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September 27, 2017

Ms. Becky Phye
Executive Assistant to the City Manager and City Attorney
2255 West Berry Avenue
Littleton, Colorado 80120

**Re: Aspen Grove Business Improvement District
2018 Operating Plan and Budget**

Dear Ms. Phye:

Enclosed with this letter please find a proposed 2018 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 2018 Operating Plan and Budget by City Council. Pursuant to the above-referenced statute, the BID's 2018 Operating Plan and Budget should be approved by the City Council no later than December 5, 2017.

I understand that this matter is set on the City Council Agenda for Tuesday, October 17, 2017. If I have the wrong date, please let me know.

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

Sincerely yours,



Timothy J. Flynn

/mo
Enclosure

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

PETITION FOR APPROVAL OF 2018 OPERATING PLAN AND BUDGET

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

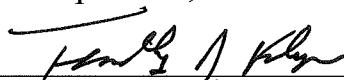
Comes now the Aspen Grove Business Improvement District ("BID"), by and through its undersigned attorney, and pursuant to §31-25-1211, C.R.S., hereby petitions the City Council to approve by appropriate motion or resolution BID's Operating Plan and Budget for 2018.

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 2018.

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 2018 Operating Plan and Budget be duly adopted by City Council.

Respectfully submitted this 25th day of September, 2017.



Timothy J. Flynn, Collins Cockrel & Cole
Attorney for Aspen Grove Business
Improvement District
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2018
Operating Plan and Budget
for
Aspen Grove Business Improvement District
In the City of Littleton, Arapahoe County, Colorado

September 2017

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2018 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, as of October 16, 2016 is owned by Aspen Grove GRF2, LLC, a Delaware limited liability company.

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 2018 ("2018 Operating Plan") may be amended in the future, but only with the approval of the City Council.

ARTICLE II. **2017 BID ACTIVITIES**

The BID did not construct improvements during 2017. The BID's 2017 activities focused on maintaining 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 favorable conditions in the municipal credit markets, the BID's Board of Directors ("Board") made a determination in 2016 to pursue refunding of the BID's outstanding Limited Tax General Obligation Refunding Bonds, Series 2007 ("2007 Bonds"). The sale of the Lifestyle Center on October 2016 placed the refunding on hold because concurrent with the sale all five seats on the BID Board became vacant.

A new BID Board was appointed by the City Council on August 15, 2017. As of the date of this 2018 Operating Plan, the 2007 Bonds have not been refunded, although such refunding may occur before the end of this year. As of September 1, 2017, the net present value savings of a refunding was estimated to be approximately \$628,000. If the 2007 Bonds are not refunded by the end of the year, the BID wants to have the option to refund the 2007 Bonds in 2018 if market conditions remain favorable. Accordingly, the

2018 Operating Plan and Budget contemplates refunding the 2007 Bonds just in case the planned refunding does not occur before the end of 2017.

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 issued for the 2007 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 2017 preliminary assessed valuation for the area of the BID that is subject to the BID's debt service mill levy is \$26,554,412.00 as compared to a 2016 assessed valuation of \$21,074,303. As a result of the increase in assessed valuation, the BID's debt service mill levy is projected to decrease from 42.000 mills to approximately to 40.000 mills. This is a significant improvement over the 60.000 mills that were assessed for collection during tax year 2015.

ARTICLE III. **2018 SERVICES**

The BID has no plans to construct any improvements during 2018.

In 2018, the BID's focus will be to refund the 2007 Bonds, if they are not refunded in 2017. 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, 2017 in the amount of \$681,607. Further, based on the BID's contemplated 2018 budget, the BID will have sufficient funds to make all scheduled 2018 debt service payments.

ARTICLE IV. **BUDGET**

A proposed 2018 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 five pages). The 2018 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 2017, 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 2018 Operating Plan and Budget as submitted.

EXHIBIT 1

ASPEN GROVE BUSINESS IMPROVEMENT DISTRICT

**CITY OF LITTLETON
COUNTY OF ARAPAHOE
COLORADO**

PROPOSED 2018 BUDGET

September 2017

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 2018 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 2017.

The BID has not entered into nor does it contemplate entering into any lease purchase contracts during 2018. Accordingly, no lease purchase contract transactions are contemplated in the proposed 2018 budget.

ASPEN GROVE BUSINESS IMPROVEMENT
DISTRICT
Adopted Budget
General Fund
2018

	<u>2016 Actual</u>	<u>2017 Estimated</u>	<u>2018 Adopted</u>
BEGINNING FUNDS AVAILABLE	<u>448,060</u>	<u>498,727</u>	<u>557,227</u>
REVENUE			
Specific ownership taxes	66,917	66,000	81,000
Interest income	6,384	6,500	5,000
Total revenue	<u>73,301</u>	<u>72,500</u>	<u>86,000</u>
Total funds available	<u>521,361</u>	<u>571,227</u>	<u>643,227</u>
EXPENDITURES			
Accounting	2,061	2,000	2,500
Audit	4,000	4,500	5,000
Legal	16,211	7,000	15,000
Maintenance	0	0	0
Miscellaneous	362	500	500
Developer reimbursement	0	0	0
Emergency reserves and contingency		0	63,000
Total expenditures	<u>22,634</u>	<u>14,000</u>	<u>86,000</u>
ENDING FUNDS AVAILABLE	<u><u>498,727</u></u>	<u><u>557,227</u></u>	<u><u>557,227</u></u>

9/25/2017

ASPEN GROVE BUSINESS IMPROVEMENT
DISTRICT
Adopted Budget
Debt Service Fund
2018

	2016 Actual	2017 Estimated	2018 Adopted
BEGINNING FUNDS AVAILABLE	<u>981,808</u>	<u>1,000,929</u>	<u>827,024</u>
REVENUE			
Property taxes	869,900	886,998	1,062,176
Specific ownership taxes	0	0	0
Interest	194	460	400
Bond proceeds	<u>0</u>	<u>5,910,000</u>	<u>5,910,000</u>
Total revenue	<u>870,094</u>	<u>6,797,458</u>	<u>6,972,576</u>
Total funds available	<u>1,851,902</u>	<u>7,798,387</u>	<u>7,799,600</u>
EXPENDITURES			
Bond interest	328,462	303,213	124,110
Bond principal	505,000	530,000	600,000
Trustee/Paying agent fees	3,150	3,150	5,000
Treasurer's fee	13,050	13,500	16,000
Legal	1,311	1,500	1,500
Payment to refunding escrow	0	6,005,000	6,005,000
Bond issuance costs	0	115,000	115,000
Contingency	<u>0</u>	<u>0</u>	<u>105,966</u>
Total expenditures	<u>850,973</u>	<u>6,971,363</u>	<u>6,972,576</u>
ENDING FUNDS AVAILABLE	<u>1,000,929</u>	<u>827,024</u>	<u>827,024</u>

9/25/2017

**ASPEN GROVE BUSINESS IMPROVEMENT
 DISTRICT**
Property tax summary
2018

	<u>2016 Actual</u>	<u>2017 Estimated</u>	<u>2018 Adopted</u>
Assessed valuation - Arapahoe County	20,783,431	21,118,999	26,554,412
Mill levy	<u>42.000</u>	<u>42.000</u>	<u>40.000</u>
Property tax revenue	<u><u>872,904</u></u>	<u><u>886,998</u></u>	<u><u>1,062,176</u></u>

9/25/2017