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Direct Dial & Email

September 30, 2016

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

**Re: Aspen Grove Business Improvement District
2017 Operating Plan and Budget**

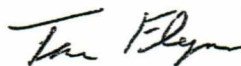
Dear Ms. Heffner:

Enclosed with this letter please find a proposed 2017 Operating Plan and Budget for the Aspen Grove Business Improvement District ("BID"), which is filed pursuant to Section 31-25-1211, C.R.S., together with a Petition asking for approval of the 2017 Operating Plan and Budget by City Council. Pursuant to the above-referenced statute, the BID's 2017 Operating Plan and Budget should be approved by the City Council no later than December 5, 2016.

I would appreciate it if you would let me know in writing when City Council is scheduled to consider approval of the BID's 2017 Operating Plan and Budget.

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

Sincerely yours,



Timothy J. Flynn

/cs

Enclosure

cc w/ Encl: Kristin Schledorn

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

PETITION FOR APPROVAL OF 2017 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 BID's Operating Plan and Budget for 2017.

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 15th day of August, 2000.
2. Pursuant to §31-25-1211, C.R.S., the BID is to file a proposed operating plan and budget for the next fiscal year with the Clerk of the City no later than September 30th of each year. The same is to be approved by City Council no later than December 5th of each year. Attached hereto is the proposed Operating Plan and Budget for the BID for calendar year 2017.

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 2017 Operating Plan and Budget be duly adopted by City Council.

Respectfully submitted this 28th day of September, 2016.



Timothy J. Flynn, Collins Cockrel & Cole
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Improvement District
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2017
Operating Plan and Budget
for
Aspen Grove Business Improvement District
In the City of Littleton, Arapahoe County, Colorado

September 2016

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2017 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.

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 2017 ("2017 Operating Plan") may be amended in the future, but only with the approval of the City Council.

ARTICLE II. **2016 BID ACTIVITIES**

The BID did not construct improvements during 2016. The BID's 2016 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.

Because of historically low interest rates in the municipal credit markets, the BID's Board of Directors ("Board") made a determination in the early summer of 2016 to refund its outstanding Limited Tax General Obligation Refunding Bonds, Series 2007 ("2007 Bonds"). On July 1, 2016 the BID submitted an Amended 2016 Operating Plan and Budget to the City Council to permit the BID to refund the 2007 Bonds. The Amended Operating Plan and Budget was approved by the City Council on July 19, 2016.

As of the date of this 2017 Operating Plan, the 2007 Bonds have not been refunded, although such refunding may occur before the end of the year. If the 2007 Bonds are not refunded by the end of the year, it is believed the 2007 Bonds will be refunded in early 2017. Accordingly, the 2017 Operating Plan and Budget contemplates

refunding the 2007 Bonds just in case the planned refunding does not occur before the end of 2016.

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 (Lot 2 will remain subject to any debt service mill levy that is necessary to pay principal and interest on the refunded bonds).

The economy in general combined with the development that has occurred within Lot 2 has helped to increase the BID's assessed valuation. The 2016 preliminary assessed valuation for the BID is \$21,074,303.00 as compared to a 2015 assessed valuation of \$20,783,431. As a result of the increase in assessed valuation, the BID's debt service mill levy will remain constant at approximately 42.000 mills. This is a significant improvement over the 60.000 mills that were assessed for collection during 2015.

ARTICLE III. **2017 SERVICES**

The BID has no plans to construct any improvements during 2017.

In 2017, the BID's focus will be to refund the 2007 Bonds, if they have not been refunded. Once the refunding has been completed, the BID's focus will be to service the BID's then 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, 2016 in the amount of \$505,000. Further, based on the BID's contemplated 2017 budget, the BID will have sufficient funds to make all scheduled 2017 debt service payments.

ARTICLE IV. **BUDGET**

A proposed 2017 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 2017 budget was prepared by the BID's budget officer, Roberta Stake. The BID's 2017 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 2016, and/or any refunding of the 2007 Bonds that occurs between now and the end of the year.

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 2017 Operating Plan and Budget as submitted.

EXHIBIT 1

ASPEN GROVE BUSINESS IMPROVEMENT DISTRICT

**CITY OF LITTLETON
COUNTY OF ARAPAHOE
COLORADO**

PROPOSED 2017 BUDGET

September 2016

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 2017 will be to refund the BID's outstanding Limited Tax General Obligation Refunding Bonds, Series 2007, if such refunding does not occur before the end of 2016.

The BID has not entered into nor does it contemplate entering into any lease purchase contracts during 2017. Accordingly, no lease purchase contract transactions are contemplated in the proposed 2017 budget.

ASPEN GROVE BUSINESS IMPROVEMENT
DISTRICT
Proposed Budget
General Fund
2017

	2015 Actual	2016 Estimated	2017 Proposed
BEGINNING FUNDS AVAILABLE	<u>383,815</u>	<u>448,060</u>	<u>498,060</u>
REVENUE			
Specific ownership taxes	74,928	67,000	66,000
Interest income	1,578	3,000	1,500
Total revenue	<u>76,506</u>	<u>70,000</u>	<u>67,500</u>
Total funds available	<u>460,321</u>	<u>518,060</u>	<u>565,560</u>
EXPENDITURES			
Accounting	1,784	1,700	2,000
Audit	4,000	4,000	4,500
Legal	6,232	12,000	15,000
Maintenance	0	0	0
Miscellaneous	245	300	300
Developer reimbursement	0	0	0
Emergency reserves and contingency		2,000	45,700
Total expenditures	<u>12,261</u>	<u>20,000</u>	<u>67,500</u>
ENDING FUNDS AVAILABLE	<u><u>448,060</u></u>	<u><u>498,060</u></u>	<u><u>498,060</u></u>

ASPEN GROVE BUSINESS IMPROVEMENT
 DISTRICT
 Proposed Budget
 Debt Service Fund
 2016

	2015 Actual	2016 Estimated	2017 Proposed
BEGINNING FUNDS AVAILABLE	<u>839,798</u>	<u>981,808</u>	<u>824,904</u>
REVENUE			
Property taxes	991,985	872,904	885,121
Specific ownership taxes	0	0	0
Interest	524	200	200
Bond proceeds	0	6,525,000	6,525,000
Total revenue	<u>992,509</u>	<u>7,398,104</u>	<u>7,410,321</u>
Total funds available	<u>1,832,307</u>	<u>8,379,912</u>	<u>8,235,225</u>
EXPENDITURES			
Bond interest	352,463	164,232	113,066
Bond principal	480,000	0	590,000
Trustee/Paying agent fees	3,150	5,000	5,000
Treasurer's fee	14,886	13,500	13,500
Payment to refunding escrow	0	7,200,999	7,200,999
Bond issuance costs	0	171,277	170,000
Contingency	0	0	100,000
Total expenditures	<u>850,499</u>	<u>7,555,008</u>	<u>8,192,565</u>
ENDING FUNDS AVAILABLE	<u><u>981,808</u></u>	<u><u>824,904</u></u>	<u><u>42,660</u></u>

9/28/2016

ASPEN GROVE BUSINESS IMPROVEMENT
DISTRICT
Property tax summary
2017

	2015 Actual	2016 Estimated	2017 Proposed
Assessed valuation - Arapahoe County	16,551,832	20,783,431	21,074,303
Mill levy	60.000	42.000	42.000
Property tax revenue	993,110	872,904	885,121