated that the District will hold an election for the purpose of authorizing Debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution, and the Operating Plan. The initial maximum debt authorization for the District shall be \$30,000,000, provided that debt which has been refunded shall be excluded from this limitation.

C. Property Tax and Mill Levy Caps. The District taxing ability shall not exceed an aggregate of 50 mills for debt service, general operations, and administrative purposes. The mill levy cap set forth in this paragraph may be subject to upward or downward adjustments addressing any abatement or 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 occurring after January 1, 2023. Such upward or downward adjustments are to be determined by the Board of Directors in good faith (such determination to be binding and final) so that to the extent possible, the actual revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2023, are neither diminished nor enhanced as a result of such changes.

D. District Revenues. The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District shall also have the power to fix, and from time to time increase and decrease, rates, tolls, and charges for any services or improvements the District furnishes, as provided in Section 31-25-1212(1)(k), C.R.S.

E. Existing Debt Obligations. The District has no current debt.

F. Future Debt Obligations. Depending on market conditions and the pace of development activity, the District may issue debt in 2024 to finance the construction of the public improvements if the District's Board of Directors determines it to be appropriate based on the circumstances.

G. 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.

H. Non-Default Provisions. Limited tax general obligation bonds the District issues 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.

I. Debt of the District. 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 debt issued by the District.

7. 2023 – 2024 ACTIVITIES, PROJECTS AND CHANGES

A. Activities. It is anticipated that the District will primarily be engaged in the initial organization activities in 2023 and undertaking initial construction and financing of the public improvements in 2024.

B. Projects and Public Improvements. It is anticipated that the District may be undertaking the financing and facilitation of public improvements in the first two years depending on the pace at which development occurs.

8. DISSOLUTION

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate perpetual existence. If the District no longer has such obligations, the District will seek to dissolve pursuant to Section 31-25-1225, C.R.S.

9. CONCLUSION

It is submitted that this Operating Plan and Budget for the District meets the requirements of the 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 the Act.

EXHIBIT A
Director and Other Contact Information

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM	E-MAIL
Grant Nelson 731 Norwich Court Castle Pines, CO 80108	President	2023-2027	gnelson@republicig.com
Kien Arnold 170 South Locust Street Denver, CO 80224	Secretary	2023-2027	kienarnold@gmail.com
Michael Gunter 2990 Open Sky Way Castle Rock, CO 80109	Treasurer	2023-2027	mlgunter@gmail.com
Andy Buettner 7 Sunset Lane Greenwood Village, CO 80121	Assistant Secretary	2023-2025	ABuettner@SullivanHayes.com
Wes Stites 10796 Mountshire Circle Highlands Ranch, CO 80126	Assistant Secretary	2023-2025	wes@precisionretail.net

DISTRICT CONTACT:

Nicole Peykov
 Spencer Fane LLP
 1700 Lincoln Street, Suite 2000
 Denver, CO 80203
 303-839-3800
npeykov@spencerfane.com

EXHIBIT B
Legal Description of District Boundaries

LEGAL DESCRIPTION

PROPERTY DESCRIPTION:

A PARCEL OF LAND BEING A PORTION OF THAT PROPERTY DESCRIBED AT WARRANTY DEED, RECORDED AT RECEPTION NO. 092823 (BOOK 7604, PAGE 270) OF THE ARAPAHOE COUNTY CLERK AND RECORDER OFFICE AND SITUATED IN THE SOUTHWEST QUARTER OF SECTION 34 AND SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 5 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LITTLETON, ARAPAHOE COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: ALL BEARINGS ARE BASED ON THE SOUTH LINE OF TRACT B, OF GATES SUBDIVISION, RECORDED AT REC. NO. 1146182 AND IS CONSIDERED TO BEAR N89°52'08"E, WITH ALL BEARINGS HEREIN RELATIVE THERETO.

BEGINING AT THE NORTHEAST CORNER OF TRACT A, SAID GATES SUBDIVISION, AND BEING THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF WEST MINERAL AVENUE AND THE WEST RIGHT-OF-WAY LINE OF SOUTHPARK TERRACE STREET, AND BEING THE EAST LINE OF SAID TRACT A;

THENCE WITH SAID WEST RIGHT-OF-WAY LINE, ALSO BEING THE EAST LINE OF SAID WARRANTY DEED, S 00°06'25" E, A DISTANCE OF 884.76 FEET TO A POINT ON SAID WEST LINE;

THENCE WITH THE SOUTH LINE OF SAID WARRANTY DEED, N 90°00'00" W, A DISTANCE OF 280.09 FEET TO A POINT OF CURVATURE TO THE LEFT;

THENCE ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 10°20'55", HAVING A RADIUS OF 285.00 FEET, AN ARC LENGTH OF 51.48 FEET, WITH A CHORD BEARING OF S 84°49'32" W AND A CHORD DISTANCE OF 51.41 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG SAID REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 10°20'55", HAVING A RADIUS OF 315.00 FEET, AN ARC LENGTH OF 56.89 FEET, WITH A CHORD BEARING OF S 84°49'32" W AND A CHORD DISTANCE OF 56.82 FEET;

THENCE CONTINUING ON SAID SOUTH LINE, N 90°00'00" W, A DISTANCE OF 516.83 FEET;

THENCE S00°00'00"E, A DISTANCE OF 221.70 FEET;

THENCE N 90°00'00" W, A DISTANCE OF 558.90 FEET;

THENCE N 00°08'12" W, A DISTANCE OF 146.08 FEET;

THENCE S 89°52'04" W, A DISTANCE OF 273.49 FEET;

THENCE N 02°32'08" W, A DISTANCE OF 112.37 FEET;

THENCE S 89°31'56" E, A DISTANCE OF 30.14 FEET;

THENCE N 03°35'17" W, A DISTANCE OF 12.45 FEET;

THENCE S 89°36'43" W, A DISTANCE OF 185.41 FEET TO THE SOUTHWEST CORNER OF SAID WARRANTY DEED;

THENCE WITH THE SOUTH RIGHT OF WAY LINE OF SAID WEST MINERAL AVENUE, N 00°09'15" W, A DISTANCE OF 867.07 FEET TO THE NORTHWEST CORNER OF SAID WARRANTY DEED, AND BEING A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF WEST MINERAL AVENUE;

THENCE WITH THE NORTH LINE OF SAID WARRANTY DEED, N 89°50'51" E, A DISTANCE OF 948.20 FEET;

THENCE, N 89°53'25" E, A DISTANCE OF 1082.70 FEET TO THE NORTHEAST CORNER OF SAID WARRANTY DEED, AND BEING THE **POINT OF BEGINNING**;

THE ABOVE DESCRIPTION CONTAINS 1,984,499 SQUARE FEET OR 45.558 ACRES.

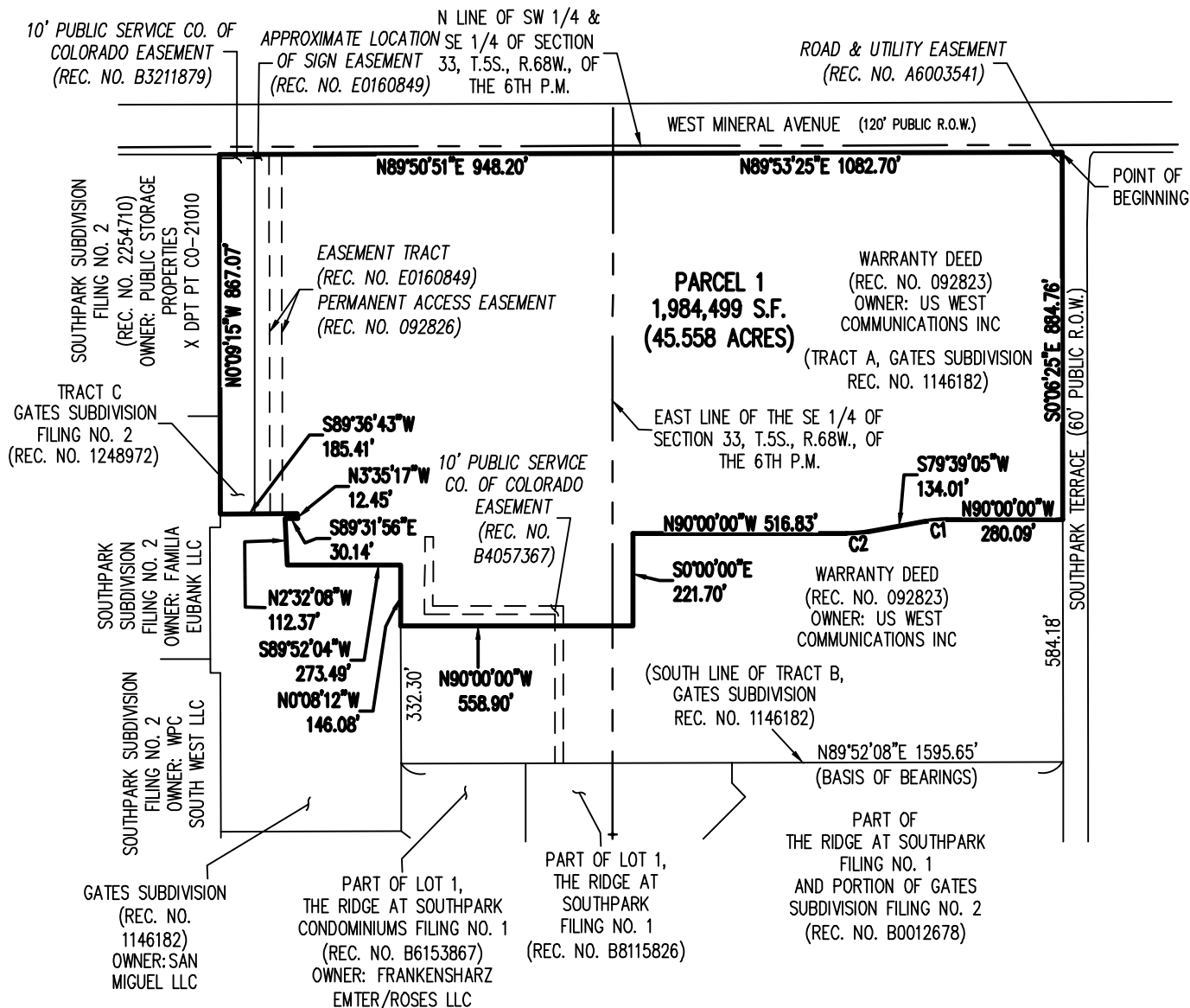
ALL LINEAL DISTANCES ARE REPRESENTED IN U.S. SURVEY FEET.

BRIAN J. DENNIS, PLS 38069
PROJECT NO. RIG00008.10
PREPARED FOR AND ON BEHALF OF GALLOWAY & COMPANY, INC.
1155 KELLY JOHNSON BLVD, SUITE #305
COLORADO SPRINGS, COLORADO 80920



EXHIBIT 'A'

NOTE: THIS IS NOT A MONUMENTED LAND SURVEY AND ONLY IS INTENDED TO DEPICT THE ATTACHED LEGAL DESCRIPTION.



PARCEL CURVE SEGMENT TABLE					
TAG #	DELTA	LENGTH	RADIUS	CHORD BEARING	CHORD LENGTH
C1	10°20'55"	51.48	285.00	S84°49'32"W	51.41
C2	10°20'55"	56.89	315.00	S84°49'32"W	56.82



EXHIBIT 'A'
 PARCEL 1
 SW 1/4 OF SEC 34 AND SE 1/4 OF SEC 33, T5S, R68W OF THE 6TH P.M.
 CITY OF LITTLETON, COUNTY OF ARAPAHOE, STATE OF COLORADO

Project No: RIG08.10
 Drawn By: AAY
 Checked By: BJD
 Date: 05/18/2023

Galloway
 1155 Kelly Johnson Blvd., Suite 305
 Colorado Springs, CO 80920
 719.900.7220 • GallowayUS.com

EXHIBIT C
Boundary Map



Mineral Development - Site Vicinity Map



North

EXHIBIT D
2023 - 2024 BID Budget
General Fund

<u>Expense</u>	Actual <u>2022</u>	Proposed <u>2023</u>	Proposed <u>2024</u>
Beginning Funds Balance	\$ -	\$ -	\$ -
Revenue			
Property Taxes	\$ -	\$ -	\$ -
Specific Ownership Taxes	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ 50,000.00	\$ 50,000.00
Interest Income			
Miscellaneous Income	\$ -	\$ -	\$ -
	\$ -	\$ -	
Total Revenue	\$ -	\$ 50,000.00	\$ 50,000.00
Total Funds Available	\$ -	\$ 50,000.00	\$ 50,000.00
Expenditures			
Accounting / Audit	\$ -	\$ 2,500.00	\$ 2,500.00
Election Expense	\$ -	\$ -	\$ -
Engineering	\$ -	\$ 10,000.00	\$ 10,000.00
Insurance/SDA Dues	\$ -	\$ 2,500.00	\$ 2,500.00
Legal	\$ -	\$ 15,000.00	\$ 15,000.00
Management	\$ -	\$ 1,500.00	\$ 1,500.00
Contingency	\$ -	\$ 15,000.00	\$ 15,000.00
Misc. Expenses	\$ -	\$ 2,000.00	\$ 2,000.00
Treasurer's Fees	\$ -	\$ -	\$ -
Repay Developer Advances	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ 48,500.00	\$ 48,500.00
Emergency Reserve	\$ -	\$ 1,500.00	\$ 1,500.00
Total Expenditures requiring appropriation	\$ -	\$ 50,000.00	\$ 50,000.00
Ending Funds Balance	\$ -	\$ -	\$ -

Capital Projects Fund

<u>Expense</u>	Actual <u>2022</u>	Proposed <u>2023</u>	Proposed <u>2024</u>
Beginning Funds Balance	\$ -	\$ -	\$ -
Revenue			
Developer Advances	\$ -	\$ -	\$ -
Bond Proceeds	\$ -	\$ -	\$ 25,518,000
Total Funds Available	\$ -	\$ -	\$ 25,518,000
Expenditures			
Issuance costs	\$ -	\$ -	\$ 832,140
Organization costs	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -
Capital expenditures	\$ -	\$ -	\$ 18,200,860
Repay developer advances	\$ -	\$ -	\$ -
Repay developer advances- interest	\$ -	\$ -	\$ -
Transfer to Debt Service	\$ -	\$ -	\$ 6,485,000
Total Expenditures	\$ -	\$ -	\$ 25,518,000
Ending Fund Balance	\$ -	\$ -	\$ -

Debt Service Fund

<u>Expense</u>	Actual <u>2022</u>	Proposed <u>2023</u>	Proposed <u>2024</u>
Beginning Funds Balance	\$ -	\$ -	\$ -
Revenue			
Property Taxes	\$ -	\$ -	\$ -
Specific Ownership Taxes	\$ -	\$ -	\$ -
Developer Fees	\$ -	\$ -	\$ -
Transfer from Capital Projects	\$ -	\$ -	\$ 6,485,000
Interest Income			
	\$ -	\$ -	
Total Revenues	\$ -	\$ -	\$ 6,485,000
Total Funds Available	\$ -	\$ -	\$ 6,485,000
Expenditures			
Capitalized Interest	\$ -	\$ -	\$ 4,376,250
Bond principal	\$ -	\$ -	\$ -
Treasurer's Fees	\$ -	\$ -	\$ -
Trustee/paying agent fees	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Management	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -
Treasurer's Fees	\$ -	\$ -	\$ -
Repay Developer Advances	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Reserve Fund	\$ -	\$ -	\$ 2,109,000
Ending Fund Balance	\$ -	\$ -	\$ -