

2022
OPERATING PLAN
AND BUDGET
for the
HIGHLINE BUSINESS IMPROVEMENT DISTRICT
in the City of Littleton, Arapahoe County, Colorado

Submitted September 18, 2021

TABLE OF CONTENTS

INTRODUCTION 2

ARTICLE I - Background 2

 Section 1.01. Purpose..... 2

 Section 1.02. Organization; Applicable Law 2

 Section 1.03. District Boundaries 2

 Section 1.04. District Board of Directors..... 2

 Section 1.05. Annual Operating Plan and Budget 2

ARTICLE II - District Improvements, Services 3

 Section 2.01. Capital Improvements..... 3

 Section 2.02. Operations/Services/Programs 3

ARTICLE III - Bonds, District Debt 3

 Section 3.01. Bonds 3

 Section 3.02. Debt Service Payments 3

 Section 3.03. Other District Obligations..... 3

ARTICLE IV – Special Revenue Fund 3

 Section 4.01. Special Revenue Fund..... 3

ARTICLE V - 2019 Budget..... 4

 Section 5.01. Budget Document 4

 Section 5.02. Debt Service..... 4

 Section 5.03. General Operations Expense..... 4

 Section 5.04. Other revenues 4

ARTICLE VI – Conclusion 5

2022
OPERATING PLAN AND BUDGET
Highline Business Improvement District

INTRODUCTION

The Highline Business Improvement District is pleased to file its 2022 Operating Plan and Budget (“the Plan”).

The statutory deadline for filing the Plan is on or before September 30th.

ARTICLE I - Background

Section 1.01. Purpose. The Highline Business Improvement District ("District") was organized to provide financing for public improvements and services needed within the area commonly known as the Ridge at SouthPark.

Section 1.02. Organization; Applicable Law. The District was organized pursuant to the Business Improvement District Act, § 31-25-1201, et seq., C.R.S. (the "Act"), by Ordinance Number 25, Series of 1998, passed and adopted by the City Council of the City of Littleton, Colorado, on August 18, 1998 ("Organization Ordinance").

Section 1.03. District Boundaries. A map and boundary description of the District are attached as **Exhibit A**. There has been no change in the District boundaries since it was organized, and none is contemplated for 2022.

Section 1.04. District Board of Directors. The District is governed by a Board of Directors consisting of five (5) electors of the District appointed by the City Council (the "Directors"). The District currently has one vacancy on the Board. The current Directors will continue to serve through 2022. The names and addresses of current Directors and current District contact information are set forth on the attached **Exhibit B**.

The Board currently is a fairly diverse group, with owners, CEOs, managers, or representatives of three different companies, and one from the Mission Hills Baptist Church.

Section 1.05. Annual Operating Plan and Budget. The Act requires that the District submit an annual Operating Plan and Budget for the coming budget year on or before September 30. This document is the 2021 submittal for the 2022 budget year.

ARTICLE II - District Improvements, Services

Section 2.01. Capital Improvements. All capital improvements for which the District was organized have been completed and are in service. No additional improvements are planned for 2022.

Section 2.02. Operations/Services/Programs. The District does not currently provide ongoing services or programs and does not plan to in 2022, other than administration and payment of financial obligations.

ARTICLE III - Bonds, District Debt

Section 3.01. Successful Bond Refunding. In 2015, the District successfully negotiated a mutual agreement with the bondholder of the Series 2000B Bonds for a reduction and payoff of the 2000B bond debt, which reduced the overall bonded indebtedness. That debt was then refinanced with a Loan from CoBiz Bank in the amount of \$3,000,000. The refinancing resulted in a reduction from the previous Bond interest rate of 8.75%, to a Loan interest rate of 3.60%. An overall (2015) present value savings of \$1,299,525 was achieved by the District.

Section 3.02. Debt Service and Contract Payments. Pursuant to the 2015 CoBiz Loan terms, the District is required to impose a Debt Service Mill Levy at a level sufficient, up to the maximum debt service mill levy of 37.000 Mills, for payment of the Loan Principal and Interest. The debt amortization schedule is attached hereto as **Exhibit C**.

Section 3.03. Other District Obligations (Operations and Management Agreement and Advance and Reimbursement Agreements). As a result of the 2015 refinancing, the District successfully negotiated and paid off the beneficiaries of the 2003 Operations and Management Agreement, as well as the 2001 Advance and Reimbursement Agreements.

ARTICLE IV – Special Revenue Fund

Section 4.01. Special Revenue Fund. The South Park Owners Association, Mission Hills Baptist Church, and the District entered into an agreement dated March 4, 2008 to modify the covenants affecting certain property, to allow the church's proposed use. The modification provided for the church to make contractual payments to the District and the SouthPark Metropolitan District in amounts that approximate the revenue derived from the debt service and operations mill levy.

Following notice and hearing, the 2010 budget was amended by the creation of a "Special Revenue Fund" to track this revenue, and this fund was continued each year from 2010 through 2015.

Pursuant to the 2015 refinancing of the Series 2000B Bonds, the revenue from the Mission Hills Baptist Church is solely pledged to payment of the Loan and as a result, the

Special Revenue Fund is no longer a necessary part of the budget – this revenue is now budgeted in the Debt Service Fund as “Contract Revenue (Church)”.

ARTICLE V - 2022 Budget

Section 5.01. Budget Document. The proposed budget of the District for fiscal year 2022 is attached as **Exhibit D**. The District Board will adopt a final budget following the appropriate Notice and Public Hearing as required by law.

Section 5.02. Debt Service. The District projects to levy 11.000 mills for Debt Service for collection in 2022, and will apply all of the proceeds of this levy, net of County Treasurer fees, to the Loan. This is a 6.500 reduction in the mill levy from budget year 2021. It should be noted that the debt service mill levy has been reduced by 28.500 mills since refinancing the debt in 2015.

Section 5.03. General Operations Expense.

(a) Cost Estimates. The expected 2022 expenditures for administrative functions necessary to enable the District to meet its contractual and statutory compliance obligations are as shown in **Exhibit D**. This includes Board of Director meetings (typically two to three per year) and office expenses, preparing and making required filings, bookkeeping, audit, legal, management, a 3% TABOR emergency reserve, and costs of interacting with the City, other governmental entities and landowners. District Directors are not compensated by the District for their service on the Board.

(b) Operations Mill Levy. In 2005, the District proposed a new mill levy at the rate of 2.900 mills to be imposed in 2005 for collection in 2006, and in subsequent years, to raise funds for general operations. At the special election held November 1, 2005 the voters approved the new tax. The proposed District Budget reflects revenues of approximately \$22,516 from the 1.500 mill levy, which with other revenues is expected to be sufficient to cover the District's general administration expenses in 2022.

(c) Contingency. A Contingency expense is budgeted and appropriated for (subject to available revenue), in the event of any unforeseen expenditures.

(d) Dissolution. A Dissolution expense is budgeted and appropriated for (subject to available revenue), to allow for sufficient funds in the future to pay for costs relating to the planned event of dissolving the District, upon retirement of all debt.

Section 5.04. Other revenues. The only sources of revenue expected by the District in 2022 are general property taxes, specific ownership taxes, interest income and the Mission Hills Baptist Church contractual payment. The District does not plan to impose any fees, charges or special assessments in 2022, but has the authority to do so in future years, subject to applicable law.

ARTICLE VI – Conclusion

In 2015, the District was successful in negotiating a reduction of overall debt, which otherwise could not have been achieved without the assistance of the affected parties.

Due to debt forgiveness and refinancing of the bonds, the overall District debt was dramatically reduced. Taxpayers received the direct benefit of a reduced overall mill levy from 39.900 to 36.100 in budget year 2016; a further reduction in budget year 2017 to 24.900, in budget year 2018 a reduction to 20.900, and in budget year 2019 the District reduced its mill levy to 20.400. For budget year 2021, the District reduced its mill levy to 17.900. For 2022, the District is once again reducing its mill levy, this time down to 12.500 mills.

The District Board thanks the City Council and City Staff for their continued assistance in operating the District.

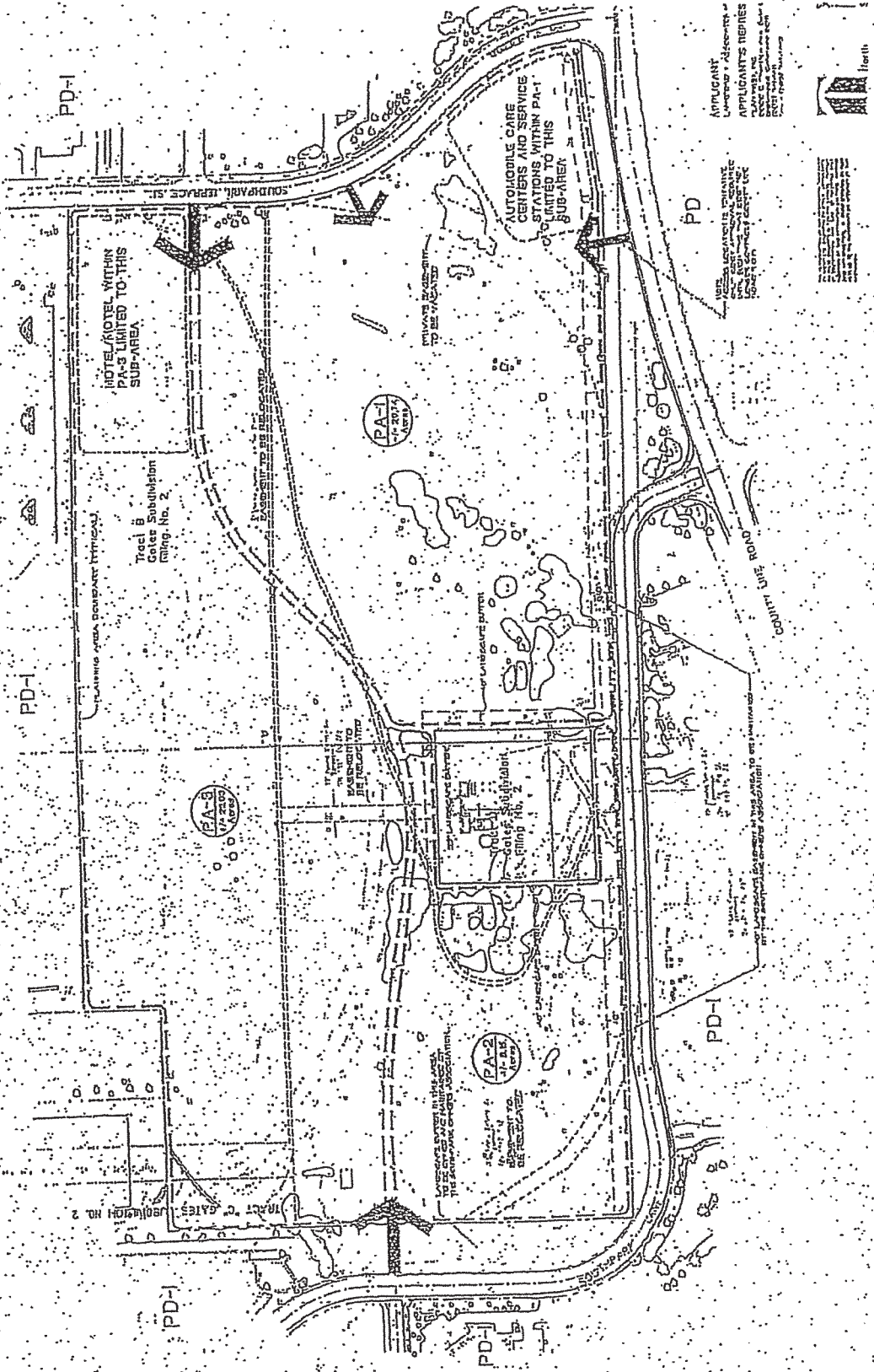
Pursuant to § 31-25-1211, C.R.S., the City is to approve or disapprove the Operating Plan and Budget within 30 days of the receipt of this Operating Plan and Budget and any additional documentation which the City may require, but in no event later than December 6, 2021. The District Board respectfully requests the adoption of a resolution or ordinance of approval.

EXHIBIT A
Map and Boundary Description

THE RIDGE AT SOUTHPARK

AMENDMENT TO GATES PD

A PORTION OF THE SE 1/4 OF SEC. 33 AND THE SW 1/4 SEC. 34; T5S, R68W, 6TH P.M.
 CITY OF LITTLETON, COUNTY OF ARAPAHOE, STATE OF COLORADO
 PLANNED DEVELOPMENT - INDUSTRIAL (PD-I)



APPLICANT: [Name]
 PROJECT: [Name]
 DATE: [Date]

APPLICANT'S REPRESENTATIVE: [Name]
 ADDRESS: [Address]
 PHONE: [Phone]

APPLICANT'S REPRESENTATIVE: [Name]
 ADDRESS: [Address]
 PHONE: [Phone]

APPLICANT'S REPRESENTATIVE: [Name]
 ADDRESS: [Address]
 PHONE: [Phone]

APPLICANT'S REPRESENTATIVE: [Name]
 ADDRESS: [Address]
 PHONE: [Phone]

APPLICANT'S REPRESENTATIVE: [Name]
 ADDRESS: [Address]
 PHONE: [Phone]

APPLICANT'S REPRESENTATIVE: [Name]
 ADDRESS: [Address]
 PHONE: [Phone]

APPLICANT'S REPRESENTATIVE: [Name]
 ADDRESS: [Address]
 PHONE: [Phone]

EXHIBIT B

September 13, 2021

HIGHLINE BUSINESS IMPROVEMENT DISTRICT

City of Littleton, Arapahoe County, Colorado

Date Formed: August 18, 1998 (by Ordinance No. 25, Series of 1998)
SFBB File No.: 14585
Statute: 31-25-1201, et seq., C.R.S. (BID)

REGULAR MEETINGS: The District does not have another regular meeting scheduled for 2021, and will call a special meeting as necessary.

OFFICIAL POSTING PLACES: On the light pole located on the northwest corner of Southpark Lane and Southpark Terrace and two public locations along Southpark Lane to be selected by the person posting (for 72-hour postings)

BOARD OF DIRECTORS:

Mike McKesson O: 303-798-7111
Facilities Contracting Inc. mmckesson@facilitiescontracting.com
981 Southpark Lane
Littleton, CO 80120
Term: Appointed 2006

Keith Carson O: 303-794-3564
Mission Hills Church kcarson@missionhills.org
620 Southpark Drive
Littleton, CO 80120
Term: Appointed 2013

Robert Scott Hoery O: 303-738-0363
621 Southpark Drive, #2000 Email: ScottHoery@allstate.com
Littleton, CO 80120
Term: Appointed 2017

Channing O'Dell O: 720-750-7899
MIE Business Center at the Ridge Maint. Email: venturemgmtgrp@msn.com
Assoc.
c/o Venture Management Group
2950 South Jamaica Court, Suite 101
Aurora, CO 80014
Term: Appointed 2018

THERE CURRENTLY EXISTS ONE
VACANCY ON THE BOARD

DISTRICT MANAGER / CONTACT PERSON:

David Solin
c/o Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Lakewood, CO 80228

(w) 303-987-0835
(f) 303-987-2032
dsolin@sdmsi.com

AUDITOR:

Greg Livin
Stratagem CPA
14143 Denver West Parkway, #450
Lakewood, CO 80401

(w) 720-445-3410
(f) 720-445-3411
glivin@StratagemCPA.com

GENERAL COUNSEL:

Tom George, Esq.
Spencer Fane LLP
1700 Lincoln St., Suite 2000
Denver, CO 80203

303-839-3708
Fax – 303-839-3838
tgeorge@spencerfane.com

PUBLICATION:

Littleton Independent
Attn: Sheree Sandell
9137 S. Ridgeline, No. 210
Highlands Ranch, CO 80129

(w) 303-566-4100
legals@coloradocommunitymedia.com

PUBLISHES ON THURSDAYS (LITTLETON); DEADLINE IS PRECEDING WEDNESDAY.

EXHIBIT C
Debt Service Schedule

DETAILED BOND DEBT SERVICE

Highline Business Improvement District
Series 2015 Refunding Bonds

Bond Component 2015 (BOND15)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2015			24,463.67	24,463.67	
12/01/2015	190,000	3.716%	55,740.00	245,740.00	270,203.67
06/01/2016			52,209.80	52,209.80	
12/01/2016	260,000	3.716%	52,209.80	312,209.80	364,419.60
06/01/2017			47,379.00	47,379.00	
12/01/2017	270,000	3.716%	47,379.00	317,379.00	364,758.00
06/01/2018			42,362.40	42,362.40	
12/01/2018	225,000	3.716%	42,362.40	267,362.40	309,724.80
06/01/2019			38,181.90	38,181.90	
12/01/2019	230,000	3.716%	38,181.90	268,181.90	306,363.80
06/01/2020			33,908.50	33,908.50	
12/01/2020	240,000	3.716%	33,908.50	273,908.50	307,817.00
06/01/2021			29,449.30	29,449.30	
12/01/2021	250,000	3.716%	29,449.30	279,449.30	308,898.60
06/01/2022			24,804.30	24,804.30	
12/01/2022	260,000	3.716%	24,804.30	284,804.30	309,608.60
06/01/2023			19,973.50	19,973.50	
12/01/2023	265,000	3.716%	19,973.50	284,973.50	304,947.00
06/01/2024			15,049.80	15,049.80	
12/01/2024	275,000	3.716%	15,049.80	290,049.80	305,099.60
06/01/2025			9,940.30	9,940.30	
12/01/2025	535,000	3.716%	9,940.30	544,940.30	554,880.60
	3,000,000		706,721.27	3,706,721.27	3,706,721.27

EXHIBIT D
2021 Budget

**Highline Business Improvement District
Proposed Budget
General Fund
For the Year ended December 31, 2022**

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>7/31/2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ 58,907	\$ 85,228	\$ 86,654	\$ 86,654	\$ 109,516
Revenues:					
Property taxes	47,490	44,837	44,543	44,835	22,516
Property taxes - abatements	-	-	-	-	-
TIF WURA	-	-	-	-	-
Specific ownership taxes	3,394	3,363	1,534	2,650	1,689
Interest Income	385	201	26	50	201
Miscellaneous Income	-	-	-	-	-
Transfer from capital projects	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-
Total revenues	<u>51,269</u>	<u>48,401</u>	<u>46,103</u>	<u>47,535</u>	<u>24,406</u>
Total funds available	<u>110,176</u>	<u>133,629</u>	<u>132,757</u>	<u>134,189</u>	<u>133,922</u>
Expenditures:					
Accounting	3,863	7,500	2,686	5,000	7,500
Management Fee	7,569	6,500	3,624	6,500	6,500
Audit	3,740	4,500	-	4,500	4,500
Insurance/SDA	3,751	4,500	3,827	4,000	4,500
Legal	3,196	4,000	231	3,500	4,000
Statutory Compliance	-	-	-	-	-
Miscellaneous	689	600	56	500	600
Water utilities	-	-	-	-	-
Sewer repairs	-	-	-	-	-
Treasurer fees	714	673	664	673	338
Transfer to capital fund	-	-	-	-	-
Contingency	-	102,935	-	-	105,146
Emergency reserve (3%)	-	848	-	-	838
Total expenditures	<u>23,522</u>	<u>132,056</u>	<u>11,088</u>	<u>24,673</u>	<u>133,922</u>
Ending fund balance	<u>\$ 86,654</u>	<u>1,573</u>	<u>\$ 121,669</u>	<u>\$ 109,516</u>	<u>-</u>
Assessed valuation		<u>\$ 15,461,288</u>			<u>\$ 15,011,114</u>
Mill Levy		<u>2.900</u>			<u>1.500</u>

**Highline Business Improvement District
Proposed Budget
Debt Service Fund
For the Year ended December 31, 2022**

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>7/31/2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ 333,482	\$ 453,626	\$ 426,684	\$ 426,684	\$ 497,406
Revenues:					
Property taxes	286,579	270,573	268,796	270,575	165,122
Specific ownership taxes	20,481	20,293	9,257	19,100	12,384
Contract Revenue (Church)	95,957	123,796	93,605	93,605	75,856
Interest income	1,140	1,000	406	1,000	1,000
Transfer from Special Revenue	-	-	-	-	-
Total revenues	<u>404,157</u>	<u>415,662</u>	<u>372,064</u>	<u>384,280</u>	<u>254,362</u>
Total funds available	<u>737,639</u>	<u>869,288</u>	<u>798,748</u>	<u>810,964</u>	<u>751,768</u>
Expenditures:					
Loan Principal	240,000	250,000	-	250,000	260,000
Additional Principal	-	-	-	-	300,000
Loan Interest	66,649	58,899	29,292	58,899	49,609
Trustee fees	-	2,200	-	500	2,200
Treasurer fees	4,306	4,059	4,009	4,059	2,477
Miscellaneous	-	1,000	-	100	1,000
Total expenditures	<u>310,955</u>	<u>316,158</u>	<u>33,301</u>	<u>313,558</u>	<u>615,286</u>
Ending fund balance	<u>\$ 426,684</u>	<u>\$ 553,131</u>	<u>\$ 765,447</u>	<u>\$ 497,406</u>	<u>\$ 136,483</u>
Assessed valuation		<u>\$ 15,461,288</u>			<u>\$ 15,011,114</u>
Mill Levy		<u>17.500</u>			<u>11.000</u>
Total Mill Levy		<u>20.400</u>			<u>12.500</u>

Prepayment of Loan. The Loan is not callable for a period of five years after the Closing Date; provided, however, that the District may make the payments during the first five years of the Loan up to \$300,000 per year; any such prepayments will not cause the Loan to be re-amortized. Thereafter, the Loan may be prepaid, at the option of the District, in whole or in part, on any date, upon payment of the sum of the principal amount so prepaid, plus accrued interest thereon, to the date of prepayment, without penalty or premium.