

2019
Operating Plan and Budget
for
Aspen Grove Business Improvement District
In the City of Littleton, Arapahoe County, Colorado

September 2018

TABLE OF CONTENTS

Article I. BACKGROUND 1

Article II. 2018 BID ACTIVITIES 1

Article III. 2019 SERVICES 2

Article IV. BUDGET 2

Article V. CONCLUSION 3

2019 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 2019 (“2019 Operating Plan”) may be amended in the future, but only with the approval of the City Council.

ARTICLE II. **2018 BID ACTIVITIES**

The BID did not construct or acquire improvements during 2018.

As set forth in its 2018 Operating Plan and Budget, on April 13, 2018, the BID issued a \$5,435,000 Limited Tax General Obligation Refunding Bond, Series 2018 (“2018 Bond”), refunding the BID’s Limited Tax General Obligation Refunding Bonds, Series 2007, outstanding in the amount of \$6,500,000. The 2018 Bond was purchased by BB&T Bank. 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 approximately 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 2018 preliminary assessed valuation for the area of the BID that is subject to the BID's debt service mill levy is \$26,460,543 which is slightly less than the BID's 2017 final assessed valuation of \$26,586,973. Even though the BID's preliminary assessed valuation for 2018 is slightly less than the BID's 2017 assessed valuation, the BID's debt service mill levy should remain at approximately 40 mills.

ARTICLE III.
2019 SERVICES

The BID has no plans to construct any improvements during 2019.

In 2019, 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, 2018 in the amount of \$580,000.00. Further, based on the BID's contemplated 2019 Budget, the BID will have sufficient funds to make all scheduled 2019 debt service payments.

ARTICLE IV.
BUDGET

A proposed 2019 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 2019 Budget as finally adopted, is expected to be substantially in accordance with the proposed 2019 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 2018.

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 approving the BID's 2019 Operating Plan and Budget as submitted.

EXHIBIT 1

ASPEN GROVE BUSINESS IMPROVEMENT DISTRICT

**CITY OF LITTLETON
COUNTY OF ARAPAHOE
COLORADO**

PROPOSED 2019 BUDGET

September 2018

2019 BUDGET MESSAGE

The modified accrual basis of accounting for governmental funds was used in the preparation of the 2019 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 2019 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 2019. Accordingly, no lease purchase contract transactions are contemplated in the proposed 2019 Budget.

ASPEN GROVE BUSINESS IMPROVEMENT
 DISTRICT
 Proposed Budget
 General Fund
 2019

	2017 Actual	2018 Estimated	2019 Proposed
BEGINNING FUNDS AVAILABLE	498,727	568,230	654,330
REVENUE			
Specific ownership taxes	75,954	80,000	83,000
Interest income	12,730	23,000	20,000
Total revenue	88,684	103,000	103,000
Total funds available	587,411	671,230	757,330
EXPENDITURES			
Accounting	2,083	2,400	2,700
Audit	4,000	4,000	5,000
Legal	12,726	10,000	15,000
Maintenance	0	0	0
Miscellaneous	372	500	500
Developer reimbursement	0	0	0
Emergency reserves and contingency		0	79,800
Total expenditures	19,181	16,900	103,000
ENDING FUNDS AVAILABLE	568,230	654,330	654,330

ASPEN GROVE BUSINESS IMPROVEMENT
DISTRICT
Proposed Budget
Debt Service Fund
2019

	2017 Actual	2018 Estimated	2019 Proposed
BEGINNING FUNDS AVAILABLE	1,000,928	1,041,029	879,584
REVENUE			
Property taxes	887,709	1,063,479	1,058,422
Specific ownership taxes	0	0	0
Interest	2,073	2,300	1,000
Bond proceeds	0	5,435,000	0
Total revenue	889,782	6,500,779	1,059,422
Total funds available	1,890,710	7,541,808	1,939,006
EXPENDITURES			
Bond interest	303,213	187,600	179,918
Bond principal	530,000	220,000	360,000
Trustee/Paying agent fees	3,150	3,000	5,000
Treasurer's fee	13,318	16,000	16,000
Legal	0	0	1,500
Payment to refunding escrow	0	6,120,395	0
Bond issuance costs	0	115,229	0
Contingency	0	0	497,004
Total expenditures	849,681	6,662,224	1,059,422
ENDING FUNDS AVAILABLE	1,041,029	879,584	879,584

/20

ASPEN GROVE BUSINESS IMPROVEMENT
DISTRICT
Property tax summary
2019

	2017 Actual	2018 Estimated	2019 Proposed
Assessed valuation - Arapahoe County	21,118,999	26,586,973	26,460,541
Mill levy	42.000	40 000	40 000
Property tax revenue	886,998	1,063,479	1,058,422