

# COLLINS COCKREL & COLE

A PROFESSIONAL CORPORATION

PAUL R. COCKREL  
JAMES P. COLLINS  
ROBERT G. COLE  
TIMOTHY J. FLYNN  
EVAN D. ELA  
LINDA M. GLESNE  
DAVID A. GREHER

ATTORNEYS AT LAW  
390 UNION BOULEVARD, SUITE 400  
DENVER, COLORADO 80228-1556

TELEPHONE: 303-986-1551  
TOLL FREE: 800-354-5941  
FACSIMILE: 303-986-1755

[www.cccfirm.com](http://www.cccfirm.com)

ASSOCIATES  
KATHRYN G. WINN  
JOSEPH W. NORRIS  
ALLISON C. ULMER

OF COUNSEL  
JOAN M. FRITSCHÉ  
ERIC C. JORGENSON

DIRECT E-MAIL  
[tflynn@cccfirm.com](mailto:tflynn@cccfirm.com)  
DIRECT DIAL  
303-218-7198

July 1, 2016

VIA E-MAIL

Ms. Wendy Heffner  
Littleton City Clerk  
2255 West Berry Avenue  
Littleton, Colorado 80120

**Re: Aspen Grove Business Improvement District  
2016 Operating Plan and Budget**

Dear Ms. Heffner:

Enclosed with this letter, please find a proposed 2016 Amended Operating Plan and Budget for the Aspen Grove Business Improvement District ("BID"), together with a Petition asking for approval of the 2016 Amended Operating Plan and Budget by City Council.

I would appreciate it if you would let me know, in writing, when City Council is scheduled to consider approval of the BID's 2016 Amended Operating Plan and Budget.

If you have any questions, please do not hesitate to contact me.

Sincerely yours,



Timothy J. Flynn

/mk

Enclosure

cc w/ Encl: Kristin Schledorn  
Becky Phye  
BID Board

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

---

PETITION FOR APPROVAL OF 2016 AMENDED OPERATING PLAN AND BUDGET

---

IN RE THE MATTER OF THE ASPEN GROVE BUSINESS IMPROVEMENT DISTRICT, LITTLETON, COLORADO

---

Comes now the Aspen Grove Business Improvement District ("BID"), by and through its undersigned attorney, and pursuant to §31-25-1211, C.R.S., hereby petitions the City Council to approve, by appropriate motion or resolution, the BID's Amended Operating Plan and Budget for 2016.

AS GROUNDS THEREFORE, Petitioner states as follows:

1. The BID was established by City of Littleton, Colorado, Ordinance No. 24 Series 2000 as finally passed on the 15<sup>th</sup> day of August, 2000.
2. Pursuant to §31-25-1211, C.R.S., the BID's 2016 Operating Plan and Budget may only be amended with the approval of the City Council.
3. Before the end of 2016, the BID proposes to refund its outstanding Limited Tax General Obligation Refunding Bonds, Series 2007. If this occurs, the BID's debt service fund, revenues, and expenditures will change, necessitating the amendment proposed herein.

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 2016 Amended Operating Plan and Budget, be duly adopted by City Council.

Respectfully submitted this 1<sup>st</sup> day of July, 2016.

  
\_\_\_\_\_  
Timothy J. Flynn, Collins Cockrel & Cole  
Attorney for Aspen Grove Business  
Improvement District  
390 Union Blvd., Suite 400  
Denver, Colorado 80228  
(303) 986-1551

**2016**  
**Amended Operating Plan and Budget**  
**for**  
**Aspen Grove Business Improvement District**  
**In the City of Littleton, Arapahoe County, Colorado**

**July 2016**

**TABLE OF CONTENTS**

Article I. BACKGROUND ..... 1

Article II. 2007 BOND REFUNDING ..... 1

Article III. AMENDED 2016 BUDGET ..... 2

Article IV. 2016 OPERATING PLAN..... 2

Article V. CONCLUSION ..... 2

**2016 AMENDED OPERATING PLAN AND BUDGET**  
**FOR**  
**ASPEN GROVE BUSINESS IMPROVEMENT DISTRICT**

**ARTICLE I.**  
**BACKGROUND**

The Aspen Grove Business Improvement District (“BID”) was formed 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. The Aspen Grove Lifestyle Center is owned by DDR Aspen Grove Lifestyle Center Properties, LLC, a Delaware limited liability company. The Lifestyle Center is managed and operated by DDR Corp., an Ohio corporation.

A copy of the BID’s 2016 Operating Plan and Budget (“2016 Operating Plan”), as approved by the City Council on October 6, 2015, is attached hereto as Exhibit A. Pursuant to Section 31-25-1211 C.R.S., the 2016 Operating Plan may only be amended with approval of City Council.

The 2016 Operating Plan did not contemplate that the BID would refund its outstanding Limited Tax General Obligation Refunding Bonds, Series 2007 (2007 Bonds). Because the credit markets have continued to experience historically low interest rates, the BID’s Board of Directors (“Board”) solicited proposals from investment banking firms to determine if refunding the 2007 Bonds would produce favorable savings. As discussed below, a current refunding of the 2007 Bonds would be advantageous for the BID and lower its debt service costs. For that reason, the BID is requesting that City Council approve this 2016 Amended Operating Plan to allow the BID to realize the savings from a current refunding of the 2007 Bonds.

**ARTICLE II.**  
**2007 BOND REFUNDING**

The 2007 Bonds mature on various dates, ranging from 2017-2025, and are callable on December 1, 2016. The 2007 Bonds may be called up to 90 days prior to the call date in accordance with current IRS refunding rules. Based on the recommendation of Piper Jaffray & Co., the investment banking firm selected by the Board to assist in the refunding of the 2007 Bonds, the BID is analyzing whether to refund the 2007 Bonds through a private placement with a bank, or a traditional public bond offering. Either way, the BID will realize similar significant net present value savings, as discussed below. For that reason, the BID is requesting that City Council approve this 2016

Amended Operating Plan and Budget, which contemplates refunding the 2007 Bonds before the end of 2016.

Attached hereto as Exhibit B is Piper Jaffray's preliminary financial projections for the proposed refunding, which project a net present value savings, attributable to the refunding, of \$904,136.00. The interest rate on the 2007 Bonds ranges from 4.625% to 5%. The interest rate on the refunded bonds is expected to range from .8% to 1.8%. The maturity of the 2007 Bonds will not be extended.

**ARTICLE III.**  
**AMENDED 2016 BUDGET**

To accommodate the proposed refunding, the BID needs to amend the amount of revenue and expenditures budgeted for 2016 in the BID's Debt Service Fund. A proposed amended budget for the BID's Debt Service Fund, prepared in accordance with the Local Government Budget Law, Section 29-1-101 C.R.S., *et seq.*, is attached hereto as Exhibit C, consisting of one page. The amended budget for the Debt Service Fund was prepared by the BID's budget officer, Roberta Stake. If the BID's 2016 Amended Operating Plan and Budget is approved by City Council, the BID will amend its 2016 budget so that it substantially complies with the BID's 2016 Amended Operating Plan and Budget.

**ARTICLE IV.**  
**2016 OPERATING PLAN**

Except as amended by this 2016 Amended Operating Plan and Budget, the BID's 2016 Operating Plan will remain in full force and effect.

**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., and to allow the BID to take advantage of the savings that will be realized by refunding the BID's 2007 Bonds, the BID Board respectfully requests that the City Council adopt a resolution approving the BID's 2016 Amended Operating Plan and Budget, as submitted.

# **EXHIBIT A**

**2016**

**Operating Plan and Budget**

**for**

**Aspen Grove Business Improvement District**

**In the City of Littleton, Arapahoe County, Colorado**

**September 2015**

**TABLE OF CONTENTS**

Article I. BACKGROUND ..... 1

Article II. 2015 BID ACTIVITIES ..... 1

Article III. 2016 SERVICES ..... 2

Article IV. BUDGET..... 2

Article V. CONCLUSION ..... 2

**2016 OPERATING PLAN AND BUDGET**  
**FOR**  
**ASPEN GROVE BUSINESS IMPROVEMENT DISTRICT**

**ARTICLE VI.**  
**BACKGROUND**

The Aspen Grove Business Improvement District (“BID”) was formed 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. The Aspen Grove Lifestyle Center is owned by DDR Aspen Grove Lifestyle Center Properties, LLC, a Delaware limited liability company. The Lifestyle Center is managed and operated by DDR Corp., an Ohio corporation.

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 5 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 2016 (“2016 Operating Plan”) may be amended in the future, but only with the approval of the City Council.

**ARTICLE VII.**  
**2015 BID ACTIVITIES**

The BID did not construct improvements during 2015. The BID’s 2015 activities focused on maintaining the BID owned public improvements and servicing the debt incurred by the BID to finance the public improvements that were necessary for the development of the Lifestyle Center.

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. The development that has occurred within Lot 2 has helped to increase the BID’s assessed valuation. The 2015 preliminary assessed valuation for the BID is \$20,782,757 as compared to a 2014 assessed valuation of \$16,551,832. As a result of the increase in assessed valuation, the BID’s debt service mill levy will drop from 60.000 mills to approximately 42.000 mills.

**ARTICLE VIII.**  
**2016 SERVICES**

The BID has no plans to construct any improvements during 2016.

In 2016, the BID's focus will be to service the BID's outstanding bonds 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, 2015 in the amount of \$656,231. Further, based on the BID's contemplated 2016 budget, the BID will have sufficient funds to make all scheduled 2016 debt service payments in the aggregate amount of \$833,463.

**ARTICLE IX.**  
**BUDGET**

A proposed 2016 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 three pages). The 2016 budget was prepared by the BID's budget officer, Roberta Stake. The BID's 2016 budget as finally adopted, is expected to be substantially in accordance with the proposed 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 2015.

**ARTICLE X.**  
**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 approving the BID's 2016 Operating Plan and Budget as submitted.

**EXHIBIT 1**

**ASPEN GROVE BUSINESS IMPROVEMENT DISTRICT**

**CITY OF LITTLETON  
COUNTY OF ARAPAHOE  
COLORADO**

**PROPOSED 2016 BUDGET**

**September 2015**

## **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 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 2007, the BID refunded its \$9,100,000.00 Limited Tax General Obligation Bonds, Series 2001 through the issuance of \$9,100,000.00 in Limited Tax General Obligation Bonds, Series 2007 and the issuance of \$1,605,000.00 (maturity amount) of Supplemental B interest registered coupons dated June 4, 2007.

The primary function of the BID during 2016 will be to service the debt on the BID’s outstanding Limited Tax General Obligation Refunding Bonds, Series 2007.

The BID has not entered into nor does it contemplate entering into any lease purchase contracts during 2016. Accordingly, no lease purchase contract transactions are contemplated in the proposed 2016 budget.

ASPEN GROVE BUSINESS IMPROVEMENT  
DISTRICT  
Adopted Budget  
General Fund  
2016

	<u>2014 Actual</u>	<u>2015 Estimated</u>	<u>2016 Adopted</u>
BEGINNING FUNDS AVAILABLE	<u>330,389</u>	<u>383,815</u>	<u>443,465</u>
REVENUE			
Specific ownership taxes	63,676	70,000	63,000
Interest income	847	650	650
Total revenue	<u>64,523</u>	<u>70,650</u>	<u>63,650</u>
Total funds available	<u>394,912</u>	<u>454,465</u>	<u>507,115</u>
EXPENDITURES			
Accounting	1,743	1,700	1,700
Audit	4,000	4,000	4,000
Legal	5,042	5,000	5,000
Maintenance	0	0	0
Miscellaneous	312	300	300
Developer reimbursement	0	0	0
Emergency reserves and contingency			2,700
Total expenditures	<u>11,097</u>	<u>11,000</u>	<u>13,700</u>
ENDING FUNDS AVAILABLE	<u><u>383,815</u></u>	<u><u>443,465</u></u>	<u><u>493,415</u></u>

ASPEN GROVE BUSINESS IMPROVEMENT  
 DISTRICT  
 Property tax summary  
 2016

	<u>2014 Actual</u>	<u>2015 Estimated</u>	<u>2016 Adopted</u>
Assessed valuation - Arapahoe County	14,741,920	16,551,832	20,783,431
Mill levy	<u>60.000</u>	<u>60.000</u>	<u>42.000</u>
Property tax revenue	<u><u>884,515</u></u>	<u><u>993,110</u></u>	<u><u>872,904</u></u>

ASPEN GROVE BUSINESS IMPROVEMENT  
 DISTRICT  
 Adopted Budget  
 Debt Service Fund  
 2016

	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Estimated</u>	<u>2016</u> <u>Adopted</u>
BEGINNING FUNDS AVAILABLE	<u>801,990</u>	<u>839,798</u>	<u>982,595</u>
REVENUE			
Property taxes	881,194	993,110	872,904
Specific ownership taxes	0	0	0
Interest	<u>197</u>	<u>200</u>	<u>200</u>
Total revenue	<u>881,391</u>	<u>993,310</u>	<u>873,104</u>
Total funds available	<u>1,683,381</u>	<u>1,833,108</u>	<u>1,855,699</u>
EXPENDITURES			
Bond interest	377,213	352,463	328,463
Bond principal	450,000	480,000	505,000
Trustee/Paying agent fees	3,150	3,150	5,000
Treasurer's fee	<u>13,220</u>	<u>14,900</u>	<u>18,700</u>
Total expenditures	<u>843,583</u>	<u>850,513</u>	<u>857,163</u>
ENDING FUNDS AVAILABLE	<u><u>839,798</u></u>	<u><u>982,595</u></u>	<u><u>998,536</u></u>

# EXHIBIT B

---

---

## TABLE OF CONTENTS

Aspen Grove Business Improvement District  
Limited Tax General Obligation Refunding Bonds  
\*\*\*\*\*

Preliminary rates as of March 31, 2016  
Assuming 40 bps for P&I  
\*\*\*\*\*

Report	Page
Prior Bond Debt Service . . . . .	1
Bond Debt Service . . . . .	2
Savings . . . . .	3
Summary of Refunding Results . . . . .	4
Sources and Uses of Funds . . . . .	5
Summary of Bonds Refunded . . . . .	6

---

---

PRIOR BOND DEBT SERVICE

Aspen Grove Business Improvement District  
Limited Tax General Obligation Refunding Bonds  
\*\*\*\*\*

Preliminary rates as of March 31, 2016  
Assuming 40 bps for P&I  
\*\*\*\*\*

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2016	505,000	5.000%	164,231.25	669,231.25
12/01/2017	530,000	4.250%	303,212.50	833,212.50
12/01/2018	555,000	4.750%	280,687.50	835,687.50
12/01/2019	575,000	4.750%	254,325.00	829,325.00
12/01/2020	600,000	4.750%	227,012.50	827,012.50
12/01/2021	635,000	4.750%	198,512.50	833,512.50
12/01/2022	665,000	4.625%	168,350.00	833,350.00
12/01/2023	690,000	4.625%	137,593.76	827,593.76
12/01/2024	725,000	4.625%	105,681.26	830,681.26
12/01/2025	1,560,000	4.625%	72,150.00	1,632,150.00
	7,040,000		1,911,756.27	8,951,756.27

---

---

BOND DEBT SERVICE

Aspen Grove Business Improvement District  
Limited Tax General Obligation Refunding Bonds  
\*\*\*\*\*

Preliminary rates as of March 31, 2016  
Assuming 40 bps for P&I  
\*\*\*\*\*

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2017	590,000	0.800%	113,065.63	703,065.63
12/01/2018	620,000	0.950%	85,732.50	705,732.50
12/01/2019	620,000	1.100%	79,842.50	699,842.50
12/01/2020	625,000	1.200%	73,022.50	698,022.50
12/01/2021	635,000	1.350%	65,522.50	700,522.50
12/01/2022	645,000	1.450%	56,950.00	701,950.00
12/01/2023	650,000	1.550%	47,597.50	697,597.50
12/01/2024	665,000	1.650%	37,522.50	702,522.50
12/01/2025	1,475,000	1.800%	26,550.00	1,501,550.00
	6,525,000		585,805.63	7,110,805.63

SAVINGS

Aspen Grove Business Improvement District  
 Limited Tax General Obligation Refunding Bonds

\*\*\*\*\*  
 Preliminary rates as of March 31, 2016  
 Assuming 40 bps for P&I  
 \*\*\*\*\*

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 09/01/2016 @ 1.6154315%
12/01/2016	669,231.25		669,231.25	666,544.77
12/01/2017	833,212.50	703,065.63	130,146.87	128,218.66
12/01/2018	835,687.50	705,732.50	129,955.00	126,093.96
12/01/2019	829,325.00	699,842.50	129,482.50	123,554.52
12/01/2020	827,012.50	698,022.50	128,990.00	121,045.26
12/01/2021	833,512.50	700,522.50	132,990.00	122,711.36
12/01/2022	833,350.00	701,950.00	131,400.00	119,236.06
12/01/2023	827,593.76	697,597.50	129,996.26	116,006.86
12/01/2024	830,681.26	702,522.50	128,158.76	112,469.00
12/01/2025	1,632,150.00	1,501,550.00	130,600.00	112,699.07
	8,951,756.27	7,110,805.63	1,840,950.64	1,748,579.51

Savings Summary

PV of savings from cash flow	1,748,579.51
Less: Prior funds on hand	-1,499,776.93
Plus: Refunding funds on hand	655,334.03
Net PV Savings	904,136.61

---

---

SUMMARY OF REFUNDING RESULTS

Aspen Grove Business Improvement District  
Limited Tax General Obligation Refunding Bonds  
\*\*\*\*\*

Preliminary rates as of March 31, 2016  
Assuming 40 bps for P&I  
\*\*\*\*\*

Dated Date	09/01/2016
Delivery Date	09/01/2016
Arbitrage yield	1.615431%
Escrow yield	0.179547%
Value of Negative Arbitrage	25,688.21
Bond Par Amount	6,525,000.00
True Interest Cost	1.536193%
Net Interest Cost	1.541138%
Average Coupon	1.541138%
Average Life	5.825
Par amount of refunded bonds	7,040,000.00
Average coupon of refunded bonds	4.648477%
Average life of refunded bonds	5.591
PV of prior debt to 09/01/2016 @ 1.615431%	8,245,136.29
Net PV Savings	904,136.61
Percentage savings of refunded bonds	12.842850%
Percentage savings of refunding bonds	13.856500%

---

---

SOURCES AND USES OF FUNDS

Aspen Grove Business Improvement District  
Limited Tax General Obligation Refunding Bonds  
\*\*\*\*\*

Preliminary rates as of March 31, 2016  
Assuming 40 bps for P&I  
\*\*\*\*\*

Dated Date                   09/01/2016  
Delivery Date               09/01/2016

Sources:

---

Bond Proceeds:	
Par Amount	6,525,000.00
Other Sources of Funds:	
Series 2006 12/1/16 Payment	669,231.25
Debt Service Reserve Fund	830,545.68
	<hr/>
	1,499,776.93
	<hr/>
	8,024,776.93

Uses:

---

Refunding Escrow Deposits:	
Cash Deposit	0.68
SLGS Purchases	7,200,999.00
	<hr/>
	7,200,999.68
Other Fund Deposits:	
Debt Service Reserve Fund	652,500.00
Cost of Issuance:	
Other Cost of Issuance	140,000.00
Other Delivery Date Expenses:	
Bond Insurance	28,443.22
Other Uses of Funds:	
Additional Proceeds	2,834.03
	<hr/>
	8,024,776.93

---

---

SUMMARY OF BONDS REFUNDED

Aspen Grove Business Improvement District  
 Limited Tax General Obligation Refunding Bonds

\*\*\*\*\*  
 Preliminary rates as of March 31, 2016  
 Assuming 40 bps for P&I  
 \*\*\*\*\*

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Refunding Series 2007, 2007:					
SERIAL	12/01/2016	5.000%	505,000.00		
	12/01/2017	4.250%	530,000.00	12/01/2016	100.000
TERM	12/01/2021	4.750%	2,365,000.00	12/01/2016	100.000
TERM02	12/01/2025	4.625%	3,640,000.00	12/01/2016	100.000
			7,040,000.00		

# EXHIBIT C

ASPEN GROVE BUSINESS IMPROVEMENT  
DISTRICT  
Amended Budget  
Debt Service Fund  
2016

	2016 Original Budget	2016 Amended Budget
BEGINNING FUNDS AVAILABLE	<u>982,595</u>	<u>981,808</u>
REVENUE		
Property taxes	872,904	872,904
Specific ownership taxes	0	0
Interest	200	200
Bond proceeds	<u>0</u>	<u>6,525,000</u>
Total revenue	<u>873,104</u>	<u>7,398,104</u>
Total funds available	<u>1,855,699</u>	<u>8,379,912</u>
EXPENDITURES		
Bond interest	328,463	164,232
Bond principal	505,000	0
Trustee/Paying agent fees	5,000	5,000
Treasurer's fee	18,700	18,700
Payment to refunding escrow	0	7,200,999
Bond issuance costs	0	171,277
Contingency	<u>0</u>	<u>250,000</u>
Total expenditures	<u>857,163</u>	<u>7,810,208</u>
ENDING FUNDS AVAILABLE	<u><u>998,536</u></u>	<u><u>569,704</u></u>