

**MANAGEMENT AND FINANCE POLICY COMMITTEE (M&F)  
MEETING**

**TUESDAY, October 22, 2019**

**2:30 PM, Aurora Room, Aurora Municipal Center**

Council Member Gruber, Chair

Council Member Lawson, Vice Chair

Council Member Richardson

Interim Deputy City Manager Roberto Venegas

Finance Director Terri Velasquez

The Management and Finance Committee oversees the following Council goal and objectives:

**PROVIDE A WELL-MANAGED AND FINANCIALLY STRONG CITY**

- Ensure the delivery of high quality services to residents in an efficient and cost effective manner.
- Maintain superior financial reporting, financial controls, appropriate reserves, budgeting financial management, and transparency, and invest in capital and infrastructure to support efficient and effective long-term provision of services.
- Maintain a high financial credit (bond) rating, maintain debt policies and debt practices that allow the assessment of appropriate debt levels, and periodically review debt and debt service to minimize costs.
- Provide appropriate stewardship of natural resources to ensure long-term sustainability for the city.

**1. APPROVAL SEPTEMBER 24, 2019 DRAFT MINUTES**

**2. CONSENT ITEMS**

- **Sales Tax Chart**

Presenter: Greg Hays, Budget Officer (5 minutes)

**3. 2019 FALL SUPPLEMENTAL**

Presenter: Kerstin Claspell, Senior Management Analyst (15 minutes)

**4. 2020 BUSINESS IMPROVEMENT DISTRICT ANNUAL OPERATING PLANS AND BUDGETS**

Presenter: Chad Argentar, AURA Project Manager  
Vinessa Irvin, Office of Development Assistance Manager  
Carol Toth, Manager of Accounting (20 minutes)

**5. BUCKLEY METROPOLITAN DISTRICT NOS. 1-4**

Presenter: Jacob Cox, Senior Development Project Manager (5 minutes)

**6. AURORA CROSSROADS METROPOLITAN DISTRICT NOS. 1-3**

Presenter: Jacob Cox, Senior Development Project Manager (5 minutes)

**7. APPOINT NEW DIRECTORS FOR FITZSIMMONS VILLAGE METROPOLITAN DISTRICT**

Presenter: Mark Geyer, Project Manager (5 minutes)

**8. REVENUE ENHANCEMENTS**

Presenter: Michael Lawson, Manager of Special Projects (15 minutes)

**9. REVIEW OF SERIES 2019 COPS AND RATING UPGRADES**

Presenter: Mike Shannon, Debt and Treasury Manager (10 minutes)

**10. INTERNAL AUDIT QUARTERLY PROGRESS REPORT**

Presenter: Wayne Sommer, Internal Audit Manager (10 minutes)

**11. MISCELLANEOUS MATTERS FOR CONSIDERATION**

- Next meeting is on November 26 at 2:30 pm., Ponderosa Conference Room  
(Recommend combining November/December meetings to December 10, due to Holidays)

*Total projected meeting time: 90 minutes*

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## MANAGEMENT AND FINANCE POLICY COMMITTEE

September 24, 2019

Members Present: Council Member David Gruber – Chair, Council Member Angela Lawson – Vice Chair, and Council Member Charlie Richardson - Member

Others Present: City Manager Jim Twombly, N. Freed, R. Venegas, T. Velasquez, G. Hays, M. Shannon, T. Vaughn, H. Hernandez, D. Giordano, K. Roberts, N. Wishmeyer, J. Ehmann, M. Shannon, A. Jamison, B. Kelly, and T. Hoyle

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### INTRODUCTIONS AND MINUTES

August 27, 2019 minutes were approved.

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### CONSENT ITEMS

#### Sales Tax Chart

July of 2019 was 11.3 percent higher than July of 2018.

#### Outcome

The Committee thanked staff.

#### Follow-up Action

No follow-up needed.

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### PEER TO PEER MOTOR VEHICLE SHARING

#### Summary of Issue and Discussion

As part of the growth of the sharing economy on the internet, car sharing, or car rentals of personal vehicles is growing. This presents challenges with collection of tax on these rentals. A review at the Management and Finance Policy Committee was requested by Council Member Roth.

Peer to peer car sharing is gaining in popularity. This may be impacting the market share of traditional brick and mortar car rental companies that collect city sales tax on car rentals. This is an information item regarding the industry and the current recommended approach by staff. In peer to peer car sharing, like Airbnb for lodging, an individual publishes their asset on the site for rental. The website facilitates the transaction including charging a customer's credit card for the rental. The facilitating website then retains a fee for the transaction. Since it is a personal asset, most individuals on the website do not obtain a business license and do not collect sales tax without prompting by proactive enforcement.

The websites maintain that they are not the business and therefore should not be required to collect sales tax and that it is the responsibility of the vehicle owner to collect taxes. Some operators on these websites do utilize the asset full time for the business operation. An additional complicator with the peer to peer sharing is that personal vehicle owners pay sales or use taxes to the city when they purchase the vehicle. Rental companies purchase their cars tax exempt for resale then collect tax on the subsequent rentals. For rentals of less than 36 months, the State provides an exemption if sales tax was paid on the original purchase. Therefore, state sales tax

does not apply to peer to peer car sharing. The city does not have a similar exemption and peer to peer car sharing is subject to the City's sales tax. A number of these websites have gained in popularity with renting cars, recreational vehicles, and boats. Ideally, the websites would collect sales tax on behalf of the owners. Since the sites do not collect taxes, it presents an enforcement challenge for the city. The transaction through the website makes it difficult for the city to identify the owners. The nexus of the website operators for enforcement of city regulations is unclear at this time.

With House Bill 19-1240, the state is requiring marketplace facilitators to begin collecting tax for state collected entities on October 1st, 2019. This change in law is part of the implementation of the rules resulting from the decision in the Wayfair v. South Dakota case in 2018. Home rule cities in Colorado are currently delaying implementation of Wayfair pending clarity in how the ruling works within Colorado's system of home rule collections. The state is currently pursuing a simplification system with the requirement that it integrate with home rule city tax and licensing systems. This system would simplify collection and remittance and may allow the home rule cities to begin mandating collection by non-physical premise retailers including marketplace facilitators such as car sharing websites without risk of a legal challenge.

Staff would recommend revisiting this topic and perhaps adoption of marketplace facilitator language into the tax ordinance at a later date. Currently, it is very difficult to estimate the full impact of lost revenue from peer to peer car sharing at this time. Based on listings on websites, the city may be missing \$30,000 to \$50,000 in revenue annually with non-compliance. For now, it is recommended that city revenue staff pursue non-compliance as part of regular enforcement and prioritize cases based on business activity. Significant proactive enforcement would either divert compliance resources or require the addition of resources and since many of the parties engaged in this activity do it secondarily, the efforts may not validate the resources utilized. Staff will attempt to identify parties operating primarily a business through the site for targeted compliance efforts. Staff has also conferred with Denver on this issue that also is attempting to gain compliance. The State legislature passed Senate Bill 19-090 this past year requiring insurance and that vehicles not have open recalls. The bill also required car sharing companies to enter airport concessionaire agreements. The legislation did not require collection of sales tax. Staff will continue to monitor as the State implements Marketplace Facilitator rules on October 1st and will return to Management and Finance with a strategy and potentially an ordinance in the future as regulatory options become clearer and the legal requirements are better defined.

Council Member (CM) Gruber asked, have you heard from the Colorado Municipal League (CML) or Denver Regional Council of Governments (DRCOG) on this? Has anybody looked at this systemically across the state or across the area? T. Vaughn replied there was a bill with the state that required them to delist a car if it had active recalls on it and some insurance requirements, however, as far as sales tax, since they're considered exempt at the state level there's no requirement these companies collect sales tax per say. CM Gruber said I think I understand the problem, but I think the issue is that the ordinance is necessary to ensure that the City receives the tax from the use of the vehicle and I'm afraid the state will take care of the state and might not take care of the home rule city. Whereas, DRCOG or CML would come in with a different solution. T. Vaughn said one easy way where we could collect the tax and that is have the Marketplace Facilitator (website) collect the tax.



Council Member Gruber said I recommend we talk to CML and DRCOG. T. Vaughn said I did bring it up to CML tax group, but nobody has looked into it at this standpoint. We did get some education from the department of Revenue in regard to Marketplace Facilitators.

CM Lawson asked so this has nothing to do with the trans jurisdictional? T. Vaughn replied no, the issue isn't related to sourcing. These car rentals are sourced in Aurora and so they would be taxable in Aurora.

CM Gruber recommended that this item return to the Management and Finance meeting in March or April.

#### Outcome

The Committee thanked staff. Staff will monitor the State's implementation and bring the item back to the Management and Finance meeting in March or April of 2020.

#### Follow-up Action

Staff will continue to monitor as the State implements Marketplace Facilitator rules on October 1<sup>st</sup> and will come back with a strategy and an ordinance in March or April 2020.

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### **2020 PAY RESOLUTION**

#### Summary of Issue and Discussion

Each year, in concert with the annual budget process, Human Resources prepares an updated pay schedule and submits the schedule with a Resolution for Council's approval. As part of the 2020 budgetary process and to sustain the compensation and the classification system adopted by the City are the proposed classifications including but not limited to, career service, civil service, Department Directors, Appointees, temporary, seasonal and part-time positions. The resolution will approve the 2020 Employee Pay Schedule and Classifications for the employees of the City of Aurora, Colorado.

CM Gruber asked about the Fire Cadet classification and if it was a union position. K. Roberts replied no, not until they have graduated from the Academy. CM Gruber asked, does it require Civil Service review? K. Roberts replied, yes it does.

CM Gruber asked, in general are the pay increases 3% across the City. K. Roberts replied, yes.

#### Outcome

The Committee thanked staff. Move forward to Budget Workshop.

#### Follow-up Action

2020 Pay Resolution will be provided at the September 28, Budget Workshop, and next to Regular Session.

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## **2020 EMPLOYEE BENEFITS**

### Summary of Issue and Discussion

Human Resources provided a review of 2020 Benefits Plan and Open Enrollment.

CM Gruber asked, what if there's a situation and the employee doesn't make the deadline for the open enrollment? D. Giordano replied, if they don't make changes the week we close for open enrollment, we will contact those individuals. Whatever the reason is that they are not able to, it will default to no coverage but even after that we'll make contact with those individuals. If for some reason through no fault of their own and they can't make benefit coverages, we will work through with the individual. These benefits won't go into effect until January, although we also don't want employees to wait until January to make changes. During open enrollment there will be presentations at various locations with dates and times, in-person assistance sessions, enrollment support by phone and open hours assistance at Human Resource office. There will be a number of different venues for employees to go to and seek assistance and coverage.

CM Richardson asked if the emergency room (ER) visits at the hospitals were increasing and did that include the Urgent Care (UC). K. Roberts replied no, only ER visits are increasing. D. Giordano said the increase started about a month ago, and so to address the increase Kaiser has extended hours at some clinics to 10 PM for after hour care and even times during the weekends.

CM Richardson asked if Kaiser goes on strike what happens. D. Giordano said we did ask some questions and what we understand it would not be any of the medical providers or the nurses. It was understood any strike would involve mainly support staff and the backup plan includes temporary personnel if the need should arise.

CM Lawson remarked that's sort of true, but I tried to make an appointment and the doctor is on lock until November because of the strike and not having support staff. D. Giordano said, we are asking questions every week to get an understanding how this will impact our employees. We know that we will be asked this question and so we're staying connected with Kaiser and our insurance broker, should a strike should occur.

CM Gruber asked, with the military veterans that have Tri-Care for family members is there a stipend? D. Giordano replied yes there's a stipend. Individuals can waive coverage through our office to receive a \$50/monthly stipend. CM Grubers asked does that matched the cost of the City. D. Giordano said its half the cost of what the City would typically pay for the medical premium benefit. So, it's a savings to the City in both respects. D. Giordano said in 2020 we do plan to do an RFP for medical providers. We are looking at types of medical providers, long term strategies, and assessing self-funding. Right now, the dental plan is self-funded, but our medical plan is not. So, we want to explore that as a possible option for future years. CM Gruber said in 2020 we also renegotiate the contract for the Fire and Police department, would this be done before or after? D. Giordano replied after.

### Outcome

Committee Members thanked the staff. Move forward to Budget Workshop.

Follow-up Action

2020 Employee Benefits will be provided at the September 28, Budget Workshop, and next to Regular Session.

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**GENERAL IMPROVEMENT DISTRICT (GID) BUDGETS**

Summary of Issue and Discussion

❖ **AURORA CONFERENCE CENTER**

This budget and mill levy ordinance, is the annual property tax mill levy, adopting, and appropriating ordinance for the Aurora Conference Center General Improvement District 2-2011(GID). On November 1, 2011, the qualified electors of the Aurora Conference Center GID voted in favor of 1) authorizing the levy of an ad valorem property tax for the construction and/or to incentivize a public conference center and related improvements to attract tourism to the area and stimulate development of property within and surrounding the GID; 2) authorizing the pledge of a portion of such ad valorem property tax to the payment of obligations incurred by the Colorado International Center Metropolitan District No. 4 (the “CIC District”) to provide off-site public infrastructure; and 3) authorizing the pledge of a portion of such ad valorem property tax to the payment of obligations incurred by the Aurora High Point at DIA Metropolitan District (the “AHP District”) to provide for the payment of future regional infrastructure costs, all for the benefit of GID taxpayers.

As the Aurora Conference Center GID has already been formed, this is a technical mechanism to create the budget authority for the upcoming year. The budget for the Aurora Conference Center GID, for collection in 2020, is \$9,000,000.00 and the mills will be 40.000 mills. The revenue shall be used to defray the general expenses of the Aurora Conference Center GID for the fiscal year commencing January 1, 2020 and ending December 31, 2020.

Outcome

Committee Members thanked the staff. Move forward to Budget Workshop.

Follow-up Action

Aurora Conference Center GID Budget will be provided at the September 28, Budget Workshop, and next to Regular Session.

❖ **CHERRY CREEK**

This budget and mill levy ordinance is the annual property tax mill levy, adopting, and appropriating ordinance for the Cherry Creek Fence General Improvement District 1-2007 (GID). On November 6, 2007, the qualified electors of the Cherry Creek Racquet Club GID voted in favor of the issuance of general obligation indebtedness and the imposition of taxes for the repayment of debt. The purpose of the Cherry Creek Racquet Club GID was to construct and finance a masonry fence. Subsequently, on March 17, 2008 council approved Ordinance 2008-14 declaring organization of the district. Per the ballot issue, final costs for the project will not exceed \$706,000, with annual taxes not to exceed \$67,000. On August 17, 2009, council approved the bond issuance for the Cherry Creek fence.

As the Cherry Creek Racquet Club GID has already been formed and the bond issuance related to the fence has already been approved, this is a technical mechanism to create the budget authority and mill levies for the upcoming year. The budget and proposed mill levy for the Cherry Creek Racquet Club GID for 2020, combined with a portion of available cash on deposit in the GID's debt account, will be sufficient to bring in an estimated \$67,000 for debt service and another \$3,000 to defray maintenance costs. The revenue shall be used to defray the general expenses of the GID for the fiscal year commencing January 1, 2020 and ending December 31, 2020.

Outcome

Committee Members thanked the staff. Move forward to Budget Workshop.

Follow-up Action

Cherry Creek GID Budget will be provided at the September 28, Budget Workshop, and next to Regular Session.

❖ **MEADOW HILLS COUNTRY CLUB**

This is the annual property tax mill levy, adopting, and appropriating ordinance for the Meadow Hills Country Club Fence General Improvement District 3-2008 (GID). On November 4, 2008, the qualified electors of the Meadow Hills Country Club GID voted in favor of the issuance of general obligation indebtedness and the imposition of taxes for the repayment of debt. The purpose of the Meadow Hills Country Club GID was to construct and finance a masonry fence. Subsequently, on January 26, 2009 council approved Ordinance 2009-02 declaring organization of the district. Per the ballot issue, final costs for the project will not exceed \$685,000, with annual taxes not to exceed \$71,000. On April 5, 2010, council approved the bond issuance for the Meadow Hills Country Club fence.

As the Meadow Hills Country Club General Improvement District has already been formed and the bond issuance related to the fence has already been approved, this is a technical mechanism to create the budget authority and mill levies for the upcoming year. The budget and proposed mill levy for the Meadow Hills Country Club GID for 2020, combined with a portion of available cash on deposit in the GID's debt account, will be sufficient to bring in an estimated \$71,000 for debt service and another \$5,060 to defray maintenance costs. The revenue shall be used to defray the general expenses of Meadow Hills Country Club GID for the fiscal year commencing January 1, 2020 and ending December 31, 2020.

Outcome

Committee Members thanked the staff. Move forward to Budget Workshop.

Follow-up Action

Meadow Hills Country Club GID Budget will be provided at the September 28, Budget Workshop, and next to Regular Session.

### ❖ PEORIA PARK

This budget and mill levy ordinance is the annual property tax mill levy, adopting, and appropriating ordinance for the Peoria Park Fence General Improvement District 1-2008 (GID). On November 4, 2008, the qualified electors of the Peoria Park GID voted in favor of the issuance of general obligation indebtedness and the imposition of taxes for the repayment of debt. The purpose of the Peoria Park GID was to construct and finance a masonry fence. Subsequently, on January 26, 2009 council approved Ordinance 2009-01 declaring organization of the district. Per the ballot issue, final costs for the project will not exceed \$388,945, with annual debt service not to exceed \$36,000. On April 5, 2010, council approved the bond issuance for the Peoria Park fence.

As the Peoria Park GID has already been formed and the bond issuance related to the fence has already been approved, this is a technical mechanism to create the budget authority and mill levies for the upcoming year. The budget and proposed mill levy for the Peoria Park GID, combined with a portion of available cash on deposit in the GID's debt account, for 2020 will be sufficient to bring in an estimated \$36,000 for debt service and another \$5,825 to defray maintenance costs. The revenue shall be used to defray the general expenses of the Peoria Park GID for the fiscal year commencing January 1, 2020 and ending December 31, 2020.

#### Outcome

Committee Members thanked the staff. Move forward to Budget Workshop.

#### Follow-up Action

Peoria Park GID Budget will be provided at the September 28, Budget Workshop, and next to Regular Session.

### ❖ PIER POINT

This is the annual property tax mill levy, adopting, and appropriating ordinance for the Pier Point 7 General Improvement District 2-2009 (GID). On November 3, 2009, the qualified electors of the Pier Point 7 GID voted in favor of the issuance of general obligation indebtedness and the imposition of taxes for the repayment of debt. The purpose of the Pier Point 7 GID was to repair and replace the sewer lines and related work. Subsequently, on January 11, 2010 council approved Ordinance 2009-61 declaring organization of the district. Per the ballot issue, final costs for the project will not exceed \$3,500,000, with annual taxes not to exceed \$371,277. On April 11, 2011, council approved the bond issuance for the Pier Point 7 sewer General Improvement District.

As the Pier Point 7 GID has already been formed and the bond issuance related to the sewer

line improvements has already been approved, this is a technical mechanism to create the budget authority and mill levies for the upcoming year. For 2020, the budget and proposed mill levy for the Pier Point 7 GID, combined with a portion of available cash on deposit in the GID's account, will be sufficient to bring in an estimated \$371,277 for debt service. The revenue shall be used to defray the general expenses of Pier Point 7 GID for the fiscal year commencing January 1, 2020 and ending December 31, 2020.

Outcome

Committee Members thanked the staff. Move forward to Budget Workshop.

Follow-up Action

Pier Point GID Budget will be provided at the September 28, Budget Workshop, and next to Regular Session.

❖ **COBBLEWOOD**

This is the annual property tax mill levy, adopting, and appropriating ordinance for the Cobblewood General Improvement District 1-2016 (GID). On November 8, 2016, the qualified electors of the Cobblewood GID voted in favor of the issuance of general obligation indebtedness and the imposition of taxes for the repayment of debt. The purpose of the Cobblewood GID was to repair and replace the private neighborhood street and grant the new street to the City. Subsequently, on January 9, 2017, council approved Ordinance 2016-71 declaring organization of the district. Per the ballot issue, final costs for the project will not exceed \$935,550.00, with annual taxes not to exceed \$95,000.00. On August 26, 2017, council approved the bond issuance for the Cobblewood General Improvement District.

As the Cobblewood GID has already been formed and the bond issuance related to the street improvements has already been approved, this is a technical mechanism to create the budget authority and mill levies for the upcoming year. For 2020, the budget and proposed mill levy for the Cobblewood GID, combined with a portion of available cash on deposit in the GID's account, will be sufficient to bring in an estimated \$95,000.00 for debt service. The revenue shall be used to defray the general expenses of Cobblewood GID for the fiscal year commencing January 1, 2020 and ending December 31, 2020.

Outcome

Committee Members thanked the staff. Move forward to Budget Workshop.

Follow-up Action

Cobblewood GID Budget will be provided at the September 28, Budget Workshop, and next to Regular Session.

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**GERP ORDINANCE DEFINITIONS CORRECTION**

Summary of Issue and Discussion

Hans Hernandez explained that this was a clerical correction to add back definitions that were inadvertently removed.

CM Gruber said, so this is just a clerical modification without changing any of the intent. Did it go to the GERP Board? H. Hernandez replied yes, the GERP plan administrator approved and the GERP Board was informed that it was coming to the Management and Finance meeting.

#### Outcome

The Committee recommended this item be sent to Study Session consent calendar.

#### Follow-up Action

Staff will forward this item to Study Session consent calendar.

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### **POLICE PENSION UPDATE**

#### Summary of Issue and Discussion

T. Velasquez gave an update on the Police Pension plan proposed changes.

CM Gruber said, I suspect that we will see the FPPA (Fire Police Pension Association) come up in the negotiations next year. Having said that, I'm making the assumption that it doesn't go through and so I want to focus on making AP-MPPP (Aurora Police Money-Purchase Pension Plan) as viable and productive as possible. Are you getting feedback from the officers that the actions that we're taking on the defined benefit is worthwhile; do they understand it or are we wasting our time? Are you getting feedback from the members of MPPP that this makes sense and it's a good thing? B. Kelly responded that's a difficult question to answer. And the reason is we don't know what the benefit will be yet, and that's going to be the ultimate when they say I want that, or I don't want that. We can't say what the benefit is going to be yet, until we know a lot of the data that we are still collecting. And the big question for the City is, how much is it going to cost. So, while people are interested in this hybrid defined benefit, they can't commit to say that I want it without seeing what it is going to provide for them. CM Gruber said so the interest is there. You're not getting this don't bother with this. B. Kelly said no, I never have heard that. Cops can be cynical, so there's a lot of this will never happen type so just blow it off, but that's just the cynical nature of cops. I think once they see a benefit, if it works out, you'll get a better pulse of what the general department thinking.

B. Kelley said the second part of this is the contribution increase and it ties within this conversation as well, as the IRS is going to mandate that they're both the same whichever part of the plan you're in. Say if it's the 12% going through or the 24% going to the defined contribution it has to be the 24% going to the hybrid and then it can divide amongst itself, there. So, we're not quite sure how that will be divided in this defined benefit. But we do have to cover the social security replacement part of it because we are a social security replacement plan and there's a minimum set by the IRS. We would figure we would put the defined contribution side at least as the minimum and I think that's around 7%. T. Velasquez replied correct, 3.5% and 3.5%. B. Kelley said, so it would be 3.5% from each and then whatever is leftover would go into the defined benefit. Its common sense the more you put in the more you will get out, so kind of speaks to both.

CM Lawson said in terms of the research of the data your providing since were losing officers I'm looking at that versus how we can keep them and versus the value of that versus doing the 12% over the year after year instead of the one-time. Will you provide the analysis? Because I think

we have the money. T. Velasquez said in regards to recruitment and retention a better benefit in general would be more favorable for retaining people. People look at the numbers whether its pension or salary or other benefits. So, adding to a benefit, I think always will enhance or encourage people to stay.

CM Lawson asked, the analysis that you are doing, are you looking at overtime like for example five-years and what does that look like on the budget. T. Velasquez said yes. When we went to the spring workshop, we did do a five-year outlook of what the cost would be. I'll provide this to you. The question about retention is one of those we don't really know the answer to that because we've lost both police and fire employees some in FPPA and some in MPPP so its hard to say how changing the pension plan would affect retention. We have heard from other entities that they have increased their contributions.

CM Richardson said hopefully the increase on contributions is phrased as permanent because it's a practical matter and I disagree CM Gruber. To attach this label of one-time, I don't think it's the way to go. So, I hope that we can make it clear that it's a permanent increase.

Outcome

The Committee thanked staff. Move forward to Budget Workshop.

Follow-up Action

This item will be discussed at the September 28 Budget Workshop.

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**MISCELLANEOUS MATTERS FOR CONSIDERATION**

Summary of Issue and Discussion

- The next meeting is on Tuesday, October 22, 2019 in the Aurora Room.

THESE MINUTES WERE APPROVED AS SUBMITTED

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David Gruber, Chair of the Management and Finance (M&F) Committee

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Date



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Management and Finance Policy Committee  
Agenda Item Commentary

Item Title: Sales Tax Chart
Item Initiator: Greg Hays
Staff Source: Greg Hays, Budget Officer
Deputy City Manager Signature: Roberto Venegas
Outside Speaker:
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

**ACTIONS(S) PROPOSED** *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

**Members of the Management and Finance Policy Committee have asked for the monthly sales tax performance chart.**

**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

**Attached is the August sales tax performance chart. August of 2019 was 19.5 percent higher than August of 2018.**

**QUESTIONS FOR Committee**

N/A, Information Only

**EXHIBITS ATTACHED:**

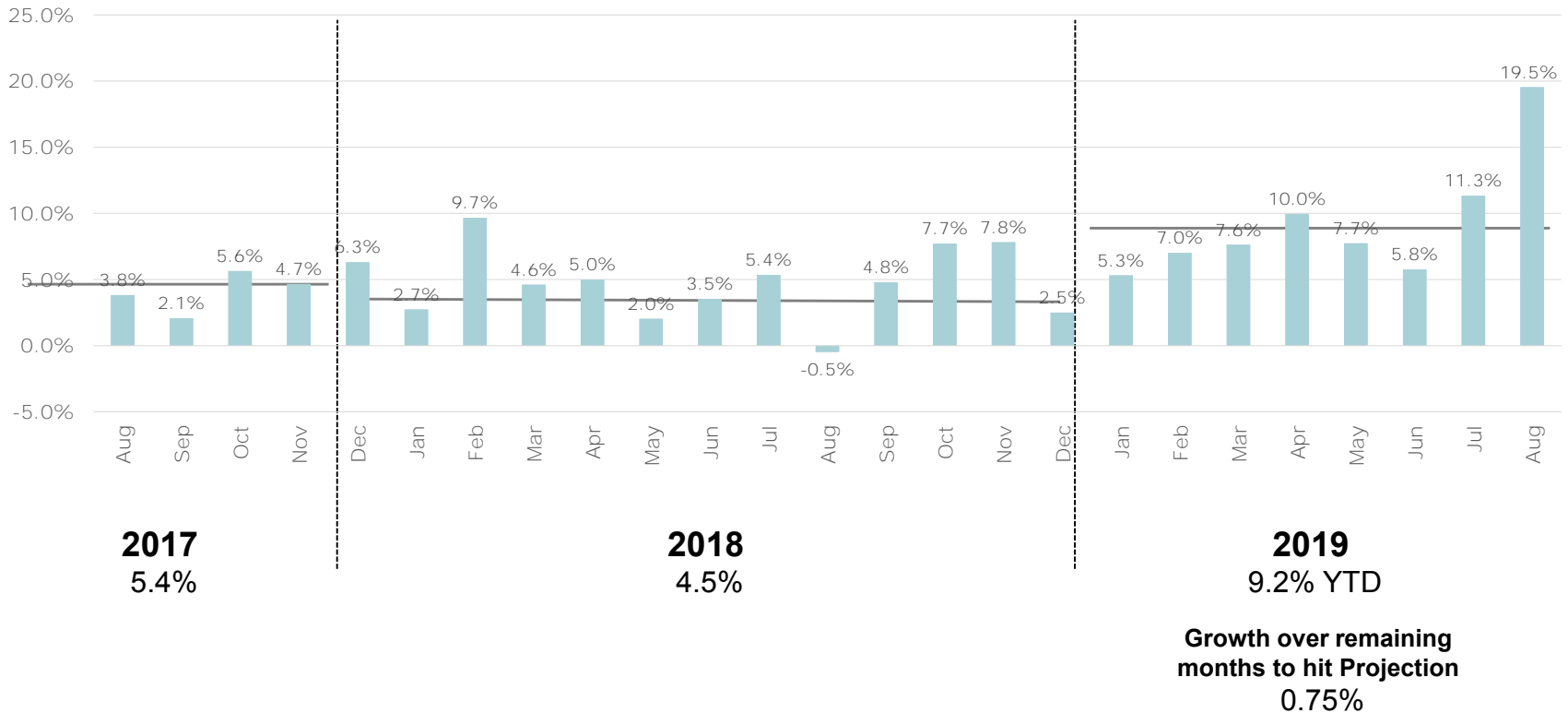
Sales Tax Chart\_Aug19.pptx

# August 2019 Sales Tax Performance

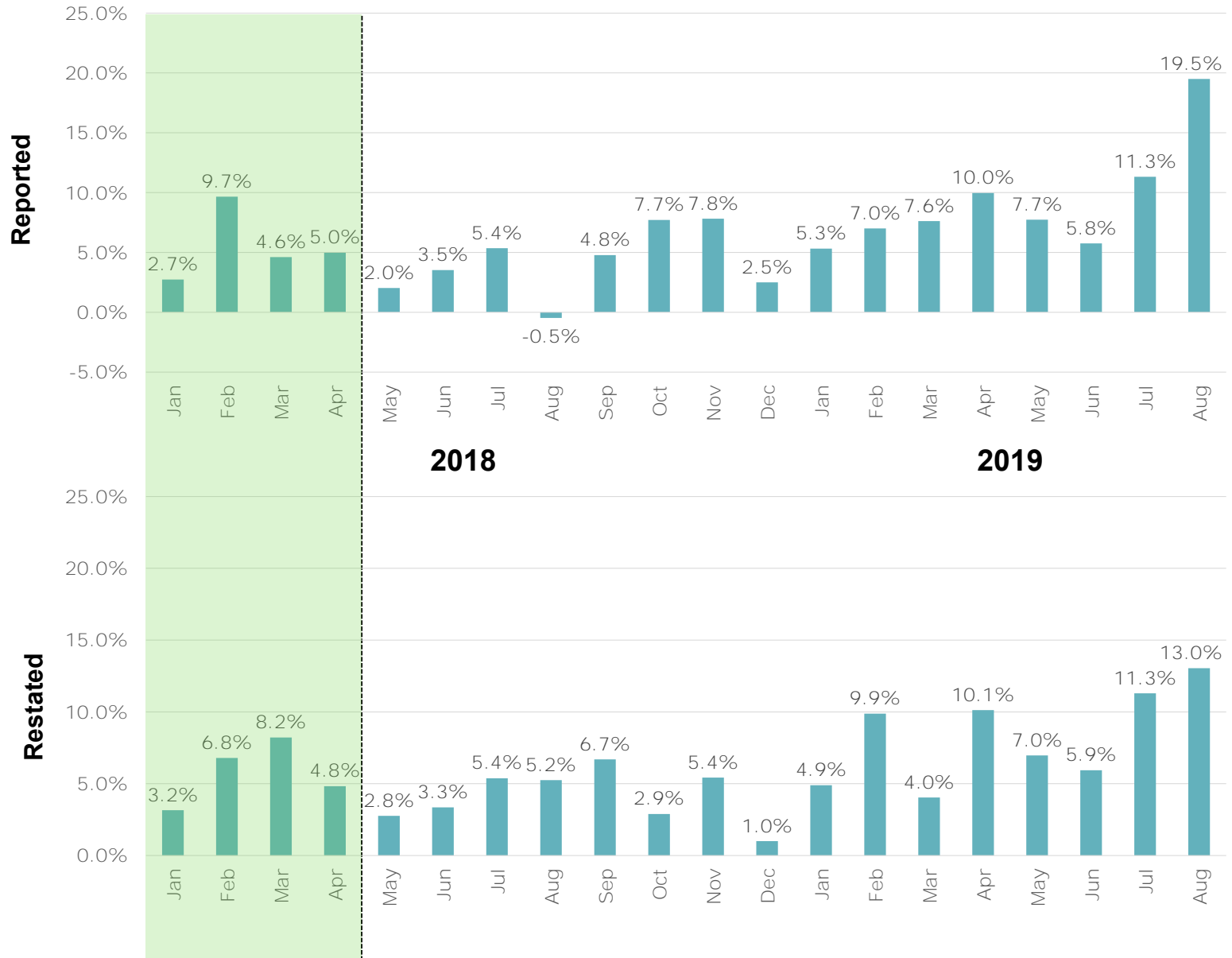


## Percent Change from Prior Year By Month

July 2019 YTD Variance to:  
 Budget - \$6.5m (5.0%)  
 2018 - \$11.5m (9.2%)



# August 2019 Sales Tax Performance



# 2019 Sales Tax Performance



YTD Aug Sales Tax collections are \$6.5 million more than Budget

- Budget assumed \$5.0 million more than 2018 at this point
- Total amount over 2018 is \$11.5 million

IS IT WAYFAIR? Looks like \$2.0 million YTD

- YTD July new licenses are up 182%
  - 2018: 402; 2019: 1,134
- Collections from NEW licenses that are out of the city and out of the state
  - Since May: \$1.1 million; YTD est: \$1.9 million

According to Trevor

- No other cities (that he knows of) are saying they see a significant impact from Wayfair
- He see no evidence that any 2018 taxes got booked in 2019 due to the Gentax conversion

# 2019 Sales Tax Performance



## Variations by NAICS Code

NAICS	May-Aug 2019	May-Aug 2018	Variance
333318 - Other Commercial and Service Industry Machinery Manufacturing	120,221	4,030	116,191
333922 - Conveyor and Conveying Equipment Manufacturing	459,604	27,516	432,088
334111 - Electronic Computer Manufacturing	699,708	5,103	694,605
334210 - Telephone Apparatus Manufacturing	192,737	28,435	164,302
444190 - Other Building Material Dealers	527,770	403,029	124,741
454110 - Electronic Shopping and Mail-Order Houses	940,722	819,916	120,805
519190 - All Other Information Services	1,740,460	1,119,003	621,457
532490 - Other Commercial and Industrial Machinery and Equipment Rental	330,095	206,361	123,733
541690 - Other Scientific and Technical Consulting Services	191,828	11,097	180,731
811310 - Commercial and Industrial Machinery and Equipment (except Auto	175,129	45,601	129,528
238990 - All Other Specialty Trade Contractors	372,068	207,377	164,691
423990 - Other Miscellaneous Durable Goods Merchant Wholesalers	1,357,118	937,022	420,095
	17,066,761	13,573,655	3,493,106

2019 Projection is \$11.9 million more than the 2018 actual

- Running \$11.5 million ahead already (\$17.2 million straightline)
- How much of additional \$5.3 million is ongoing?

2020 Budget is \$6.4 million more than the 2019 projection (excl cig)

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Management and Finance Policy Committee  
Agenda Item Commentary

Item Title: FOR AN ORDINANCE OF THE CITY OF AURORA, COLORADO APPROPRIATING SUMS OF MONEY IN ADDITION TO THOSE APPROPRIATED IN ORDINANCE NOS. 2018-54, AND 2019-17 FOR THE 2019 FISCAL YEAR
Item Initiator: Kerstin Claspell, Senior Financial Analyst
Staff Source: Kerstin Claspell, Senior Financial Analyst
Deputy City Manager Signature: Roberto Venegas
Outside Speaker:
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

**ACTIONS(S) PROPOSED** *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

One of the first steps of the annual budget process is to prepare an updated projection of current year requirements. During this process revenue adjustments, potential savings, as well as new and additional requirements are identified and serve as the basis for the majority of supplemental appropriation requests in both the fall and following spring supplemental processes.

The 2019 Fall Supplemental Appropriation Request includes operating expenditures and capital projects that require appropriations and inter-fund transfers for 2019 in the funds listed in Attachment A. Nearly all of the requests were identified and included in the 2019 projection in the 2020 proposed budget document. Alternatively, several items that were identified and projected are not included in this fall process. Those items that are subject to change will be included in the 2020 spring supplemental as needed. Significant 2020 spring supplementals are expected in the public safety departments including Police overtime related to large protests, Police Pension Defined Benefit Plan development, Fire overhires, compensation adjustments in Public Safety Communications, and Civil Service background investigations.



The vast majority of requests included in this supplemental process have been previously reviewed by Council or Council Committee. Council review includes items included in the 2019 projection and reviewed as part of the 2020 Proposed Budget as well as items reviewed at either a Council Committee meeting or City Council meeting. Technical items are typically budget lapses or reallocations, zero-dollar amendments with appropriation offset by revenue, and accounting or other adjustments. These items are indicated by including “technical” in the title and may or may not have been reviewed by Council. Council review details are included in the narrative for each supplemental request.

The attachments for this agenda item reflect summary and detail information regarding the requested appropriation changes for each fund and department. Transfers result in a move of funding from one fund to another. The details of these appropriation amendments are found in:

- Attachment A: 2019 Appropriation Summaries by Fund; and
- Attachment B: 2019 Appropriation Detail by Fund.

The following discussion will identify and focus on significant changes included for this budget year by fund, rather than the list in its entirety. Please see attachments B for details on each request.

#### 2019 Supplemental Amendment Requests

Appropriation requests in the Capital Projects Fund total **\$8.2 million**. Most significant items were included in the 2019 projection and reviewed by Council as part of the 2020 budget process with the exception of:

- The appropriation of the Arapahoe County contribution of **\$500,000** and the South Aurora Regional Improvement Authority contribution of **\$2.3 million** for initial scoping and preliminary design of the Gun Club Road Improvements.
- The appropriation of the Highway Safety Improvement Program (HSIP) grant of **\$192,100** for the design phase for traffic signal and equipment upgrades at five intersections.

Significant items that were projected include:

- The appropriation of **\$5.2 million** for various street and traffic related capital projects to include Imboden and Picadilly road improvements, street overlay, and Jewell pedestrian crossing.
- The reduction (lapse) of **\$1.1 million** for the Westerly Creek TIP project that was accidentally appropriated twice.
- The appropriation of **\$597,100** for new grant-funded bike detectors for selected intersections.
- The appropriation of **\$550,000** for the installation of a remediation system that will mitigate contamination caused by the prior Highway 30 Landfill.

Significant supplemental items in other funds include:

- The appropriation of **\$45.1 million** in the Water Fund for the pre-payment of 2016 bonds.
- The appropriation of capital grant awards totaling **\$10.3 million** in the Gifts and Grants Fund for various PROS projects, including Buckley Buffer grants totaling \$9.7 million.
- The reduction in appropriation (lapse) of **\$521,200** in the E-911 Fund for the completion of the radio system infrastructure upgrade.

- The reduction in appropriation (lapse) of **\$553,500** in the Designated Revenues Fund and an offsetting appropriation of **\$353,400** in the General Fund for Court Surcharge Program adjustments associated with the elimination of the Photo Red Light Program.

Detail for all supplemental items can be found in Attachment B.

QUESTIONS FOR Committee

Does the Committee wish to send this item forward to study session?

EXHIBITS ATTACHED:

2019 Fall Supp Ord M and F Draft.pdf  
2019 Fall Supplemental Attach A and B.pdf

ORDINANCE NO. 2019- \_\_\_\_

A BILL

FOR AN ORDINANCE OF THE CITY OF AURORA, COLORADO APPROPRIATING SUMS OF MONEY IN ADDITION TO THOSE APPROPRIATED IN ORDINANCE NOS. 2018-54, AND 2019-17 FOR THE 2019 FISCAL YEAR

WHEREAS, pursuant to Ordinance Nos. 2018-54 and 2019-17, the City Council (the “Council”) of the City of Aurora, Colorado (the “City”) has appropriated funds for the fiscal year beginning January 1, 2019, and ending December 31, 2019 (“Fiscal Year 2019”); and

WHEREAS, additional appropriations are needed to fund new expenditures for which revenues have recently become available; and

WHEREAS, the Director of Finance has certified that unappropriated reserves and additional funding sources and revenues are available for appropriation in the various funds; and

WHEREAS, the City Manager has recommended that the various appropriations enumerated in this Ordinance be made.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. Appropriations in addition to those made in Ordinance Nos. 2018-54 and 2019-17 shall be made for Fiscal Year 2019 for the purposes enumerated in Attachment B to the document entitled 2019 Fall Amendment Ordinance Appropriation Detail by Fund, such document being in the form as filed with the Office of the City Clerk and presented to the Council at this meeting (the “2019 Amendment Detail”), all as follows:

- a. From the unappropriated fund balance and/or additional revenues of the General Fund, the net amount of Three Hundred Twenty-Nine Thousand, Six Hundred Seventy-Five Dollars (\$329,675).
- b. From the unappropriated fund balance and/or additional revenues of the Capital Projects Fund, the net amount of Eight Million, One Hundred Eighty-Eight Thousand, Nine Hundred Eighty-Seven Dollars (\$8,188,987).
- c. From the unappropriated fund balance and/or additional revenues of the Community Development Fund, the net amount of Two Hundred Fifty-Two Thousand, Three Hundred Twenty-One Dollars (\$252,321).
- d. From the unappropriated fund balance and/or additional revenues of the Gifts and Grants Fund, the net amount of Ten Million, Four Hundred Seven Thousand, Eight Hundred Thirty-Eight Dollars (\$10,407,838).
- e. From the unappropriated fund balance and/or additional revenues of the Recreation

Fund, the net amount of Fifty-Five Thousand Dollars (\$55,000).

- f. From the unappropriated fund balance and/or additional revenues of the Water Fund, the net amount of Forty-Five Million, One Hundred Thirty-Two Thousand, One Hundred Eighty-Eight Dollars (\$45,132,188).

Section 2. Appropriations made in Ordinance Nos. 2018-54 and 2019-17 for Fiscal Year 2019 shall be adjusted for the reasons enumerated in the 2019 Amendment Detail, all as follows:

- a. From the Conservation Trust Fund, the net amount of Two Hundred Fifty Thousand Dollars (\$250,000) shall be deemed lapsed.
- b. From the Designated Revenues Fund, the net amount of Five Hundred Fifty-Three Thousand, Five Hundred Fifty Dollars (\$553,550) shall be deemed lapsed.
- c. From the Enhanced E-911 Fund, the net amount of Five Hundred Twenty-One Thousand, One Hundred Ninety-Nine Dollars (\$521,199) shall be deemed lapsed.
- d. From the Open Space Fund, the net amount of Three Hundred Fifty Thousand Dollars (\$350,000) shall be deemed lapsed.

Section 3. Inter-fund and inter-departmental transfers shall be made as enumerated in the 2019 Amendment Detail for Fiscal Year 2019.

Section 4. The City Manager and the Budget Officer are hereby directed and authorized to expend so much of said funds as are necessary to pay for the projects and acquisitions referenced herein.

Section 5. All ordinances or parts of ordinances of the City in conflict herewith are expressly repealed.

Section 6. Pursuant to Section 5-5 of the City Charter, the second publication of this ordinance shall be by reference, utilizing the ordinance title. Copies of this ordinance are available at the office of the City Clerk.

INTRODUCED, READ AND ORDERED PUBLISHED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

PASSED AND ORDERED PUBLISHED BY REFERENCE this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
BOB LEGARE, Mayor

ATTEST:

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STEPHEN RUGER, City Clerk

APPROVED AS TO FORM:

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HANOSKY HERNANDEZ,  
Assistant City Attorney

DRAFT

**2019 Fall Amendment Ordinance  
Appropriation Summaries by Fund**

**2019 Amendment Summary  
Attachment A**

**Attachment A**  
**2019 Fall Amendment Ordinance**  
**Appropriation Summary by Fund and Department**  
**2019 Amendment Summary**

<b>Fund/Department</b>	<b>FTE Request</b>	<b>Net Total Appropriation</b>	<b>Revenue <sup>1</sup> Offset</b>	<b>Inc. / (Dec.) <sup>2</sup> in Fund Bal.</b>
<b>General Fund Total</b>	<b>0.15</b>	<b>329,675</b>	<b>0</b>	<b>-329,675</b>
Non-Departmental	0.00	110,084	0	-110,084
Police	0.15	219,591	0	-219,591
<b>Capital Projects Fund Total</b>	<b>0.00</b>	<b>8,188,987</b>	<b>3,940,755</b>	<b>-4,248,232</b>
Non-Departmental	0.00	550,000	0	-550,000
Parks, Recreation & Open Space	0.00	-395,622	-20,622	375,000
Public Works	0.00	8,034,609	3,961,377	-4,073,232
<b>Community Development Fund Total</b>	<b>0.00</b>	<b>252,321</b>	<b>252,321</b>	<b>0</b>
Neighborhood Services	0.00	252,321	252,321	0
<b>Conservation Trust Fund Total</b>	<b>0.00</b>	<b>-250,000</b>	<b>0</b>	<b>250,000</b>
Parks, Recreation & Open Space	0.00	-250,000	0	250,000
<b>Designated Revenues Fund Total</b>	<b>-1.15</b>	<b>-553,550</b>	<b>145,764</b>	<b>699,314</b>
Non-Departmental	0.00	-72,225	0	72,225
Police	-1.15	-481,325	145,764	627,089
<b>Enhanced E-911 Fund Total</b>	<b>0.00</b>	<b>-521,199</b>	<b>0</b>	<b>521,199</b>
Information Technology	0.00	-521,199	0	521,199
<b>Gifts &amp; Grants Fund Total</b>	<b>0.00</b>	<b>10,407,838</b>	<b>10,407,838</b>	<b>0</b>
Judicial	0.00	98,100	98,100	0
Parks, Recreation & Open Space	0.00	10,309,738	10,309,738	0
<b>Open Space Fund Total</b>	<b>0.00</b>	<b>-350,000</b>	<b>0</b>	<b>350,000</b>
Parks, Recreation & Open Space	0.00	-350,000	0	350,000
<b>Recreation Fund Total</b>	<b>0.00</b>	<b>55,000</b>	<b>0</b>	<b>-55,000</b>
Parks, Recreation & Open Space	0.00	55,000	0	-55,000
<b>Water Fund Total</b>	<b>0.00</b>	<b>45,132,188</b>	<b>0</b>	<b>-45,132,188</b>
Aurora Water	0.00	45,132,188	0	-45,132,188
<b>Total</b>	<b>-1.00</b>	<b>\$62,691,260</b>	<b>\$14,746,678</b>	<b>(\$47,944,582)</b>

1 The revenue offset includes new revenue and revenue from transfers.

2 Inc./Dec in Fund Balance = New Revenue minus Net Appropriation.

**2019 Fall Amendment Ordinance  
Appropriation Detail by Fund**

**2019 Amendment Detail  
Attachment B**



**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

**Aurora Water**

**Water Revenue Bond Pre-Payment**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Water Fund	0.00	45,132,188	0	45,132,188	0	-45,132,188
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>\$45,132,188</b>	<b>\$0</b>	<b>\$45,132,188</b>	<b>\$0</b>	<b>(\$45,132,188)</b>

This supplemental will provide appropriation of \$45.1 million for the pre-payment of 2016 bonds to utilize cash balances and realize projected savings of approximately \$11.8 million or 26.3% over the 30-year life of the bonds. The decision to pre-pay the bonds was made with the knowledge that a few large capital projects are in the Water 5-year capital plan that may require additional debt to be issued. The current economic climate is showing a favorable bond market should additional debt be needed in the near future.

This supplemental was reviewed and approved at the August 27, 2019 Management and Finance Policy Committee meeting and included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Aurora Water	Water Fund	0	45,132,188	New Appropriation

**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

Information Technology

Technical: Lapse Radio System Infrastructure Upgrade Budget

Fund Impact	FTE	Operating Approp.	CIP Approp.	Approp. Total	Revenue Offset	Inc. / (Dec.) in Fund Bal.
Enhanced E-911 Fund	0.00	0	-521,199	-521,199	0	521,199
Total Appropriation Impact	0.00	\$0	(\$521,199)	(\$521,199)	\$0	\$521,199

This supplemental will reduce (lapse) capital project appropriation for the E-911 radio system infrastructure design project which has been completed under budget. This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

Department	Fund	Capital	Operating	Type
Information Technology	Enhanced E-911 Fund	-521,199	0	Lapse of Appropriation

**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

**Judicial**

**Technical: DOLA First Appearance Grant**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Gifts & Grants Fund	0.00	98,100	0	98,100	98,100	0
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>\$98,100</b>	<b>\$0</b>	<b>\$98,100</b>	<b>\$98,100</b>	<b>\$0</b>

This supplemental provides appropriation to cover costs eligible under the 2019 DOLA First Appearance Grant. This grant allows the city to seek reimbursement for providing no-cost legal representation to in-custody defendants for first appearances, an added expense caused by the new State legislation (HB16-1309).

This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Judicial	Gifts & Grants Fund	0	98,100	New Appropriation

**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

**Neighborhood Services**

**Technical: 2019 Community Development Block Grant (CDBG) Award Reconciliation**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Community Development Fund	0.00	-37,633	0	-37,633	-37,633	0
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>(\$37,633)</b>	<b>\$0</b>	<b>(\$37,633)</b>	<b>(\$37,633)</b>	<b>\$0</b>

This technical adjustment will align the budget for the Community Development Block Grant to the 2019 actual award amount plus the actual year-to-date program income. The final 2019 CDBG award received from HUD was 1.8 percent, or \$51,284, less than anticipated. Actual CDBG program income received year-to-date through August is \$13,651 more than budgeted for the year due to higher than expected loan repayments.

This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Neighborhood Services	Community Development Fund	0	-37,633	Lapse of Appropriation

**Technical: 2019 HOME Investment Partnership (HOME) Grant Award Reconciliation**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Community Development Fund	0.00	313,634	0	313,634	313,634	0
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>\$313,634</b>	<b>\$0</b>	<b>\$313,634</b>	<b>\$313,634</b>	<b>\$0</b>

This technical adjustment will align the budget for the Home Investment Partnership (HOME) grant to the 2019 actual award amount plus the actual year-to-date program income. The final 2019 HOME award received from HUD was 8.5 percent, or \$105,243, lower than anticipated. Actual program income received year-to-date through August is \$418,877 more than budgeted due to another strong year of loan repayments.

This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Neighborhood Services	Community Development Fund	0	313,634	New Appropriation

**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

**Neighborhood Services**

**Technical: Decrease HOME Match for Community Development Funds Based on Final 2019 Grant Amount**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Community Development Fund	0.00	-23,680	0	-23,680	-23,680	0
General Fund	0.00	-23,680	0	-23,680	0	23,680
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>(\$47,360)</b>	<b>\$0</b>	<b>(\$47,360)</b>	<b>(\$23,680)</b>	<b>\$23,680</b>

This technical adjustment will align the General Fund HOME match to the 2019 actual award amount. The city is required to provide a match to the HOME grant equal to 22.5 percent of the annual award. The final 2019 HOME award received from HUD was 8.5 percent, or \$105,243 less than anticipated, reducing the General Fund match by \$23,680.

This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Neighborhood Services	Community Development Fund	0	-23,680	Lapse of Appropriation
Non-Departmental	General Fund	0	-23,680	Operating Transfer Out

**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

**Non-Departmental**

**Highway 30 Remediation Expense**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Capital Projects Fund	0.00	0	550,000	550,000	0	-550,000
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$0</b>	<b>(\$550,000)</b>

This supplemental will appropriate funding for the installation of a remediation system that will mitigate contamination caused by the prior Highway 30 Landfill. This is a Colorado Department of Public Health and Environment requirement due to groundwater contamination tests at levels above state standards.

This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Non-Departmental	Capital Projects Fund	550,000	0	New Appropriation

**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

**Parks, Recreation & Open Space**

**Aurora Center for Active Adults Replacement Van**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Recreation Fund	0.00	55,000	0	55,000	0	-55,000
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>\$55,000</b>	<b>\$0</b>	<b>\$55,000</b>	<b>\$0</b>	<b>(\$55,000)</b>

At the September 28 Budget Workshop, Council requested the replacement of two vans associated with the Aurora Center for Active Adults (ACAA). This supplemental will provide appropriation of existing senior donation funds to purchase one van for the ACAA in 2019. The second van will be replaced as part of the 2020 Adopted Budget.

This supplemental was not included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Parks, Recreation & Open Space	Recreation Fund	0	55,000	New Appropriation

**Technical: Fletcher Park Improvement Lapse**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Open Space Fund	0.00	0	-350,000	-350,000	0	350,000
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$350,000)</b>	<b>(\$350,000)</b>	<b>\$0</b>	<b>\$350,000</b>

This supplemental will reduce (lapse) the 2019 appropriation for Fletcher Park improvements due to delays associated with a utility undergrounding effort. This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Parks, Recreation & Open Space	Open Space Fund	-350,000	0	Lapse of Appropriation

**Technical: Lapse of Meadowood Entry/Front Desk Project**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Conservation Trust Fund	0.00	0	-250,000	-250,000	0	250,000
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$250,000)</b>	<b>(\$250,000)</b>	<b>\$0</b>	<b>\$250,000</b>

This supplemental will eliminate (lapse) the Meadowood Entry/Front Desk project due to cost estimates which significantly exceeded budget. This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Parks, Recreation & Open Space	Conservation Trust Fund	-250,000	0	Lapse of Appropriation

**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

**Parks, Recreation & Open Space**

**Technical: Parks, Recreation and Open Space**  
**Capital Grants**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Capital Projects Fund	0.00	0	-395,622	-395,622	-20,622	375,000
Gifts & Grants Fund	0.00	0	10,309,738	10,309,738	10,309,738	0
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>\$0</b>	<b>\$9,914,116</b>	<b>\$9,914,116</b>	<b>\$10,289,116</b>	<b>\$375,000</b>

This supplemental will appropriate grant funding for the following ten PROS capital grants and donations not included in the 2019 budget due to the timing of the awards.

- \* Plot 5 Buckley Buffer ArCo IGA (\$134,000)
- \* Plot 5 Buckley Buffer Department of Military and Veterans Affairs (DMVA) Grant (\$2,300,000)
- \* Plot 5 Buckley Buffer Great Outdoors Colorado (GoCo) Grant (\$200,000)
- \* Plot 5 Buckley Buffer Readiness and Environmental Protection Integration (REPI) Grant (\$7,050,000)
- \* Sand Creek Park Shelter Design Grant-AdCo (\$32,000)
- \* High Line Canal Signage Grant-AdCo (\$15,000)
- \* Tollgate Crossing Park Grant-ArCo (\$445,000)
- \* Cherry Creek Bike Path-Grant (\$2,600)
- \* Red-tailed Hawk Park Make-A-Wish (\$138)
- \* Red-tailed Hawk Park Rotary Donation (\$131,000)

This supplement will also reduce (lapse) appropriation from one completed capital project, Delaney Farm Improvements (\$375,000), and another, Median Improvements (\$20,662) to realign expenditure appropriation with revenue from the current lease contract.

This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Parks, Recreation & Open Space	Capital Projects Fund	-395,622	0	Lapse of Appropriation
Parks, Recreation & Open Space	Gifts & Grants Fund	10,309,738	0	New Appropriation



**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

**Police**

**Court Surcharge Program Adjustments (PRL Elimination)**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Designated Revenues Fund	-1.15	-553,550	0	-553,550	145,764	699,314
General Fund	0.15	353,355	0	353,355	0	-353,355
<b>Total Appropriation Impact</b>	<b>-1.00</b>	<b>(\$200,195)</b>	<b>\$0</b>	<b>(\$200,195)</b>	<b>\$145,764</b>	<b>\$345,959</b>

The city of Aurora's photo red light program ceased operation at the end of 2018. As a result, appropriations must be adjusted for city programs funded through court surcharges and (former) photo red light funds. 2019 adjustments are made to the following programs: Aurora for Youth, Nexus, and Victim Assistance/Police Training (VALET); all with the intent of working towards balancing each of the programs' expenditures to annual funding for that program.

This fall supplemental will reduce agency award funding in the Aurora for Youth and Nexus programs, eliminate 1.0 vacant FTE in Aurora for Youth, and make several general expenditure reductions across programs. It will also transfer 0.15 Civil FTE and the Police conference and training budget out of VALET to the General Fund and pay for 2.0 FTEs in the Victim Assistance Program through a General Fund transfer to the Designated Revenues Fund.

This supplemental was reviewed by Council at the April 1, 2019 study session and included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Non-Departmental	General Fund	0	-12,000	Lapse of Appropriation
Non-Departmental	Designated Revenues Fund	0	-72,225	Lapse of Appropriation
Police	Designated Revenues Fund	0	-491,325	Lapse of Appropriation
Non-Departmental	General Fund	0	145,764	Operating Transfer Out
Police	General Fund	0	219,591	New Appropriation
Police	Designated Revenues Fund	0	10,000	New Appropriation

## Attachment B

### 2019 Fall Amendment Ordinance

### 2019 Appropriation Amendment Requests

#### Department \ Description - Reason for Appropriation

#### Public Works

##### Appropriate Additional Funding for Capital Projects

Fund Impact	FTE	Operating Approp.	CIP Approp.	Approp. Total	Revenue Offset	Inc. / (Dec.) in Fund Bal.
Capital Projects Fund	0.00	0	5,243,547	5,243,547	93,547	-5,150,000
Total Appropriation Impact	0.00	\$0	\$5,243,547	\$5,243,547	\$93,547	(\$5,150,000)

This supplemental will appropriate additional funding in accordance with the 2019 projection included in the 2020 Proposed Budget as follows:

\* 37th Street Reimbursement Agreement \$300,000- Funding for the city's share of improvements to 37th Avenue from Wheeling Street to approximately 720 feet to the east to the property frontage.

\* Bridge Maintenance \$400,000- Add funds for maintenance and improvements to the Laredo over Highline bridge.

\* Imboden Road \$1,500,000- Funding for a cost share with Adams County for improvements to Imboden Road from 56th to 64th.

\* Jewell Ped Crossing \$593,547- \$500,000 funding for a long-term pedestrian crossing solution in the vicinity of the previous bridge over Jewell near Utah Park and \$93,547 for insurance reimbursement for the demolition of the damaged bridge.

\*Picadilly Cost Share \$850,000- Funding for the city's obligated cost share for the improvement of Picadilly from Smith Road north to 26th.

\* Roadway Safety Improvements \$400,000- Additional funding added for unidentified projects in the Roadway Safety Improvements program. Projects in the program fix issues such as pinch points, narrow lanes, lack of guardrail, etc.

\* Street Asphalt Overlay Program \$1,200,000- Additional funding for routine maintenance projects associated with an inventory of aging streets.

Total Appropriation Impact (Does not include offset impact)

Department	Fund	Capital	Operating	Type
Public Works	Capital Projects Fund	5,243,547	0	New Appropriation

## Attachment B

### 2019 Fall Amendment Ordinance

### 2019 Appropriation Amendment Requests

#### Department \ Description - Reason for Appropriation

#### Public Works

##### Technical: Appropriate Developer Cost Shares

Fund Impact	FTE	Operating Approp.	CIP Approp.	Approp. Total	Revenue Offset	Inc. / (Dec.) in Fund Bal.
Capital Projects Fund	0.00	0	2,825,000	2,825,000	2,825,000	0
Total Appropriation Impact	0.00	\$0	\$2,825,000	\$2,825,000	\$2,825,000	\$0

This technical supplemental will appropriate funding for cost share agreements associated with the following:

\*Gun Club Improvements- Appropriate Arapahoe County 2019 contribution of \$500,000 and South Aurora Regional Improvement Authority (SARIA) contribution of \$2.3 million for initial scoping and preliminary design of the Gun Club Road Improvements including relocation of some existing utilities. An additional contribution from Arapahoe County of \$1.8 million is expected in January 2021. This initial phase is expected to cost \$4.6 million and the city will provide an in-kind contribution in the form of project management.

\*Pioneer Hills- Appropriate \$25,000 for developer share for traffic calming improvements on Crestline Dr in Pioneer Hills

These agreements were not yet final at the time of budget preparation and were not included in 2019 projection as presented in the 2020 Budget. The Gun Club Road Improvements IGA was reviewed and approved at the June 24, 2019 Council Meeting.

Total Appropriation Impact (Does not include offset impact)

Department	Fund	Capital	Operating	Type
Public Works	Capital Projects Fund	2,825,000	0	New Appropriation

##### Technical: Appropriate Grant Funding

Fund Impact	FTE	Operating Approp.	CIP Approp.	Approp. Total	Revenue Offset	Inc. / (Dec.) in Fund Bal.
Capital Projects Fund	0.00	0	1,042,830	1,042,830	1,042,830	0
Total Appropriation Impact	0.00	\$0	\$1,042,830	\$1,042,830	\$1,042,830	\$0

This technical supplemental will appropriate funding for grants received as part of the Denver Regional Council of Governments (DRCOG) Regional Transportation Options (RTO) Improvement Program and the Colorado Highway Safety Improvement Program (HSIP):

\* CCTV Expansion Grant- Appropriate grant funds of \$253,690 to reflect grant award to purchase closed circuit television cameras (CCTV) to be installed at major intersections within the city. Matching funds are transferred from funds already appropriated within the Traffic capital program.

\* Bike Detection Grant- Appropriate grant funds of \$597,080 to reflect grant award to purchase new bike detectors for selected intersections. Matching funds of \$149,270 are transferred from funds already appropriated within the Traffic capital program.

\* HSIP Grant- Appropriate grant funds of \$192,060 for the design phase for traffic signal and equipment upgrades at five intersections. Matching funds of \$21,340 and additional funds of \$71,000 are transferred from funds already appropriated within the Traffic capital program.

The CCTV and bike grants were included as part of the 2019 projection shown in the 2020 Proposed Budget. The HSIP grant was not yet final at the time of budget preparation and was not included in the projection.

Total Appropriation Impact (Does not include offset impact)

Department	Fund	Capital	Operating	Type
Public Works	Capital Projects Fund	-305,033	0	Lapse of Appropriation
Public Works	Capital Projects Fund	1,347,863	0	New Appropriation

**Attachment B**  
**2019 Fall Amendment Ordinance**  
**2019 Appropriation Amendment Requests**

**Department \ Description - Reason for Appropriation**

**Public Works**

**Technical: Lapse budget**

<b>Fund Impact</b>	<b>FTE</b>	<b>Operating Approp.</b>	<b>CIP Approp.</b>	<b>Approp. Total</b>	<b>Revenue Offset</b>	<b>Inc. / (Dec.) in Fund Bal.</b>
Capital Projects Fund	0.00	0	-1,076,768	-1,076,768	0	1,076,768
<b>Total Appropriation Impact</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$1,076,768)</b>	<b>(\$1,076,768)</b>	<b>\$0</b>	<b>\$1,076,768</b>

This technical supplemental will lapse budget that was accidentally appropriated twice for Westerly Creek TIP project and will lapse carryforward budget that is not needed for Engineering Direct Costs.

This supplemental was included as part of the 2019 projection shown in the 2020 Proposed Budget.

Total Appropriation Impact (Does not include offset impact)

<b>Department</b>	<b>Fund</b>	<b>Capital</b>	<b>Operating</b>	<b>Type</b>
Public Works	Capital Projects Fund	-1,076,768	0	Lapse of Appropriation

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Management and Finance Policy Committee  
 Agenda Item Commentary

Item Title: Havana Business Improvement District 2020 Budget and Operating Plan
Item Initiator: Chad Argentar
Staff Source: Chad Argentar
Deputy City Manager Signature: Jason Batchelor
Outside Speaker: Chance Horiuchi, Havana Street BID
Council Goal: 2012: 6.2--Maintain superior financial reporting, financial controls, appropriate reserves, budgeting financial management and transparency.

**ACTIONS(S) PROPOSED** *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

In September 2007, the Aurora City Council established the Havana Business Improvement District (BID), through the adoption of Ordinance No. 2007-36, the "Organizing Ordinance." The State Statute requires that the Council annually review and approve the BID's operation plan and budget for the coming year.

The Havana BID Board met and approved the 2020 annual budget and operating plan on September 19, 2019.

**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

City Council needs to approve by resolution the attached Havana Business Improvement District's 2020 Budget and Operating Plan. The BID Board of Directors approved the plan at its meeting on September 19, 2019.

The 2020 annual budget is projected at \$767,514 which is comprised of \$510,454 to be raised through a 4.5 mil levy based upon assessed value on real commercial property and the BID's portion of urban renewal tax increment revenue from the Buckingham Urban Renewal Area, in addition to other revenue from specific ownership taxes, sponsorships and funds carried over from the prior year. The Operating Plan allocates estimated 2020 net revenues to the following programs, which includes a share of staff expenses:

**Program Management/ Stakeholders' Communication /Governance:** The BID will continue to provide essential communication to the stakeholders and Havana District neighbors regarding BID plans and economic development activities to promote the prosperity of the Havana Corridor. This will include several newsletters and use of social media to market businesses and events, maintaining the BID's webpage, working with immigrant businesses owners to inform them of city services such as the Aurora South Metro Small Business Development Center, maintaining relationships with the city, county, CDOT, RTD, Xcel, Comcast and other entities providing services in the District, regular in-store visits and continuing BID ratepayer communications through monthly meetings as well as the annual stakeholder's meeting.

**Economic Development & Marketing/Business Consulting & Advocacy:** The BID will continue to market and brand the District, as well as to focus on holding special events to attract people into the District and highlight their business members. In addition, the BID will continue its focus on providing new and existing business support for issues that their businesses encounter. As part of that, the BID will continue to maintain an available properties list and respond to requests from business owners and developers looking to expand or locate to the Havana Corridor. They will also work with the Homeless Street Outreach Team, code enforcement, APD, Comitis and others to support services for the homeless. The BID will also continue to work with the city and Aurora Urban Renewal Authority and development initiatives that impact the District.

**District Identity & Image/Community Sense & Involvement:** The BID will continue to capitalize on its strengths, through the branding of the District. This will include maintenance of newspaper condo racks, graffiti removal, repair of district markers, and neighborhood engagement of events and meetings. The BID plans to continue to work with the Art in Public Places program on the successful Art 2C On Havana program. Other activities under this program include the Executive Director's attendance of Ward III and IV town meetings, and working with property owners in the northern Havana Street Corridor to facilitate redevelopment efforts such as Havana North and Kimco's Village on the Park development.

QUESTIONS FOR Committee

Does the Committee wish to forward the BID's Budget and Operating Plan to City Council Study Session?

EXHIBITS ATTACHED:

2020 Havana BID Operational Plan and Budget 9 2019 - SUBMITTED .pdf

**HAVANA BUSINESS IMPROVEMENT DISTRICT**



**2020 OPERATING PLAN & BUDGET**

**I. SUMMARY:**

The Havana Business Improvement District (BID) is an assessment district designed to improve the economic vitality, value and overall commercial appeal of the Havana corridor between East 6th Avenue and East Dartmouth Avenue. The BID is financed through a mill levy based on the assessed value of real commercial property. The BID received its first funding in 2008. The BID provides programming and benefits to business and commercial properties located along the corridor including economic development, establishing a district identity for the area and advocacy programs.

BID services are in addition to the services along the corridor currently provided by the City of Aurora.

**Name:** Havana Business Improvement District

**Boundaries:** The BID boundary encompasses the commercial property on both sides of Havana Street and South Havana Street from East 6th Avenue to the north and East Dartmouth Avenue to the south in the City of Aurora. A map of the BID boundary is attached on the last page of this plan/budget.

**BID Programs:** Our overall goal continues to be economic development of the Havana Corridor. The BID has defined three major program areas, listed below. The general goals for each program area for 2020 are as follows. More detail about the specific projects and activities under each of the programs can be found in the “Recap of 2019 BID Activities” starting on page 3 of this operational plan.

**General Goals by Program:**

**Project Management/Stakeholders’ Communication/Governance:**

- Keep an open line of communication with our stakeholders’ and our Havana District neighbors, engaging them in our plans and economic development activities to promote the prosperity of the Havana Corridor and adjacent neighborhoods.
- Hold monthly BID board meetings which are open to stakeholders and the public & hold an annual stakeholders’ meeting in November.
- Publish our monthly E-newsletter, post important announcements on the homepage of the OnHavanaStreet.com website as the need arises.
- Continue regular email communication with stakeholders’, regular in-store visits and connect/promote via social media platforms.
- Continue relationships with the City of Aurora, CDOT, RTD and RTD contractors, Arapahoe County and other entities that interact with the Havana BID.
- Continue to coordinate BID efforts and day-to-day project management.
- Encourage board members and stakeholders to provide input and take the lead on projects and committees.
- Continue to utilize and improve our Business Watch Program.



**Economic Development & Marketing/Business Consulting & Advocacy:**

- Continue to advocate for our stakeholder businesses by acting as a liaison between our stakeholders and the city, county and other entities; continue to work with the City of Aurora on efforts and programs to help small business.
- Provide new and existing businesses support, facilitating a solution-oriented approach to the day-to-day issues that business owners encounter.
- Continue to maintain an available properties list and respond to requests from business owners and developers looking to expand or locate to the Havana Corridor.
- Continue to focus the budget and our efforts on economic development and marketing/branding of the district.
- Continue monthly special events to attract people into the district and highlight our businesses.
- Continue to track the effectiveness of marketing efforts and measure successes as possible through sales tax revenue data, website statistics, and TV/radio statistics and other means.

**District Identity & Image/Community Sense & Involvement:**

- Continue to promote a sense of community & involvement through the monthly Life On Havana Street E-Newsletter, our TV, print, digital promotions, the OnHavanaStreet.com website and our social networking sites like Facebook, Instagram, Yelp, Google, and You Tube.
- The Executive Director will continue to attend Ward III and IV town meetings to keep the neighbors and consumers informed about BID activities and plans.
- Continue district marker maintenance as needed.
- Continue the condo news rack maintenance and graffiti removal program.
- Continue to define our brand by creating a sense of belonging through marketing and special events, portraying On Havana Street as the place to come for your everyday purchases, as well as for unique, high quality experiences in shopping, dining and living.
- Continue to brand and market the Havana Motor Mile as the premiere destination for everything automotive.
- Continue to work with the city, the property owners and the chosen developer to move forward on redevelopment of the Fan Fare property/Argenta to create a sense of community and a gathering place, in accordance with the Havana North Urban Renewal Plan.
- Continue the Art 2C On Havana, public art program in coordination with the Aurora's Art in Public Places Commission and install 14 new sculptures annually.

**Basis of Accounting:**

The basis of accounting utilized in preparation of the 2020 budget for the District is the cash basis. The District's budget includes projected revenues and expenditures for its general operation fund. (Please see the attached proposed 2020 budget on page 18.)

**Budget:**

Approximately **\$510,454** in 2020 to be raised through a 4.5 mill levy based upon the assessed value of real commercial property which includes the "current year's net total taxable assessed valuation" from page 2, line 4 of the Certification of Valuation document from Arapahoe County dated August 23, 2019 ( $\$97,581,152 \times .0045 = \$439,115$  plus the URA property tax increment from page 2, line 3 of the Certification of Valuation document from Arapahoe County dated August 23, 2018 ("total TIF area increment" of  $\$15,852,973 \times .0045 = \$71,338$ ), as well as an estimated \$37,000 in specific ownership tax and an anticipated \$10,000 in event sponsorships. (Please see the attached proposed 2020 budget on page 18.)

**Methodology:**

In order to allocate the costs of the services and improvements to be furnished by the BID in a way that most closely reflects its benefits, the BID will collect a property tax levied on real commercial property. The BID mill levy is 4.5 mills, as approved by BID stakeholders in the Tabor Election in November of 2007. One mill is equal to \$1 per \$1000 of assessed value.

**Bonding:**

Any bonding would require a vote of electors. The BID shall be authorized to issue bonds in the future at the discretion of and in such amounts as may be determined by the BID board of

directors. Approval of a majority of BID electors who vote at an election called for the purpose of authorizing such bonds would be required. **No bonding is planned at this time.**

**Term:** The Havana BID is a perpetual BID with a mandatory ratepayer and City Council review period every 5 years. The review will allow for appropriate adjustments to the BID boundary, assessment methodology and/or programming, and will allow business and property owners to address and respond to changes as they occur along the corridor.

**City Services:** BID services will be in addition to any City services currently provided.

**Governance:** The BID is managed by a 9-member Board of Directors, all of whom are voting members. At least two-thirds of the board seats shall consist of owners of real property or their representatives within the district. At least one board member shall be an elector located in the following geographic segments of the district:

- North of Alameda Avenue
- South of Alameda Avenue and North of Mississippi Avenue
- South of Mississippi Avenue and North of Parker Road
- South of Parker Road

The board will also consist of both large and small property owners and will represent a diverse mix of property use types.

**Dissolution:** The BID may be dissolved if property owners representing more than 50% of total acreage and assessed value submit petitions to dissolve it or if the BID fails to submit an operating budget for two successive years.

## **II. RECAP OF 2019 BID ACTIVITIES BY PROGRAM:**

**2019 Project Management:** In 2019, the Executive Director and Founder worked with BID board members to manage major ongoing projects including:

1. **Succession Plan Implemented & Executive Director Takes on BID in January 2019:** The District hired an Executive Director in Training in April 2018 and began the succession plan with training on the operation and budget of the Havana Business Improvement District. The Executive Director began the role in January 2019 and the founder remained part-time for the 2019 Budget Year.
2. **Havana Street Overlay District Project:** As opportunities arose in 2019, we assisted and encouraged commercial property owners in the BID to update their landscapes according to the Havana Street Overlay District guidelines and improved the overall look and appeal of the District. We helped properties connect with City of Aurora planners, landscape architects, code enforcement, Aurora Police Department and other partners to ease the process of improvements along the corridor.
3. **District Marker Project:** On Havana Street Logo panels help to brand the District. We currently have 42 logo panels in place at various locations along Havana. We continued with maintenance of existing signs. We are working with KIMCO, Village on the Park and their developer on the landscape plans and gateway district markers for the NW corner of Parker and Havana as that center redevelops. We are also working with ADI Auto Sport, Kum & Go – Havana & Yale and the future Argenta development on establishing district marker signs on their properties.
4. **Newspaper Condominium Rack Project:** We have contracted with a maintenance company to clean trash and any graffiti from the existing 86 custom condominium news rack slots. Originally 90

condominium news rack slots were installed in 2011 and then replaced in 2017 & 2018. In 2017, the BID board made a major investment in the District by replacing half of the existing condo newsracks with new racks of the same configuration. We completed the 2<sup>nd</sup> half of this replacement project in July 2018. The BID would like to explore updating the Memorandum of Understanding with the City of Aurora regarding the number of news rack slots required before the next round of maintenance replacements in the next 4-5 years. The 86 slots are not being utilized with less print media distribution and due to the cost of maintenance the BID would like to reduce the number of racks along the corridor.



5. **Havana Motor Mile:** The Havana Motor Mile committee selected KUSA/9News/KTVD for our TV commercials and digital banner ads in 2019. We updated the commercials with the new dealership names/logos plus we also did a rebranding and design of the commercials in early 2019. We ran four two-week flights of TV commercials for the Havana Motor Mile and did social media promotional posts with 9News. We updated the brand and voice overs for the four tv commercials in the Fall. All four commercials for the auto dealerships, auto parts, auto services and restaurants along the Havana Motor Mile had a fresh and fun voice that engaged more viewers. We received great feedback and response from viewers on the updated 2019 commercials.
6. **Promoting/marketing our businesses and events:** To gain a better return on investment with our marketing budget on KUSA & KTVD, we combined the Havana Motor Mile and Event TV budgets again in 2019. We made two appearances on Colorado & Company on 9News for our event promotion and ran digital ads and home page takeovers for a few events, which were well received. We continued to run regular ads in the Aurora Sentinel, both print and web ads, and print ads in the Glendale Cherry Creek Chronicle. In 2019, we established new relationships and strengthened relationships with various marketing partners that offered free opportunities to promote our district and events. We also partnered with the Asian Avenue Magazine throughout the year. This magazine “connects culture and links lives” in the Denver/Boulder area to over 240,000 readers a year with an annual income of more than \$60,000 and distributed at 400 locations. We have a very diverse community in the District and this magazine featured our businesses, cultural celebrations, dining, shopping, travel, arts and lifestyle. The magazine presented our businesses and events in their articles and social media at no cost. Many of the features were multiple page spreads on Restaurant Week, grand openings of new businesses, food trends, and highlights of hidden gems to visit in the District.

Another marketing partner was the Community-Campus Partnership. This partnership fosters, promotes and supports mutually beneficial collaborations between the Anschutz Medical Campus and the surrounding Aurora community neighborhoods to improve the health and economic well-being of the Aurora community. This relationship allowed us to promote our district and events to over 30,000 in their workforce at the Anschutz Medical Campus. This campus includes UCHHealth University of Colorado Hospital (UCH), Children’s Hospital of Colorado, the Rocky Mountain Regional VA Medical Center - VA Eastern Colorado Health Care System and the Bioscience/Fitzsimons Innovation Community.

We ran an On Havana Street ad in the Visit Aurora Guide. This guide is the definitive resource and most requested item for the 77.7 million visitors arriving annually to the state and has a year-long distribution of 100,000 copies. This is also a highly trusted and relied upon resource for important buying decisions in our community. The District partnered with Visit Aurora to connect the 65 hotel partners and member hotels in Aurora, Denver, Denver Tech Center and Stapleton. In 2019, Visit Aurora hosted numerous marketing campaigns, blogs, videos, photographers, social media promotions, giveaways and tours of On Havana Street restaurants and businesses. They also shared all the content, photos, video footage, commercials, and press captured at On Havana Street businesses at no cost. The businesses could use the same content in their own marketing to update their menus, website, and social media for additional exposure. Visit Aurora has been an extraordinary partner and promoted Things to do On Havana Street monthly on all their platforms.

In addition to the free online and print marketing promotions, Visit Aurora is hosting the Visit Aurora’s Savings Pass featuring our businesses in the District at no cost. In 2019, we began marketing the Visit Aurora Savings Pass to our district so that our merchants and businesses can include a

discount through the savings pass. There is no cost to the District or the businesses and it's completely up to the merchant on what they would like to offer. Visit Aurora has an annual contract with a company called, "Bandwango" and they create the pass for us. The Visit Aurora Savings Pass will be provided to convention and tournament attendees staying in Aurora or at one of our Denver partner hotels nearby. The Savings Passes will be distributed to the Gaylord Rockies convention groups, but there are several other groups throughout the year that have interest in the pass and staying at a hotel near On Havana Street. This partnership program will be a great benefit for exposure to the District and will draw business to On Havana Street during peak convention and tournament dates.

The Executive Director has hosted the Group Sales Teams and hotel management to showcase venues and locations in the District so that hotels can set up hotel site visits to On Havana Street and make reservations for travelers and groups at our restaurants and businesses. Groups of 10-30 visitors/conference groups from partner hotels hosted "offsite" meals and entertainment activities in the District. The hotel shuttled the visitors to Havana to experience our global options of cuisines and entertainment options. This partnership connected the travelers to "Things to do On Havana Street" and attracted more diners and shoppers to the District during their stay in Colorado. Visit Aurora hosted their Quarter One Hospitality Networking event at the Stampede and showcased the newly remodeled event center as one of the unique venues and meeting space options in the District. Visit Aurora invited many destination service industry professionals, hotels, city and state partnerships, group travel agencies, community partners, the Aurora Chamber of Commerce, our stakeholders and businesses on the BID corridor. The fun western themed event highlighted the new ownership and revealed updates to the venue space and dancefloor. Many discovered a country-western side of Colorado complete with a live bull, birds of prey, cowboy photo ops, music by Loose Change, line dancing, steer-roping lessons, and hardy appetizers by Rolling Smoke BBQ. Plus, many attendees shared nostalgic memories from 10-20+ years ago when they first met their spouse or enjoying The Chamber's Taste event, and even the past "Girls' Night Out" for the infamous "Stampede Ladies Nights." This event helped us market the District and allowed our BID stakeholders a chance to connect and strengthen their relationships.

In 2019, we also focused on strengthening our partnerships with the local Chambers (Asian Chamber, Aurora Chamber, Hispanic Chamber, DTC/Greenwood Village Chamber, Chamber Young Professional Groups, & Women in Business committees), the Colorado Korean Association, Rocky Mountain K-Pop, Aurora Sister Cities International, Aurora Asian Pacific Development Center, Aurora Asian Pacific Community Partnership, 5280 Dragon – Dragonboat Festival, City of Aurora's Office of International and Immigrant Affairs, Consulado de El Salvador en Aurora by promoting, collaborating and hosting events at On Havana Street businesses.

Throughout the year the Executive Director also collaborated on projects, shared updates, presented and hosted economic development and business tours along the corridor to the City of Aurora's Ward 3 & Ward 4 meetings, City of Aurora Department of Communications & Marketing, City of Aurora Traffic Department, City of Aurora Mayoral candidates, Advantage Security, 2020 Census representatives, Aurora Be Counted, City of Aurora Planning & Economic Development (PED) meeting, Neighborhood Services (Horns) meeting, Aurora Rotary, Highland Park East Neighborhood Association, Del Mar Neighborhood Association, HD 42 Domonique Jackson, Colorado Food Bloggers, Colorado Yelp, Westword, Denver Post, Aurora Day Resource Center/Comitis Crisis Center/Aurora Street Outreach, Downtown Colorado Inc, Aurora Police Department, Cops Fighting Cancer, Buckley AFB Public Affairs, Community Relations, and Veteran Affairs Commission.

The City of Aurora featured our BID in their monthly newsletters, Aurora TV – Aurora 8, and the Yum Guide. This year we continued to market to travelers and hotel guests with the Capture Those Travelers hotel key card marketing and promotion of On Havana Street and the Havana Motor Mile with aloft Denver International Airport, Hilton Garden Inn Denver Airport, and TownPlace Suites By Marriott Denver Airport at Gateway Park. The Aloft hotel has 144 rooms and sees about 80,000 guests annually (about 60,000 impressions). The Hilton hotel has 157 rooms and sees about 90,000 guests annually (about ~60,000 impressions). The TownPlace Suites Marriott has 99 rooms and sees about 65,000 guests annually (about 40,000 impressions).

We also promoted and posted regularly on social media - Facebook and Instagram. Sometimes more than 5 times a day to engaged audiences and capture more followers. We created highlights, stories, and featured our events live on social media for more exposure and marketing of our BID businesses. We continued to partner with other stakeholders and collaborated on campaigns for #ThisisAurora, #OnHavanaStreet, #EatOnHavanaStreet, #HavanaMotorMile, #VisitAurora, #Auroragov, #AuroraCO, #AuroraRocks, AuroraGoBig, #AuroraCensus and so many more.

**City Sales Tax Revenue history:** We have seen percentage increases in all three city sales tax categories since we started tracking in 2010. **We will be running sales tax statistics after the 3<sup>rd</sup> quarter of 2019 after this reporting is completed.** The City of Aurora will be creating a report for the BID in 10/2019. On average since 2017, the Auto Dealers & Parts are up 93%, Food & Dining is up 71.7% and Total Sales Tax is up 60.7% since 2010.

YEAR	AUTO DEALERS & PARTS	FOOD & DINING	TOTAL SALES TAX
2010	\$3,435,800	\$1,788,855	\$13,097,290
2011	\$3,769,713	\$2,019,244	\$13,680,196
2012	\$4,934,651	\$2,374,026	\$15,636,441
2013	\$5,295,256	\$2,424,008	\$16,339,128
2014	\$5,897,049	\$2,810,906	\$18,599,766
2015	\$6,546,804	\$3,081,998	\$20,193,012
2016	\$6,292,571	\$3,058,532	\$20,358,224
2017	\$6,628,639	\$3,072,734	\$21,049,286
2018			
2019			
<b>2018 &amp; 2019 Numbers will be shared by City of Aurora Tax after 10/2019</b>			



6) **Art 2C On Havana Exhibition:** We have 13 sculptures in place along Havana Street in our public art-on-the-street exhibition. Art 2C On Havana is a public/private partnership between the Havana BID and Aurora’s Art in Public Places (AIPP). The Havana BID invested \$24,000 annually towards this program, paying for artist stipends, awards, supplies, and the annual Art 2C Gala. The Havana BID board views public art as an economic development tool and a chance to further brand The District. In 2019, we began the process to add a 14<sup>th</sup> art sculpture and started the process to install an 6x6 concrete pad at the Schomp Subaru dealership. The public art has been well received by the business owners and is valued by our neighbors, customers, visitors and businesses. Due to its popularity and success, we plan to grow the program in 2020 and allocate more funds to the Art2C On Havana.

7) **Havana North Urban Renewal Area & Argenta:** After a successful RFQ process in early 2016, the steering committee selected the mixed-use project by The D/K Team to recommend to City Council for the Fan Fare Redevelopment. As of August 2019, the sale of the property from Dillon Place from the City of Aurora’s URA is now complete. City Council unanimously approved the sale of the Argenta property to Dillon Place. Dillon Place has also purchased Woody’s Wings and the gas station near the future Argenta property. The 1<sup>st</sup> Phase & groundbreaking will begin in the early October on the 3.6 acres for the 86 townhomes. The 1<sup>st</sup> phase will be infrastructure related: roads, utilities, water, and sewers. Argenta is a phased master plan for 10.55 acres new mixed-use development consisting of 86 townhomes, 208 multi-family & 20,000 square feet of small-scale retail. In September 2019, Dillon Place is in the process of reviewing plans for phase 2 (condos) and phase 3 (retail/office splash park, food truck area, and small concert venue).

8) **Business Watch Issues:** With the assistance of the Homeless Street Outreach Team, Aurora Police, City Planners, Aurora Water and Code Enforcement, we are making progress with helping the folks in the district who are homeless, unhoused and exhibiting “visible poverty”, urban camping, panhandling, shoplifting, graffiti and other crimes are still happening but at a lower level than the past three years. With two employees this year, we did morning, mid-day and afternoon Business Watch Drives.

The BID works with commercial property owners in the Havana District to get them into compliance with the trespassing ordinance by having proper signage and letter of consent on file with Aurora Police to allow police to go onto the property. Our outreach efforts included assisting people in need by sharing the Aurora's Homeless Resource Guide and providing a bus pass. The bus pass allows for those in need to get transportation to services at the Day Resource Center or we offered those in need to have the Street Outreach Team transport them to services. If people continue to panhandle and/or urban camp on private property and have refused all our offers to help them, the private commercial property owners will trespass them off their private property. We continue to look for other solutions for this difficult issue.

**10) Automotive Technician Tool Incentive Workforce Program:** To help address the severe shortage of trained auto technicians, in 2019 we continued to partner with the repair shops and dealerships in the Havana District and Pickens Tech's Mechanic Certification program in Aurora on our auto tech tool incentive program. In 2019, four more students were awarded jobs in the District and a Snap-On Tool cabinet full of tools to use on the job. Also, this was the first year we were able to give the ownership keys of the tool cabinet to the students that completed the two-year commitment to the Havana Motor Mile. These students worked at a HMM business for two years and were awarded the official ownership of the tools and tool chest.

Automotive Technicians need to have their own tools to use on the job. These tools are expensive, especially for someone just starting out in the field. If the auto tech stays employed in the Havana Motor Mile shop for 2 years, they get to keep the tools. If they leave the job before the 2-year mark, the tools go back to Pickens to be used by a future student working in a Havana Motor Mile Shop.

This program has been a huge success and budgeted \$19,000 in 2020 to continue this program and some of the car dealerships are looking to contribute more funds to this program. We hope the increase in the budget will allow for us to sponsor more students to engage working on the HMM. Plus, due to the cost of tools and the tool chest the board felt that it was necessary to increase the budget from \$15,000-\$19,000 in 2020. This workforce initiative growth will help to support our 23 car dealerships and over 100 automotive service businesses in our corridor.

**11) Daily BID Operations:** Executive Director and Founder performed all day-to-day functions of a special district in Colorado, including ongoing updates to the Havana BID database to keep track of the number of real properties and businesses within the BID's boundaries.

**2019--Stakeholders' Communication:** In 2019, the BID worked diligently to keep its stakeholders and neighbors informed of events and plans On Havana Street.

- **Monthly Meetings:** We held regularly monthly BID board meetings, which are open to all stakeholders and the public. The agenda is publicly posted prior to the 3<sup>rd</sup> Thursday meeting at Denny's located at 1505 S Havana St. to inform and welcome the public.
- **Annual Meeting:** We hosted the Annual Stakeholders' meeting at lunch at the newly remodeled Stampede to allow for more attendance.
- **Stakeholders' Special Notification:** The Havana BID posted notices on the home page at [www.OnHavanaStreet.com](http://www.OnHavanaStreet.com) and sent out regular email updates as needed to keep the business owners informed. We have updated our email distribution lists to allow us to send out communication to specific groups of business owners and citizen supporters; for example, contacting just the bankers, restaurant owners, or car dealerships.
- **Consumer Marketing Newsletter:** We published a monthly consumer marketing "Life On Havana Street" E-Newsletter with 4,500+ newsletters being sent out monthly.
- **Regular In-Store visits & social media/website promotions:** Executive Director and the Founder made regular in-store visits to the businesses in the District, getting the businesses involved in our events, promoted businesses on social media platforms/website and listening to their comments and concerns.
- **Business Watch:** The District sent out regular e-mail Business Watch Alerts to stakeholders as needed. We followed crime stats on the Lexis Nexis Community Crime Map and notified businesses as needed about issues. The crime stats are also shared at every 3<sup>rd</sup> Thursday Board meeting. We worked with our Aurora Police PAR, Police Area Representatives, officers to distribute shoplifting and auto theft prevention flyers/posters to all our retail businesses. We worked with Aurora Police to develop a Trespassing Ordinance Packet which includes sample signage wording, sample letter of consent to have on file with police, and a sample parking tag for the commercial property owners.

- **Website & Social Media Marketing:** We regularly updated the On Havana Street website with stakeholder and District events, blog posts, press coverage, photos, new business directory listings, and available properties. We actively engaged and posted daily on Instagram and Facebook. Plus, we created lives, highlights and story highlights to feature the activities in the District. We also updated our You Tube, Google, Instagram and Facebook profiles for marketing and events. We continued to utilize our “responsive” smart-phone friendly website and newsletter. We worked closely with Webolutions to continue the on-going maintenance, updates and effectiveness of our responsive website and newsletter. Both the website and newsletter have been well received.
- Due to the updates, consistently posting blogs, and updating pages weekly: We have seen an increase in traffic to the website. Site visits are up 64.61% over the previous year with 56,630 sessions. 97.6K Pageviews on the website, which was 47.9% up from last year. 47.76K Website Users, which was 68.3% up from last year. Channel Contribution for On Havana Street show that traffic from Organic search is up 86% over the previous year. Organic search accounted for 61% of website site visits. Social Media visits up 243% at 2,323 sessions which contributed 4.9% of traffic to the website. Email contribution to the website is up 8,450%.
- Behavior Observations showed that majority of the traffic entered the site via the business directory pages, which is up 231% over the previous year. This means that more users are directly going to the business directly listing to find information on a business. More than 18,000 sessions were started on business directly page versus 14,000 sessions that started on the Home Page. In the past year, the On Havana Street Newsletter list size has grown 1.75%, up to 4,235. Compared to the previous year, list size was down 2.98%, Open Rate was 18.86% declined slightly from 21.13% last year, but the Click Rate: 41.07% increased from 28.61%. Overall, the newsletter performed better in the most recent year, while open rate was down, more users clicked on stories in the newsletter.
- In 2020, we also plan to add a new feature to our website to attract various audiences to explore, experience, eat, visit and live On Havana Street. We are working on a website feature “Discover On Havana Street” to showcase the life, culture and lifestyle on the corridor. We want this page to showcase what we have to offer to new businesses, developers, visitors and residents on what there is to offer on our corridor.
- New Social Media - Instagram Page: In April 2018, we created an @OnHavanaStreet Instagram profile showing pictures of events and happenings in the District to show stakeholders, residents and potential developers and businesses looking to relocate to the District. We have also created trending hashtags like #OnHavanaStreet, #DogsOnHavanaStreet, #HavanaMotorMile, #EatOnHavanaStreet to create social media buzz and trending to increase followers and likes. We also partnered with the City of Aurora’s new branding campaign called, “#ThisisAurora” to showcase what our Havana corridor has to offer. We post daily and often post Instagram Stories and videos of events, promotions of businesses and feature businesses on our page. In September 2018, we had 555 followers and 281 posts on our Instagram profile. As of September 2019, we have 1037 followers, 713 posts, 50+ storyboard on events, shopping, Havana Motor Mile, food, art and more on our Instagram profile. Through our Instagram page we have established relationships with over 50 food and lifestyle bloggers.
- **Keeping up with the Issues:** The Executive Director and Founder attended city council study sessions, regular city council meetings, City of Aurora policy committee meetings like the Planning and Economic Development (PED) committee meetings, Housing, Neighborhood Services, & Redevelopment meetings, Housing Task Force meetings, Zoning, Coding, Budget meetings, Management & Finance committee meetings, planning commission hearings and Aurora Chamber of Commerce, Arapahoe County, Community Enterprise Development Services (CEDs), Webolutions Executive Business Roundtable, Women in Executive Leadership Roundtable, Aurora & South Metro Small Business Development Center events to stay on top of the issues that may affect/impact the BID’s businesses and small businesses in general in Aurora. The Executive Director attended other BID and urban renewal training sessions offered by Downtown Colorado, Inc. to strengthen our Districts relationships with other special districts.
- **Annual Audit:** We contracted to have a Government Audit completed in February. The audit is shared with the stakeholders and confirms that the District is a good steward of their tax dollars.
- **Code Complaint Resolution:** The Executive Director and Founder worked with code enforcement officers, the Aurora Police Department, property hired security officers, and business owners to address and resolve code complaints. The District worked with business owners to resolve code complaints, avoid code violations and expensive fines on the business owners and help to keep the corridor looking its best.
- **Homeless Outreach:** See above to **Business Watch Issues**
- **Welcome Committee:** The District and board members contacted new business owners, welcomed them to the District, explained the BID’s responsibilities and offerings, arranged grand opening celebrations, submitted information & marketing to local media/social media. We added the new business and stakeholder to the



newsletter distributions, created a business directory profile, updated the BID's database of properties and added their contact information to our communications. In addition, we added their business to our social media platforms and followed/liked their profile pages to be informed about future business activities and promotions. We also work to closely with the new businesses and share our resources regarding our business watch information and help to provide any other resources they may need in their new home On Havana Street.

- **Merchants/Neighbors' Come-Together Events:** The District hosted events to attract business owners and neighbors together, like the Summer Concert Series, Denver Broncos party at Gibby's, Big Game Party at Buffalo Wild Wings, Women in Business Progressive Lunch, and the Art 2C on Havana Gala at Schomp Subaru.

### **2019 Economic Development Services:**

- **Business Directory:** We updated our business directory photos, contacts and details on our new responsive website. Webolutions, our marketing partner, continued to do key-word optimization on each of the business directory listings to increase the Google search engine rankings for each individual BID stakeholder business. This business directory gets the most traffic on our website, followed by the upcoming events page.
- **Available Properties Listing:** We continued to revise and update the list of available commercial properties for sale/lease in the Havana corridor on our website to attract and assist future business owners, investors, and developers. This has been a very popular service that generates new business leads and this link is the top 8 most viewed page on our website.
- **Vacancy Rate Survey:** We complete a survey of retail vacancy rates in the Havana corridor every October in preparation for the annual meeting in November. Our first 2008 vacancy rate was 8.6% and over the past decade has decreased. Retail vacancy rate in October 2012 was 6.7%, October 2013 was 2.8%, October 2014 was 2.3%, October 2015 was 4.2%, October 2016 was 4.7%, October 2017 was 2.5% and October 2018 was 2%. In 2018, we celebrated the 98% occupancy On Havana Street with not many leases available. We have updated our resource page "View Available Property List" <https://onhavanastreet.com/aurora-colorado-available-properties/>
- Our Available Properties page on our website is one of the most visited pages and updated annually in October. The District works closely with the City of Aurora Retail Specialist, local Chambers and the Aurora Economic Development Council for referrals and establish interest in the BID corridor. Havana is a very desirable area and in the top 5 producing areas for CoA sales tax generation and revenue.
- Village on the Park by Kimco at the Parker & Havana intersection saw a huge transformation this year with 3 new retail tenants, including America's Best Contacts & Glasses, Old Navy and the 3<sup>rd</sup> food retailer to be announced later in 2019. This \$14.5 million redevelopment project is in progress to be completed in the Fall of 2020.
- AmCap's Gardens On Havana – Toys 'R US closing and vacancy in Spring 2018 is attracting new retail to On Havana Street and will soon be half leased/occupied in 2020. Plus, the expansion of Gardens On Havana negotiations are in progress. There is a site plan for a pad near Chick Fil A. The Havana Tower office building welcomed the El Salvadoran Consulate to Aurora two years ago and since the consulate opened the occupancy of that building has jumped to over 75% after being around 40% occupied.
- **Development and Business Assistance:** The District regularly worked with existing business owners and developers by connecting them to resources and contacts in the city about development plans, tenant finish, new business plans, expansions, and code complaint issues.
- **Business Attraction:** The District worked with prospective business owners interested in opening a business On Havana Street and offered any assistance from the BID that would help in that process. We are also in the process of adding a "Discover On Havana Street," a lifestyle page to attract various audiences to explore, experience, eat, visit and live On Havana Street. Our goal is to showcase the life, culture and lifestyle on the corridor to attract businesses, shoppers and residents.
- **New Businesses:** We saw over 60 new and remodeled businesses making major investments in 2019. With a very low retail vacancy rate we are running out of retail space. The Havana BID has been very busy working with business owners and prospective buyers to provide details about the Havana BID activities, Havana District statistics, and available property details, being the liaison between businesses and the city staff and development services.

Here are some of the new businesses that have opened in the last year, have completed major remodels, or are currently under construction along Havana:

1. 303 Realty Ben Eyasu
2. ADI Autosport – purchased A-1 Auto, expansion – August 2019



3. Argenta Development – 86 townhomes to begin groundbreaking late 2019
4. Asian Century Café/ Noodle King – NEW – August 2019
5. Beckett-Graves Health & Wellness
6. Bradley Gas, Stinker Stores – Remodel
7. Buckingham Shopping Center – Gibby's/Denny's – repaved parking lot
8. Community Enterprise Development Services – CEDS – moved locations and expansion
9. Circle K – Iliff – Remodel
10. Coco Loco added new brand Simply Hemp
11. Cody's Café & Bar – relocation & remodel - Opened January 2019
12. Comcast Xfinity – remodeled and relocated
13. Concentric Consulting Group
14. Doug Shin American Family Insurance – Jan 2019
15. El Sabor De Abuelita Food Truck
16. Five Below – Village on the Park – Coming 2020
17. Jordan Motors – purchased property
18. Gianna's Adult Day Care – May 2019
19. Gibby's – new management & game area
20. Gio's Hair – March 2019
21. Havana Flea Market – September 2019 – former Mueblas Furniture
22. High Point Home Care, LLC
23. Imone Korean Restaurant – former Menya Ramen & Poke – September 2019
24. Jeep – remodel – July 2019
25. Koshari Time Cafe @Market Square Remodel and New Menu – June 2019
26. Kum & Go – 8 Pump Gas Station + Convenience Store – Late 2019
27. Kumon at Market Square – NEW - August 2019
28. Living Water Car Wash – NEW – Fall 2019
29. Lyft – New – former Shortline Mitsubishi – NEW – August 2019
30. Mathes Allstate Insurance – relocated from Havana Tower to US Bank On Havana
31. Metro Urgent Care in the Safeway
32. Menya Ramen & Poke – NEW – April 2019
33. Mike Naughton Ford Showroom – Remodel
34. Milan Laser Hair Removal – NEW - August 2019
35. Milkroll Rolled Ice Cream – NEW - Oct 2019
36. Muebles Furniture – former Sunrise Thrift – Summer 2019
37. My Favorite Muffin – June 2019
38. Perea Insurance Group
39. Powerhouse Nutrition & Fitness – Jan 2019
40. Prestige Adult Day Care – May 2019
41. Restaurante Fritangas de La Lily – former Thai Basil – September 2019
42. Seoul BBQ & Hot Pot + Seoul BBQ Catering – remodel & new hot pot feature – June 2019
43. Shortline Buick GMC – new signage and rebranding
44. Specialist Barbers Club Barbershop & Beauty Salon
45. Spirit Halloween at former Toys R Us
46. Stampede – New Ownership & Major Remodel
47. Starbucks in Target at the Gardens on Havana – Fall 2019
48. Tacos Adan Food Truck
49. Tacos LaCoquita Food Truck
50. Target – Remodel – September 2019
51. Thank Sool Pocha – Korean Pub – April 2019
52. The Mathes Allstate Agency – relocation from Havana Tower to US Bank offices
53. THRIVE Affordable Pet Care in Petco
54. Ten Seconds Yunnan Rice Noodles – Shi Miao Dao – New – April 2019
55. TJ Maxx – Remodel – September 2019
56. Torchy's Tacos – developing on a pad site near Chick Fil A at the Gardens on Havana
57. Trans Voyage Taxi
58. Uncle Joe's A Hong Kong Bistro – Opening 2019
59. Quinceaneras Leihla – Jan 2019
60. Ross – Remodel – August 2019

61. Valentia Building LLC/Prime Management LLC - Havana Square Shopping Center - repaved the lot, new signage, & landscaping
62. Village on the Park – Old Navy – Winter 2019
63. Village on the Park - America's Best Contacts and Glasses – NEW - March 2019
64. Village on the Park – 5 Below – Coming Soon 2020!
65. Village on the Park - Food Retailer soon to be announced – in progress late 2019
66. Your Guardian Insurance Group, Woo Jae Kim

**Closures –**

1. A-1 Auto – August 2019
2. Bentley's Pet Supplies –March 2019
3. B&B Shoe Repair – consolidated 2 locations to Parker – Feb 2019
4. Exotic Bird Emporium – relocated to Buckley – March 2019
5. Everest Wireless – May 2019
6. Furniture Express – May 2019
7. Havana Café – now Thank Sool Pocha
8. Lucky China – now Ten Seconds Yunnan Rice Noodles – Shi Miao Dao
9. Maya Bar – June 2019
10. Menya Ramen & Poke – September 2019
11. Mueblas Furniture – Summer 2019
12. Paris Bakery – now Menya Ramen & Poke
13. She A Beauty – May 2019
14. Shortline Mitsubishi – April 2019, now Lyft in August 2019
15. Spirit Halloween at former Toys R Us – seasonal lease
16. Sunrise Thrift – now Mueblas Furniture – May 2019
17. Thai Basil – September 2019
18. Village Inn – June 2019

**MARKETING/MONTHLY EVENTS:** In 2019, the Havana BID spent \$100,000 of its annual budget hosting and marketing monthly events to put feet on the street and customers in our businesses, bringing thousands of people to the Havana District to shop, dine and have fun:

1. Sunday, February 3, 2019: Big Game Football Party Los Angeles vs New England - 4 pm - at Buffalo Wild Wings, Kick off at 4:30 pm
2. February 20, 2019: Self Defense Training with Aurora Police at The Stampede On Havana Street with The Chamber's Young Professionals
3. March 2019: Celebrate Mom & Pop Business Month - Small Business Spotlights & Networking at Snow! Event & Gift Card Giveaways
4. March 2, 2019: It's Been a Wild Year Anniversary Party at Whispers On Havana
5. May 1-8, 2019: Restaurant Week - Eat On Havana Street
6. March 12, 2019: 2019 Celebrating Small Businesses On Havana Street – Featured Business – Infiniti of Denver & Pure Barre Pop Up Event
7. March 19, 2019: 2019 Celebrate Small Business On Havana Street – Networking Meet Up at Snow!
8. March 30-31, 2019: Petco Re-Grand Opening at The Gardens On Havana
9. Saturday, May 4, 2019: Rose Garden Clean Up -- Looking for Volunteers!
10. May 23, 2019: Havana Motor Mile Auto Tech Tool Incentive Program 2019
11. Friday, June 7, 2019: Cruzin' Havana VIP & Volunteer Thank You Dinner -- Looking for Volunteers!
12. Saturday, June 8, 2019: 12th Annual Cruzin' Havana Car Show -- Looking for Volunteers, Vendors, & Sponsors!
13. Saturday, June 15, 2019: Morbid Curiosities Carnival – Oddities Festival at the Stampede
14. Wednesday, June 19, 2019: Asian Chamber Business After Hours at Seoul BBQ & Hot Pot
15. Monday, June 24, 2019: Ribbon Cutting – The Mathes Agency
16. Tuesday June 25, 2019: Women In Business Committee's Annual Progressive Luncheon On Havana Street

17. Tuesday, June 25, 2019: 6 Million Dollar Band – the Ultimate 80s Experience Concert & Hoagie Night On Havana Street Rose Garden Concert -- Looking for Volunteers to hand out FREE sandwiches!
18. Sunday, July 21, 2019: Progressive Frozen Treats & Ice Cream Party - Celebrate National Ice Cream Day On Havana Street
19. Tuesday, July 23, 2019: The Byron Shaw Projex – R&B/Soul/Reggae Concert & Pizza Night On Havana Street -- Looking for Volunteers to hand out FREE pizza!
20. Tuesday, August 27, 2019: Tunisia Rose Garden Concert & Frozen Treats Social -- Looking for Volunteers to hand out FREE frozen treats!
21. September 9, 2019: Football Season Kickoff Party at Gibby's – 7:30pm hosted appetizers and gift card giveaways at the Denver vs Oakland game, Kick off at 8:25pm
22. Tuesday, September 17, 2019: Comitis Crisis Center & Safeway: Grocery Cart Races at Safeway On Havana Street – Hosted and raised \$20,000 for MHBH Comitis Crisis Center
23. Tuesday, September 24, 2019: Last Days of Summer Dotsero Concert at Stampede
24. Saturday, October 26, 2019: Halloween Trick or Treating at Gardens on Havana & Halloween Contests & Prizes + Goodtimes Pawbender Giveaways for Pets
25. Saturday, October 26, 2019: Tynan's Volkswagon Trunk or Treat
26. Thursday, November 14, 2019: Art 2C On Havana Street Gala at Schomp Subaru
27. Thursday, November 21, 2019: Annual Stakeholders Meeting at the Stampede
28. Saturday, November 30, 2019: Black Friday Shopping Weekend Holiday Caroling with Aurora Singers at Shops at The Gardens on Havana
29. Surprise Saturday in December: 2019 Secret Santa Event - Gift Card Giveaways to Shoppers as a "Thank you for supporting & shopping On Havana Street!" – Need Volunteers to give out gift cards to shoppers

### **2019 Establishing a District Identity & Image:**

- See the District Identity major projects listed above under the Project Management Section including On Havana Street District Markers, Art 2C On Havana Exhibition, custom condo news racks, and continue working with the property owners on landscape plans to get compliance with the Havana Street Overlay District plan and tree palate.
- September/October: Art 2C on Havana de-installations and installations x 26.
- We continued to work with Webolutions and Fox Media & Marketing to make sure we are staying true to our brand in all the marketing and promotions that we do.
- Continued to add photo albums on Facebook, Facebook Stories, Instagram posts, Insta-stories and on our website to document the events and grand openings in The District.
- Worked with local newspapers, magazines, TV stations and Colorado bloggers, food bloggers and social media influencers to market the District in a positive light and promote our events.

### **III. HAVANA BID 2020 OPERATING PLAN**

As determined by the board of directors, area property and business owners, the top priorities for improvements and activities continue to include the following programs:

- Program Management/Stakeholder Communication/Governance
- Economic Development & Marketing/Business Consulting & Advocacy
- District Identity & Image/Community Sense & Involvement

Economic development continues to be our primary focus, and the BID board further defined what should be included in each of the above programs (see below).

**BID PROGRAMS:** The following narrative provides recommendations for BID programs and a description of the BID's plans for 2020, both continuing programs and new programs. The board may amend program activities in subsequent years within the general categories authorized by state law and

in the approved annual operating plan and budget. Final programs and budgets will be subject to the annual review and approval of the BID board of directors. **The narrative below lists what we plan to continue in 2020 and what is new for 2020.**

### **Economic Development:**

In 2020, we plan to continue our ongoing efforts to enhance the overall image and marketability of the Havana corridor and to create a favorable business climate to recruit retain and grow businesses and new development. The BID board of directors sets annual priorities for economic development projects.

### **Project Management/Ratepayer Communication/Governance:**

#### **In 2020 the BID plans to continue to:**

- Publish monthly consumer marketing newsletter, Life On Havana Street E-Newsletter and to continue to increase the use of social media like Instagram, Facebook, Linked In, Instagram, You Tube, and Twitter even more to market our events. We will add a lifestyle page to Discover On Havana Street.
- Work with our International business owners and all our small business owners, facilitating getting them in touch with the business resources they need at the City, the office of International Initiatives, the ASBDC and SBA office, etc.
- Work on its ongoing relationships with the City of Aurora, Arapahoe County, CDOT, RTD, Xcel, Comcast and other entities that impact On Havana Street.
- Perform the daily duties required of a Special District in Colorado and continue to coordinate BID efforts and manage its programs.
- Hold monthly BID board meetings and hold an annual stakeholders' meeting in November.
- The Executive Director will continue to make regular in-store visits to the businesses in the District to keep them informed and listen to their comments and concerns.
- Pursue issues and policies that will positively influence the Havana District, both in the short and long term; the Executive Director will continue to attend policy committee meetings, study sessions and city council meetings.

### **Project Management/Ratepayer Communication/Governance:**

#### **In 2020 the BID plans to continue to:**

- Gather the email addresses of more of our stakeholders to add to our distribution lists and business watch email list.
- Budget \$10,000 for an emergency snow removal fund.
- Work with the City on a snow ordinance education campaign to inform business owners and property managers about the 24-hour snow removal code. Snow removal is an annual "hot button" issue, especially with businesses who have bus stops/benches in front of their businesses and have changed management/employees since the last time it snowed, so no one in charge knows the details of the ordinance from one year to the next. The BID Executive Director drives Havana Street after a snowfall, looking to see who has not shoveled out by the bus stops that abut their properties, and then educates the manager/staff on the City's snow removal ordinance.
- Make copies of the Downtown Colorado, Inc. new board member training manual, "The Amazing Colorado BID Board Member Manual" for all new board members and host an orientation meeting with new board members.
- Continue to identify and develop new leadership and advocacy opportunities as they arise.

#### **New for 2020—we plan to:**

- The ED will take on the operation of the BID and consult or hire event staff as needed.
- Work on a new 5-year strategic plan

- The BID Board can work to create new or change existing programs as the need arises throughout the year, using the budgeted board reserves as the board sees fit.
- Work on board training, development and engagement
- Focus on stakeholder relationship building and include board members in networking relationships/interactions with BID businesses

**Economic Development Services/Business Consulting & Advocacy:**

**In 2020 the BID plans to continue to:**

- Concentrate on promoting and marketing the district in a very positive light through various media including TV, radio, social media and print ads, conveying the message that the Havana District is the place to come for your everyday needs, as well as for unique experiences in shopping, dining and living.
- Work with the city's retail specialist, AEDC and developers to work out the optimal retail mix, identify retailer needs and community needs to get new and unique retailers to locate in the Havana District as space becomes available.
- Share store openings and closings, retail sales tax reports, available property info, lease rates and vacancy rates through our newsletters and on our website.
- Continue to concentrate on the business watch program—as noted above.
- To update the District's master database to keep an up-to-date listing of all commercial properties and businesses in the Havana corridor.
- Participate in the city's "All 4 Business" efforts, code updates, Aurora Places--new comprehensive plan, referring new and existing business owners to the City of Aurora Business Development Center.
- Be the liaison between the businesses and the city and to facilitate connecting business owners and the appropriate city staff/services as necessary.
- Host monthly events to put feet on the street and customers in our businesses.
- Develop an annual "snapshot" of The District to present at the Annual Meeting.
- Update the on-line business directory and website to provide the community up-to-date information about the business district and keep the Available Properties list updated.
- Work with the retail marijuana industry in the District and help support the businesses for the overall safety and security of the corridor.
- Continue to work with the Homeless Street Outreach Team, code enforcement, APD and our businesses to attempt to connect persons experiencing homelessness in the District with appropriate services offered in the community. We will also continue to support and host the 10<sup>th</sup> Annual Grocery Cart Races at Safeway with Comitis Crisis Center. Comitis could not provide the 65,000 meals per year to the homeless without the corporate and community support generated each year through the Grocery Cart Races at Safeway. We support the event by featuring our Safeway and the event on 9NEWS Colorado and Company, purchase the famous grocery cart trophies and host the after party.
- Be on the lookout for other opportunities and partnerships that benefit both our businesses and the community.

**New for 2020—We plan to:**

- Write and produce new Havana Motor Mile TV commercials promoting auto sales, auto service and auto parts sectors to include the new dealerships.
- Work with the Aurora Urban Renewal Authority, Development Services, the Office of Development Assistance, the development team, business owners and neighbors as we begin the redevelopment process and site plan review for "Argenta" i.e. the old Fan Fare site on the north end of Havana.
- Work with Kimco on the Village on the Park redevelopment plans.
- Work with Western Centers on the new businesses coming to Havana Exchange – Bicycle Village.
- Work with AMCAP at the Gardens on Havana on redevelopment plans.

- Work with Visit Aurora to strengthen relationships with hotels and partners to encourage more On Havana Street visitors and brand as an entertainment and foodie destination for visitors and business travel.
- Strengthen partnerships, relationships and community networking with Buckley Air Force Base, Anschutz Community-Campus Partnership, The Chamber, local neighborhoods, retirement communities to attract more visitors and residents to explore, shop, eat, live and experience On Havana Street.
- Think about what we can do to encourage formation of an area-wide transportation plan to connect the Havana District shopping venues with light rail stops, Lowry, Stapleton and the Anschutz Campus, Buckley AFB, Lockheed Martin, Gaylord of the Rockies especially with the redevelopment of the Fan Fare site.
- Continue the Automotive Technician Tool Incentive Workforce Program and connect the new dealerships to the program opportunity

### **District Identity & Image/Community Sense & Involvement:**

#### **In 2020 the BID plans to continue:**

- The “emergency snow removal fund” of \$10,000 to allow for hiring of a contractor to assist with snow removal from problem areas in the District in the event of a big snowstorm.
- To work with the City of Aurora on other emergency snow removal options for the business district in snow emergencies and continue to re-educate businesses about the snow removal ordinance.
- The newspaper condo rack maintenance and graffiti removal program.
- To repair district markers as required.
- To engage the neighbors/residents through monthly events and by having the BIDs executive director continue to attend town meetings, keeping the neighbors informed about what is happening On Havana Street.
- Continue to host events and concerts to engage the community and bring people into the District.
- To work with Art in Public Places program on the Art 2C On Havana sculpture on the street program and honor 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> prizes to the artists at the Art 2C gala.
- To grow the Art2C program and add another site location and sculpture at Schomp Subaru
- To host the annual Art 2C on Havana Gala to celebrate the ongoing revitalization of the Havana District, acknowledging our use of public art as an economic development tool.
- To encourage our stakeholder businesses to notify the Executive Director when the business is having a special open house, event, sale or customer appreciation event so we can list those in our newsletter and website.
- Regular Business Watch & “graffiti sweeps” of the District, looking for and reporting graffiti to get it removed a.s.a.p.
- The Executive Director will continue to grow the district image, community sense and BID engagement.

#### **New in 2020—we plan to:**

- Continue to work with Kimco’s Village on the Park Center to get a new District logo panel marker on the signage of this new development on the NW corner of Parker & Havana.
- Continue to work with Argenta – Dillon Place to get a new District logo panel marker on the signage of the new development on the north end of the corridor.
- Continue to work with Kum & Go – Havana & Yale to get a new District logo panel marker on the signage of the new development on the south end of the corridor.
- Work to build a sense of community by distributing information about of our new Street Outreach Program Team to business owners and neighbors so anyone can call the team when they see a homeless/unhoused person looking for assistance to get the person help and transport up to services (if they agree to being helped).

### **Maintenance**

**Capital Improvements:** With stakeholder approval via a formal vote, the BID can issue bonds to pay for capital improvements if the board chooses to do so. BID funds can be used to match and leverage funds and other resources. **No bonding is planned at this time.**

There are several ways in which the BID and its operations and programs can be managed and staffed, including hiring staff and/or contracting with a marketing and/or other professional(s) to carry out BID programs.

- **2020 plans are summarized above.** The Executive Director takes on the responsibilities and can hire a consultant or events laborers for special projects, as needed. The BID board will form and chair subcommittees to engage and support the ED with the events, marketing and budgets.

## **V. BID BUDGET**

Approximately **\$510,454** in 2019 to be raised through a 4.5 mill levy based upon the assessed value of real commercial property which includes the “current year’s net total taxable assessed valuation” from page 2, line 4 of the Certification of Valuation document from Arapahoe County dated August 23, 2019 ( $\$97,581,152 \times .0045$ ) = \$439,115 plus the URA property tax increment from page 2, line 3 of the Certification of Valuation document from Arapahoe County dated August 23, 2019 (“total TIF area increment” of  $\$15,852,973 \times .0045$  = \$71,338), as well as an estimated \$37,000 in specific ownership tax and an anticipated \$10,000 in event sponsorships. (Please see the attached proposed 2020 budget on page 18.)

**Bonds:** Any bonding would require a vote of electors. The BID shall be authorized to issue bonds in the future at the discretion of, and in such amounts as may be determined by, the BID board of directors. Approval of a majority of BID electors who vote at an election called for the purpose of authorizing such bonds would be required. **No bonding is planned at this time.**

**Fees, Charges and Other Revenues:** Although the current budget and operating plan do not contemplate imposing rates and charges for services furnished or performed, the BID shall be authorized to impose and collect reasonable fees and charges for specific services as determined by the BID Board of Directors. There are no plans to impose any additional fees and charges beyond the annual BID assessment at this time. The BID will be authorized to collect and spend other revenues as well, such as grants, gifts, receipts from contracts and enterprises, specific ownership taxes, and interest earnings.

**Assessment Methodology:** Under Colorado statutes, business improvement districts can generate revenues through several methods, including charges for services rendered by The District, fees, taxes, special assessments, or a combination of any of these. In order to allocate the costs of the services to be furnished by the BID in a way that most closely reflects the benefits conferred upon the businesses and commercial properties in the BID, the BID shall be authorized to determine, impose and collect a mil levy based upon the assessed value of commercial property located in The District.

The mil levy method of assessment is intended to equitably address the intended benefits to the Havana corridor by improving the overall value of commercial property in The District through enhanced identity and image, economic development initiatives and advocacy for positive change along the corridor.

## **VI. BID GOVERNANCE AND PROGRAM MANAGEMENT**

The Havana BID will be managed by a Board of Directors consisting of a minimum of seven (7) electors, all of whom shall be voting members. At least two-thirds of the board seats shall consist of owners of real property or their representatives within The District. At least one board member shall be an elector located in the following geographic segments of The District:

- North of Alameda Avenue
- South of Alameda Avenue and North of Mississippi Avenue
- South of Mississippi Avenue and North of Parker Road
- South of Parker Road

The board will also consist of both large and small property owners and will represent a diverse mix of property use types. The BID board will have the following responsibilities:

- Prepare and file the annual BID budget in accordance with state legal requirements and ensure compliance with other state laws.
- Provide direction and coordination in carrying out BID funded improvements and services.

**The Havana BID Board of Directors includes:**

- Garrett Walls, BID President, VP of Operations, Western Centers/Havana Exchange, 10555 E Dartmouth, #360, Aurora CO 80014
- Yulissa Williams, BID Vice President, Branch Manager, Bank of the West, 1389 S Havana St, Aurora, CO 80012
- Matt Rauzi, Owner, Colorado's Pro Gym, 1961 S Havana St., Aurora CO 80014
- Donovan Welsh, General Manger, Havana Auto Parts, 901 S Havana St., Aurora CO 80012
- Brenda Soper, Property Manager of the Gardens on Havana, AmCap, 44 Cook St, #710, Denver CO 80206
- Gary Slinger, Owner of Gary's Full-Service Auto Repair, 30 S Havana St., 304-R, Aurora CO 80012
- Shannon Jones, President, First Bank, 2300 S Havana St., Aurora CO 80014
- Finn Ruehrdanz, Indoor Facility Manager, Colorado Rapids Youth Soccer Club, 111 Havana St, Suite 120, Aurora, CO 80010
- Devon Horan, Property Manager, Havana Tower, 1450 S Havana St., Aurora CO 80012
- Tom George, BID Attorney, Spencer Fane, 1700 Lincoln St., STE 3800, Denver CO 80203

**VII. CITY SERVICES**

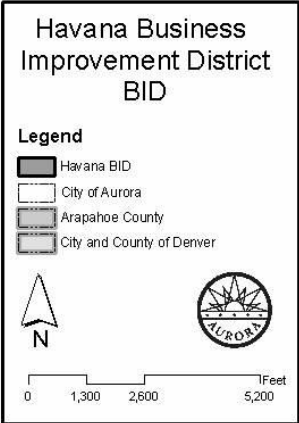
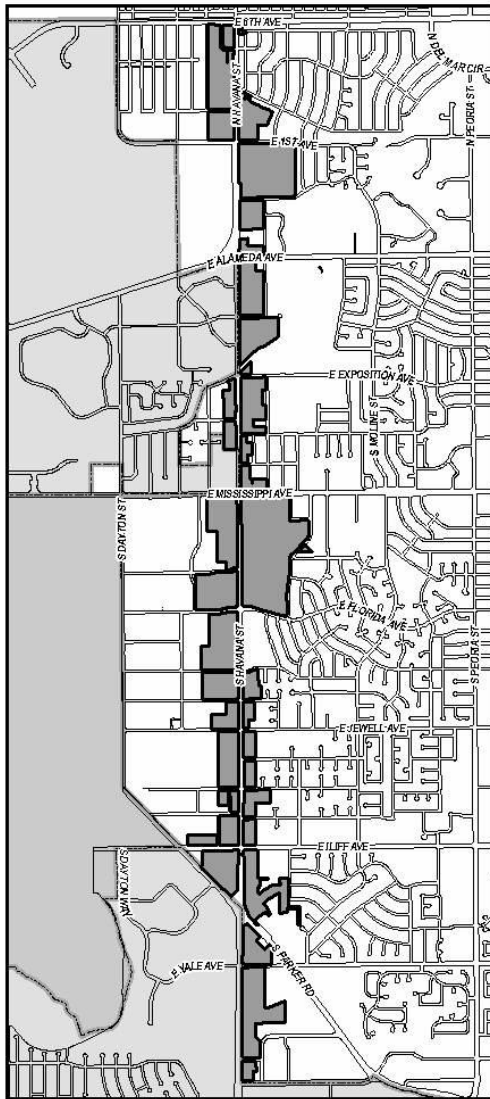
BID services will be in addition to any City services currently provided along Havana.

**VIII. TERM**

The Havana BID is recommended to be a perpetual BID with a mandatory review period every 5 years. The review will allow for appropriate adjustments to the BID boundary, assessment methodology and/or programming. The review will allow business and property owners to address and respond to changes as they occur along the corridor.



GENERAL FUND OF THE HAVANA BUSINESS IMPROVEMENT DISTRICT							
2020 BUDGET	Original	Actual	Original	Actual	Original		Original
REVENUES	2017 Budget	2017 Budget	2018 Budget	2018 Budget	2019 Budget	as of 8/31/2019	2020 Budget
<b>BEGINNING FUND BALANCE</b>	\$164,745	\$169,159	\$203,354	\$214,360	\$232,778		\$210,001
Property Taxes (4.5 mills) (\$97,581,152 x .0045) = \$439,115	\$349,857	\$344,445	\$404,441	\$395,631	\$402,201	\$468,093	\$439,115
URA Property Tax Increment (\$15,852,973 x .0045) = \$71,338	\$75,544	\$75,544	\$69,259	\$80,897	\$69,258	\$82,757	\$71,338
Specific Ownership Taxes	\$25,000	\$34,962	\$28,000	\$34,442	\$28,000	\$24,635	\$37,000
Interest	\$50	\$69	\$50	\$51	\$50	(\$42)	\$60
Sponsorships and other revenues	\$10,000	\$8,446	\$8,000	\$7,594	\$8,000	\$10,000	\$10,000
<b>TOTAL REVENUES</b>	\$460,451	\$463,466	\$509,750	\$518,595	\$507,509	\$502,786	\$557,513
<b>TOTAL REVENUE AND FUND BALANCE</b>	\$625,196	\$632,625	\$713,104	\$732,955	\$740,287		\$767,514
EXPENDITURES	Original 2017	Actual 2017	Original 2018	Actual 2018	Original 2019	as of 8/31/2019	Original 2020
Marketing (inc tool incentive \$19,000)	\$162,000	\$142,856	\$152,000	\$146,920	\$157,000	\$98,522	\$180,000
Special Events	\$91,000	\$84,893	\$94,000	\$82,490	\$100,000	\$75,749	\$115,000
Program Management (inc \$10,000 snow)	\$20,000	\$5,989	\$20,000	\$13,188	\$20,000	\$6,934	\$15,000
District Identity	\$75,000	\$64,866	\$75,000	\$55,352	\$66,000	\$13,607	\$70,000
Audit & Accounting	\$9,000	\$8,690	\$9,000	\$8,915	\$9,000	\$7,265	\$12,000
Website/Branding	\$30,000	\$28,822	\$20,000	\$19,330	\$30,000	\$16,779	\$30,000
Insurance	\$5,500	\$6,010	\$5,500	\$5,940	\$10,000		\$10,000
Legal	\$3,000	\$3,611	\$3,500	\$4,502	\$5,000	\$1,543	\$5,000
Payroll Taxes	\$5,610	\$5,540	\$11,200	\$11,011	\$12,000	\$6,880	\$5,500
ED Salary + Staff Consultants	\$72,469	\$72,469	\$133,912	\$117,235	\$108,287	\$84,107	\$93,350
3% retirement savings match			\$4,017	\$1,302	\$1,950	\$1,381	\$2,201
Worker's Comp .003% of Employees Salary				\$195	\$400	\$168	\$280
Employee medical insurance			\$8,000	\$3,139	\$8,000	\$3,233	\$0
ADP Payroll Fees				\$1,002	\$1,200	\$1,128	\$1,700
Staff Petty Cash Exp Acct.			\$0	\$0	\$1,000	\$0	\$1,000
Staff Prof Develop/Training			\$0	\$40	\$500	\$60	\$1,500
Stakeholder Relations/Board Dev/Strat Planning			\$0	\$0	\$3,000	\$3,000	\$3,000
Mileage	\$3,200	\$3,230	\$6,400	\$4,132	\$6,400	\$5,271	\$6,400
Other - Tax Revenue - Treasurer's Fee (1.5% ON \$510,454)	\$6,226	\$0	\$7,142	\$5,934	\$7,072	\$5,794	\$7,657
<b>BOARD RESERVES</b>	\$100,432	\$0	\$149,149	\$1,295	\$155,687	\$155,687	\$192,612
Reserves (3% Tabor on \$510,454)	\$12,452	\$0	\$14,284	\$14,284	\$14,144	\$14,144	\$15,314
<b>TOTAL EXPENDITURES:</b>	\$523,420	\$354,507	\$713,104	\$496,206	\$716,640	\$501,252	\$767,514
<b>ENDING FUND BALANCE</b>	\$109,205	\$358,597	\$0	\$216,898	\$23,647		\$0





Management and Finance Policy Committee  
 Agenda Item Commentary

Item Title: Business Improvement Districts - 2020 Operating Plans and Budgets
Item Initiator: Carol Toth
Staff Source: Carol Toth, Manager of Accounting, Controller's Office
Deputy City Manager Signature: Roberto Venegas
Outside Speaker:
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

**ACTIONS(S) PROPOSED** *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

State statute requires that each Business Improvement District (BID) organized within the city file their proposed annual budget for the upcoming year with the City Clerk for City Council review and approval.

**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

- The Fitzsimons Business Improvement District was approved for organization by City Council in 2011. The 2020 operating plan and budget anticipates funding from square foot charges of commercial buildings for its \$9,766 revenue and expected expenditures. The Fitzsimons BID does not anticipate any major public improvements for 2020 only parking striping.
- The Porteos Business Improvement District was approved for organization by City Council in 2016. The 2020 operating plan and budget anticipates mainly developer advances for its \$225,092 revenue and expected expenditures. The Porteos BID does not anticipate any major public improvements for 2020.
- The Parkside at City Center Business Improvement District was approved for organization by City Council in 2017. The 2020 operating plan and budget anticipates developer advances and bond proceeds for its \$5,250,900 revenue and expected expenditures (General, Capital Projects and Debt

Service Funds). The Parkside at City Center BID will continue the construction and financing of public improvements in 2020.

- The Citadel on Colfax Business Improvement District was approved for organization by City Council in 2017. The 2020 operating plan and budget anticipates mainly developer advances for its \$50,000 revenue and expected expenditures. The Citadel on Colfax BID does not anticipate any major public improvements for 2020.
- The Painted Prairie No. 1 Business Improvement District was approved for organization by City Council in 2017. The 2020 operating plan and budget anticipates developer advances for its \$30,942 revenue and expected expenditures. The Painted Prairie No. 1 BID does not anticipate any major public improvements for 2020.
- The Painted Prairie No. 2 Business Improvement District was approved for organization by City Council in 2017. The 2020 operating plan and budget anticipates developer advances for its \$25,000 revenue and expected expenditures. The Painted Prairie No. 2 BID does not anticipate any major public improvements for 2020.
- The Tower Business Improvement District is anticipated for organization by City Council in 2019. The 2020 operating plan and budget anticipates developer advances for its \$2,475,000 revenue and expected expenditures (General and Capital Projects Funds). The Tower BID will continue the construction and financing of public improvements in 2020.

The proposed Operating Plans and Budgets for each of the Business Improvement Districts are attached.

#### QUESTIONS FOR Committee

Does the committee wish to forward this item to City Council Study Session as proposed?

#### EXHIBITS ATTACHED:

2020-Citadel-On-Colfax-BID-Budget.doc  
2020-Fitzsimons-BID-Budget.doc  
2020-PaintedPrairie-1-BID-Budget.doc  
2020-PaintedPrairie-2-BID-Budget.doc  
2020-Parkside-City-Centre-BID-Budget.doc  
2020-Porteos-BID-Budget.doc  
2020-Tower-BID-Budget.doc  
Citadel on Colfax BID - 2020 Operating Plan and Budget.PDF  
Fitzsimons BID - 2020 Operating Plan and Budget.pdf  
Painted Prairie BID No. 1 - 2020 Operating Plan and Budget.pdf  
Painted Prairie BID No. 2 - 2020 Operating Plan and Budget.pdf  
Parkside at City Centre BID - 2020 Operating Plan and Budget.PDF  
Porteos BID - 2020 Operating Plan and Budget.PDF  
Tower BID - 2020 Operating Plan and Budget.pdf

**2020 OPERATING PLAN AND BUDGET**  
**CITADEL ON COLFAX**  
**BUSINESS**  
**IMPROVEMENT**  
**DISTRICT**

City of Aurora, Arapahoe County, Colorado

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EXHIBIT A - Director Contact Information

EXHIBIT B - BID Budget 2020

General Fund

EXHIBIT C – District Legal Description and Boundary Map

**2020**  
**OPERATING PLAN FOR THE**  
**CITADEL ON COLFAX BUSINESS IMPROVEMENT DISTRICT**

**1. PURPOSE AND SCOPE OF THIS DISTRICT**

**A. Requirement for this Operating Plan.** The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Citadel on Colfax Business Improvement District (the “District”) file an operating plan and budget with the City Clerk no later than September 30 of each year.

Under the statute, the City is to approve the operating plan and budget within 30 days of the submittal of all required information.

The District will operate under the authorities and powers allowed under the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, as further described and limited by this Operating Plan.

**B. What Must Be Included in the Operating Plan?** Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, this Operating Plan specifically identifies (1) the composition of the Board of Directors; (2) the services and improvements to be provided by the District; (3) the taxes, fees, and assessments to be imposed by the District; (4) the estimated principal amount of the bonds to be issued by the District; and (5) such other information as the City may require.

The District’s original 2017 Operating Plan and subsequent Operating Plans, previously approved by the City, are incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

**C. Purposes.** As may be further articulated in prior years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2020 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

**D. Ownership of Property or Major Assets.** The District will own public improvements as constructed if such improvements are not otherwise dedicated to other public entities for operation and maintenance.

**E. Contracts and Agreements.** It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is currently party to an Intergovernmental Agreement with the City of Aurora dated August 21, 2017. District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects.

## **2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS**

- A. Organization. The Citadel on Colfax Business Improvement District was organized by the City of Aurora, Colorado by Ordinance No. 2017-35 on October 28, 2017.
- B. Governance. The District is governed by an elected Board of Directors.
- C. Current Board. The persons who currently serve on the Board of Directors are:
  - 1) Brian Watson
  - 2) Donald J. Marcotte
  - 3) Vacant
  - 4) Vacant
  - 5) Vacant

Director and other pertinent contact information is provided in **EXHIBIT A**.

- D. Term Limits. The District's election on November 7, 2017, included a ballot question to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The question passed.
- E. Advisory Board. The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

## **3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS**

The current District boundary map is depicted in **EXHIBIT C**. In 2020 and subsequent years, the District anticipates inclusion requests for additional property as boundaries are established and additional property owners participate in the District.

## **4. PUBLIC IMPROVEMENTS**

The District will be primarily concerned with the provision of public improvements and services within the boundaries of the District; however, there may be instances to provide improvements or services outside of the boundaries of the District as part of the project. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.



The public improvements that the District anticipates it will construct, install or cause to be constructed and installed, include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, et seq., C.R.S., lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the "Public Improvements"). The costs of such Public Improvements, including costs of design, acquisition, construction and financing, are referred to herein as the "Public Improvement Costs."

## **5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE**

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

## **6. FINANCIAL PLAN AND BUDGET**

1. 2020 Budget. The proposed 2020 Budget for the District is attached as **EXHIBIT B**.
2. Authorized Indebtedness. The District held an election on November 7, 2017 for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as are necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution, and the Operating Plan. The initial maximum debt authorization for the District shall be \$50,000,000.
3. Property Tax and Mill Levy Caps. The District taxing ability shall be constrained to mill levy limitations of up to 50 mills for debt service, general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.
4. District Revenues. The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District may also be the beneficiary of revenues derived from a privately imposed public improvement fee.
5. Existing Debt Obligations. The District has no current debt.
6. Future Debt Obligations. The District anticipates issuing debt of approximately \$15,000,000, however, the amount will be determined at the time of issuance.

7. Other Financial Obligations. The District may enter into agreements including reimbursement or similar agreements and leases; as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.
8. Non-Default Provisions. Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.
9. The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District

## **7. 2020 ACTIVITIES, PROJECTS AND CHANGES**

### **(a) Activities**

It is anticipated that the District will begin planning for the development of public improvements.

### **(b) Projects and Public Improvements**

The District anticipates undertaking projects related to public improvements in the upcoming year.

## **8. DISSOLUTION**

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate perpetual existence. If the District no longer has such obligations the District will seek to dissolve pursuant to Colorado Revised Statutes § 31-25-1225.

## **9. CONCLUSION**

It is submitted that this Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

**EXHIBIT A**  
**Director and Other Contact Information**

**BOARD OF DIRECTORS:**

Donald J. Marcotte  
1999 Broadway, Suite 770  
Denver, Colorado 80202

303.893.9500  
[www.northstarcp.com](http://www.northstarcp.com)

Brian Watson  
1999 Broadway, Suite 770  
Denver, Colorado 80202

303.893.9500  
[www.northstarcp.com](http://www.northstarcp.com)

Vacancy

Vacancy

Vacancy

**DISTRICT CONTACT:**

Russell W. Dykstra  
Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203

303-839-3845  
[rdykstra@spencerfane.com](mailto:rdykstra@spencerfane.com)

**EXHIBIT B**  
**2020 BID Budget**  
**General Fund**

**Citadel on Colfax BID**  
**Proposed Budget**  
**General Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>9/30/2019</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	-	-	-	4,984
Specific ownership taxes	-	-	-	-	399
Developer advances	-	50,000	-	-	44,617
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total revenues	-	50,000	-	-	50,000
Total funds available	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Expenditures:					
Accounting/audit	-	2,500	-	-	2,500
Election	-	5,000	-	-	5,000
Insurance/ SDA Dues	-	2,500	-	-	2,500
Legal	-	10,000	-	-	10,000
Engineering	-	10,000	-	-	10,000
Miscellaneous	-	2,000	-	-	2,000
Management	-	1,500	-	-	1,500
Contingency	-	15,000	-	-	14,925
Treasurer's Fees	-	-	-	-	75
Emergency Reserve	-	1,500	-	-	1,500
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total expenditures	-	50,000	-	-	50,000
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ -</u>			<u>\$ 498,371</u>
Mill Levy		<u>10.000</u>			<u>10.000</u>

## EXHIBIT C

### District Legal Description and Boundary Map

#### PARCEL 1

LOT 1, BLOCK 1, MONTEREY POINTE SUBDIVISION FILING NO. 2, COUNTY OF ARAPAHOE, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTHWEST CORNER OF SAID LOT 1 AND CONSIDERING THE NORTH LINE OF SAID LOT 1 TO BEAR SOUTH 89°58'13" EAST WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 89°58'13" EAST, A DISTANCE OF 928.16 FEET;

THENCE SOUTH 00°10'46" EAST, A DISTANCE OF 764.10 FEET TO A NON-TANGENT CURVE;

THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 46°55'38", A RADIUS OF 100.00 FEET, AN ARC LENGTH OF 81.90 FEET, THE CHORD OF WHICH BEARS NORTH 27°39'37" WEST, A DISTANCE OF 79.63 FEET TO A POINT OF TANGENCY;

THENCE NORTH 04°11'48" WEST, A DISTANCE OF 105.56 FEET TO A POINT OF CURVATURE;

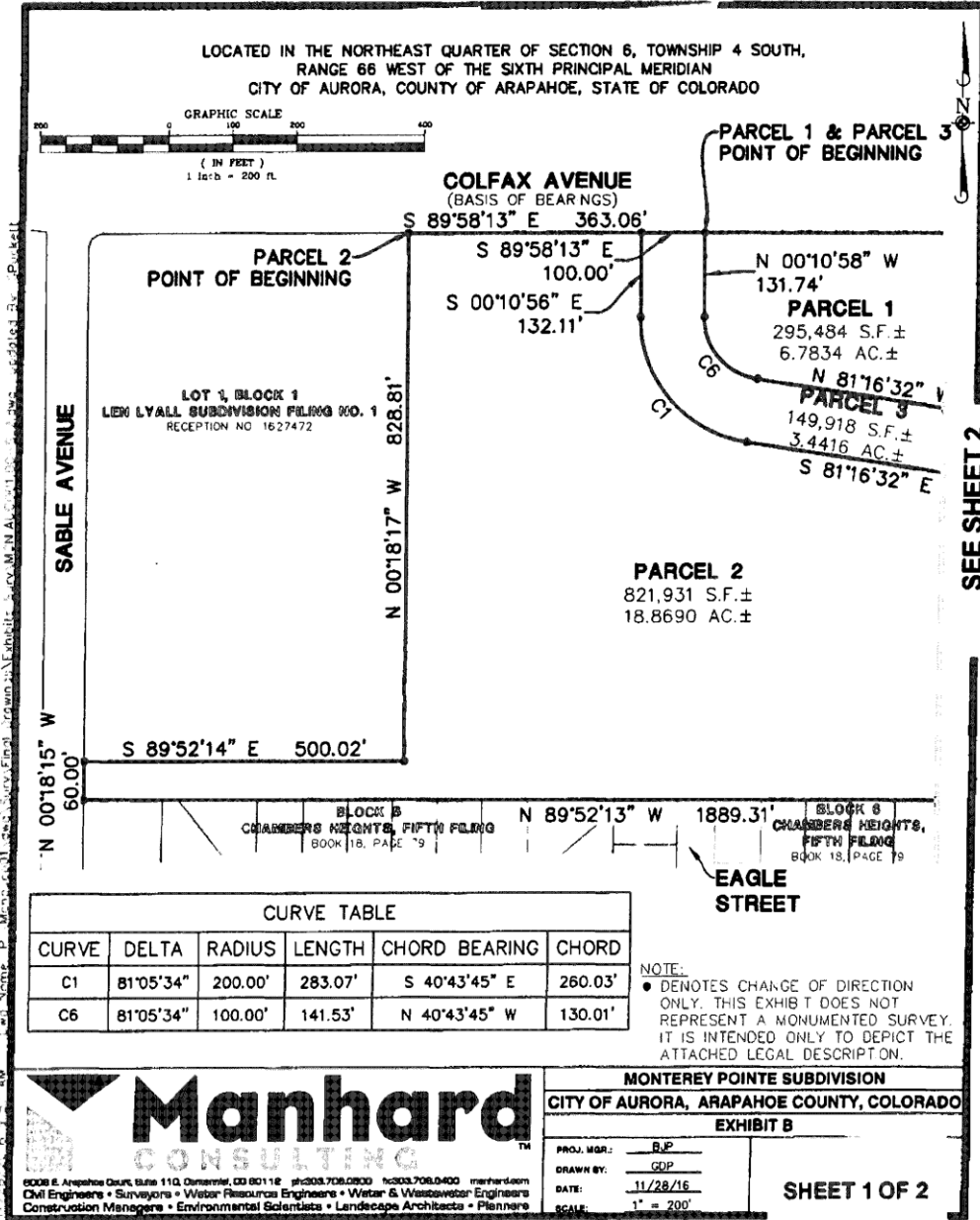
THENCE ALONG THE ARC OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 77°04'44", A RADIUS OF 300.00 FEET, AN ARC LENGTH OF 403.58 FEET, THE CHORD OF WHICH BEARS NORTH 42°44'10" WEST, A DISTANCE OF 373.83 FEET TO A POINT OF TANGENCY;

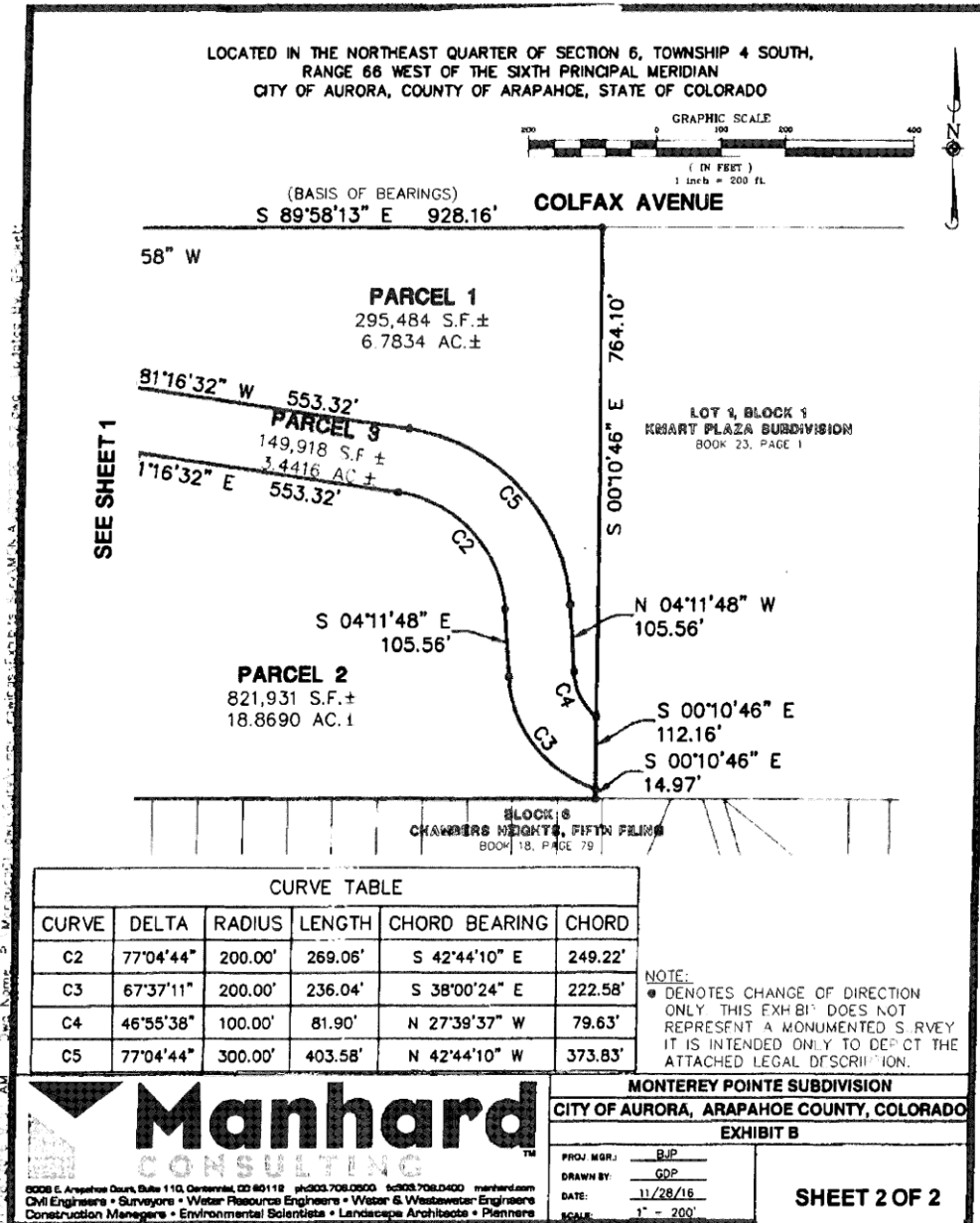
THENCE NORTH 81°16'32" WEST, A DISTANCE OF 553.32 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 81°05'34", A RADIUS OF 100.00 FEET, AN ARC LENGTH OF 141.53 FEET, THE CHORD OF WHICH BEARS NORTH 40°43'45" WEST, A DISTANCE OF 130.01 FEET TO A POINT OF TANGENCY;

THENCE NORTH 00°10'58" WEST, A DISTANCE OF 131.74 FEET TO THE **POINT OF BEGINNING**;

CONTAINING A CALCULATED AREA OF 295,484 SQUARE FEET, OR 6.7834 ACRES, MORE OR LESS.







RESOLUTION NO. R2019-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA,  
COLORADO, APPROVING THE 2020 OPERATING PLAN AND BUDGET FOR  
THE CITADEL ON COLFAX BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the City Council (the “Council”) of the City of Aurora, Colorado (the “City”), is vested with jurisdiction to create one or more districts within City boundaries pursuant to the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. (the “Act”); and

WHEREAS, pursuant to the Act, the Council has adopted Ordinance No. 2017-35 organizing the Citadel on Colfax Business Improvement District (the “District”) and appointing the District’s initial Board of Directors (the “Board”); and

WHEREAS, Section 31-25-1211, C.R.S., provides that no district created under the Act shall issue bonds, levy taxes, fees, or assessments, or provide improvements or services unless the City has approved an operating plan and budget for the district; and

WHEREAS, the Board has approved a 2020 District operating plan and budget (the “2020 Operating Plan and Budget”) for submittal to the City, which Operating Plan and Budget are in full compliance with the requirements of the Act; and

WHEREAS, the Council finds and determines that the approval of the 2020 Operating Plan and Budget in the form presented to the Council at this meeting is in the best interests of both the City and the District.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO THAT:

Section 1. The 2020 Operating Plan and Budget for the Citadel on Colfax Business Improvement District are hereby approved, including the declaration of public interest and necessity for improvements contained therein.

Section 2. All resolutions or parts of resolutions of the City of Aurora, Colorado, in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
BOB LEGARE, Mayor

ATTEST:

---

STEPHEN J. RUGER, City Clerk

APPROVED AS TO FORM:

---

HANOSKY HERNANDEZ,  
Assistant City Attorney

**2020 OPERATING PLAN AND BUDGET**

**FITZSIMONS  
BUSINESS  
IMPROVEMENT  
DISTRICT**

**Spencer Fane LLP**

**FITZSIMONS BUSINESS IMPROVEMENT  
DISTRICT  
2020 OPERATING  
PLAN**

**I. SUMMARY**

The Fitzsimons Business Improvement District (BID) is an assessment district designed to improve the economic vitality, value and overall commercial appeal of the Ursula Street commercial area through public parking management, signage, enforcement and streetscape improvements between 23rd Street and the southern boundary of The Square at Fitzsimons Filing No. 1, Adams County, in the City of Aurora, Colorado. The BID is financed through charges based on the costs of its improvements and services and the building square footage of commercial property.

BID services are in addition to the services in the area currently provided by the City of Aurora.

**Name:** Fitzsimons Business Improvement District

**Boundaries:** The Service Area is The Square at Fitzsimons Filing No. 1, Adams County, City of Aurora, Colorado, and the streets as shown on the BID Service Area and boundary map attached as Exhibit A, Pages 1 and 2.

**BID Programs:** The overall goal of the BID is economic development of the commercial property within the BID's service area. BID functions are as follows:

Parking services and public improvements including:

- \* Parking management
- \* Signage, including designation of parking spaces for business, parking times, and restrictions

Establishing a District Identity and Image including:

- \* Signage, wayfinding and gateways
- \* Design and/or implementation of streetscape and landscape improvements

**Basis of Accounting:** The basis of accounting utilized in preparation for the 2020 budget for the BID is cash basis. The BID's budget includes projected revenues and expenditures for its general operation fund.

**Budget:** Approximately \$9,766 will be raised in 2020 through charges per square foot of commercial buildings in the BID

based upon the costs of BID administration, services, and improvements.

- Methodology:** In order to allocate the costs of the services and improvements to be furnished by the BID in a way that most closely reflects its benefits, the BID will collect charges per square foot levied on commercial property. The estimated annual charge for 2020 will be \$0.54/sq. ft.
- Term:** The BID is a perpetual BID with a City Council review period every five years if desired by the Council. The review will allow for appropriate adjustments to the charge methodology and/or programming, and will allow business and property owners to address and respond to changes as they occur in the BID.
- City Service:** BID services will be in addition to any City services currently provided.
- Governance:** The BID is managed by a 3-member Board of Directors, all of whom are voting members. The Board represents a diverse mix of commercial properties.
- Dissolution:** The BID may be dissolved if property owners representing more than 50% of total commercial acreage and assessed value submit petitions to dissolve it or if the BID fails to submit an operating budget for two successive years and dissolution is approved by City Council.

## **II. RECAP OF 2019 BID ACTIVITIES**

In 2019 the BID monitored parking activities.

## **III. FITZSIMONS BID 2020 OPERATING PLAN**

As determined by area property and business owners, the top priorities for improvements and activities within the BID include the below listed items. In addition the BID is continuing to work cooperatively with the Fitzsimmons Redevelopment Authority to coordinate access to future FRA projects with the need to maintain and maximize available parking within the BID.

**BID Programs:** The following narrative lists BID programs for operating year 2020. The Board may amend program activities in the subsequent years within the general categories authorized by state law and in future approved annual operating plans and budgets. Final programs and budgets will be subject to the

annual review and approval of the BID Board of Directors.

**Parking  
Management:**

The commercial area in the BID has limited parking. The property owners and tenants have identified problems with parking spaces being used for long-term purposes and for distant destinations. There are approximately 108 on-street parking spaces available. The primary purposes of the BID are to obtain the ability to control the parking spaces so they may be better utilized for the commercial businesses near the spaces, to develop and implement a parking management program, and to take steps to improve parking utilization and turnover. The expectation is that BID parking management may include signs, space designations, and parking duration limits.

The BID may furnish:

- \* Design, planning, financing, installation, operation, maintenance, removal and replacement of signs along the City streets within the BID, or placement in parking lanes, and/or on sidewalks in and adjacent to the Premises (i.e. the defined on-street parking space areas as shown on a map attached as Exhibit B). The signs may limit parking times and/or designate allowable uses of parking spaces or areas for particular purposes, and/or words to the effect that parking restrictions will be enforced, potentially including the violators' vehicles will be towed at vehicle owner's expense,
- \* Removing cars at the vehicle owner's expense in substantially the same manner as a private property owner may remove vehicles when parked in violation of comparable signs,
- \* Creation of parking management plans,
- \* Promotion of special events,
- \* Parking striping.

**District Identity:**

In order to create a greater sense that the area is a cohesive commercial district, the following initiatives are recommended:

**Visual Identity** intended to promote the overall economic health and attractiveness of the area and augment a sense of

visual identity, including:

- \* Gateway signs and/or treatments
- \* Street furniture and amenities
- \* Streetscape and landscape design and implementation
- \* Seasonal banners and decorations
- \* Maintenance

**Capital Improvements** such as streetscape, sidewalk and curb improvements. The BID can issue bonds to pay for capital improvements if the BID voters approve the bonds in an election, the Board chooses to do so, and the use of bonds is approved by the City Council in a future Operating Plan. There are no bonds authorized by this Operating Plan. BID funds can be used to match and leverage funds and other resources. There is public interest and necessity for the improvements described herein.

**BID  
OPERATIONS:**

In order for the BID to effectively work for a more successful commercial area, it is recommended that BID contract personnel, with guidance from the BID Board, should implement the following tasks and activities:

- \* Maintain communication with City Council, City staff and other civic leaders, other BID's and constituencies as needed;

Manage and support BID programs:

- \* Be a point of contact for BID property owners and commercial lessees through periodic discussions, email, in-store visits, and meetings and forums to keep them apprised of the BID's activities.

There are several ways in which the BID Board can determine to manage and staff its programs, including hiring staff and/or contracting with professional(s) to carry out BID programs. At least initially, BID tasks will be performed by private contractors paid by the BID.

#### **IV. BID 2020 BUDGET**

The BID Board will hold a public hearing and adopt the final budget as required

by the Colorado Local Government Budget Law.

As shown in Exhibit C, the proposed 2020 budgeted expenditures will be approximately \$9,766 as shown in the budget, and budgeted revenue of \$9,766 to be raised through an estimated \$0.54 (fifty-four cents) per square foot charge on commercial uses/buildings within the BID.

The BID will operate in accordance with the terms of the Business Improvement District Act. The last sentence of Section 31-25-1203(10) states: "Property which is not commercial property and which is within the "service area" of a district shall not be subject to the revenue-raising powers of the district until it becomes commercial property and is included within the district's boundaries, as provided in Section 31-23-1208." Therefore, residential properties within the BID will not pay the BID's per square foot charges.

**Charge Methodology:** Under Colorado statutes, business improvement districts can generate revenues through several methods, including charges for services rendered by the district, taxes, special assessments, or a combination of any of these. In order to allocate the costs of the improvements and services to be furnished by the BID in a way that most closely reflects the benefits conferred upon the businesses and commercial properties in the BID, the BID shall be authorized to determine, impose and collect charges based upon costs and the square footage of commercial property located in the District. The initial charges are to be a flat rate per square foot, but may vary in the future based on parking and service-related factors.

## **V. BID GOVERNANCE AND PROGRAM MANAGEMENT**

The BID is managed by a Board of Directors consisting of three (3) electors, all of whom are voting members. The BID Board has the following responsibilities:

- \* Prepare and file the annual BID operating plan and budget with the City in accordance with state legal requirements and ensure compliance with other state laws.
- \* Provide direction and coordination in carrying out BID funded improvements and services.

## **VI. CITY SERVICES**

BID services are in addition to any City services currently provided in the area.



## **VII. TERM**

The BID has perpetual existence with a review period every five (5) years. The review will allow for appropriate adjustments to the BID boundary, charge methodology and/or programming. The review also allows business and property owners to address and respond to changes as they occur in the area.

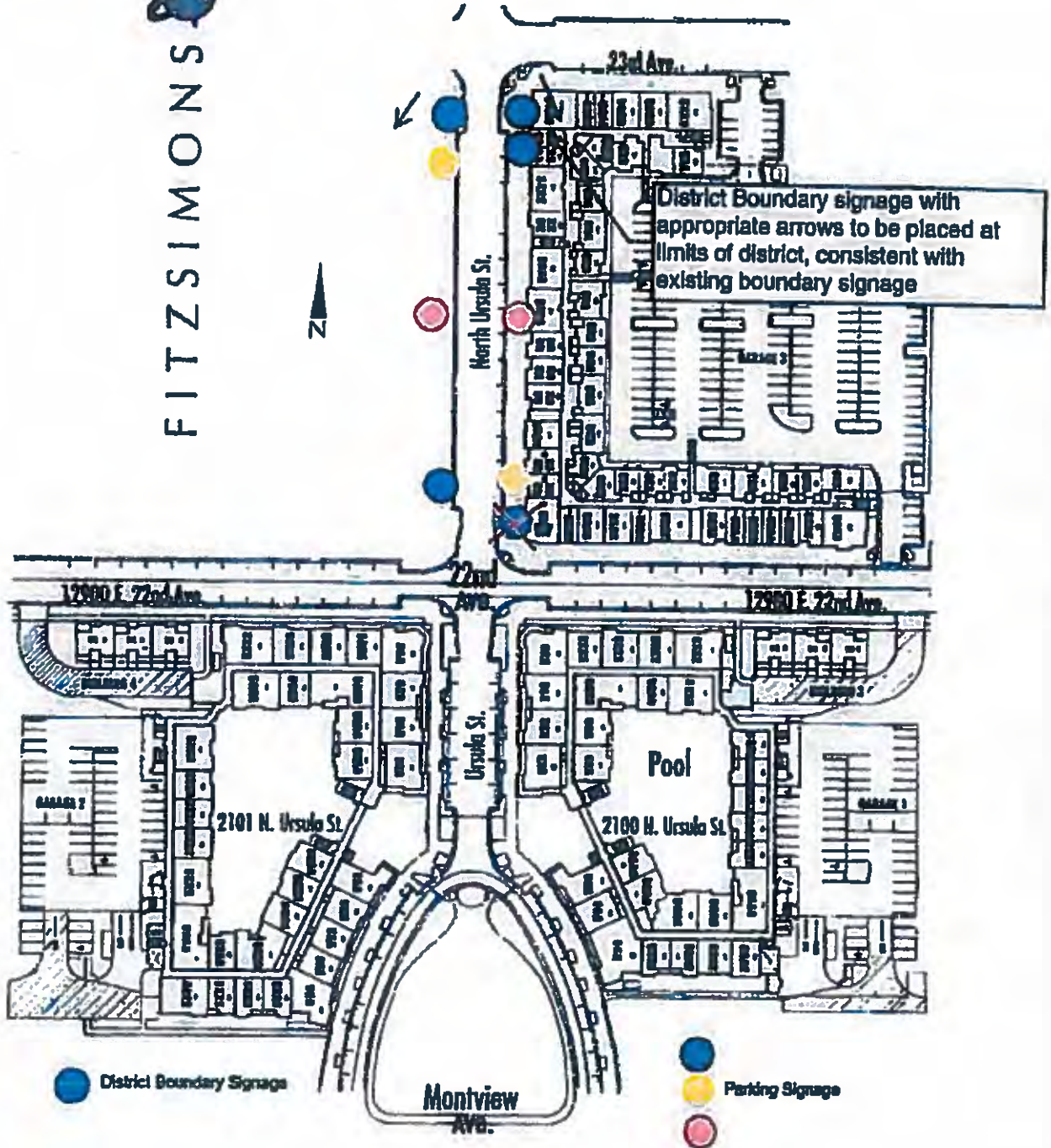
**EXHIBIT A**  
**(SERVICE AREA AND BOUNDARY MAP)**



**EXHIBIT B  
(PARKING SPACE MAP)**



FITZSIMONS



2100 n ursula st. • aurora • co 80045 • p: 303-363-0021 • f: 303-363-0023 • [www.21fitzsimons.com](http://www.21fitzsimons.com)  
 Features and amenities are subject to change



CLIENT  
**PAULS CORPORATION**

FILE NAME  
**18X12 PARKING**

DESIGNER  
**LOREN**

PROJECT NAME  
**21 FITZSIMONS**

ACCOUNT MANAGER  
**JEAN WHITE**

DATE  
**8/12/12 SS**

I hereby warrant that the product of the work shall be free from defects and that the work shall be completed by the date specified in the contract and that the work shall be completed in accordance with the contract documents. I warrant that the work shall be completed in accordance with the contract documents and that the work shall be completed in accordance with the contract documents.

APPROVE (PRINT NAME)  APPROVE (SIGN)



FINISH  
 ALL SURFACES  
 WITH DRY BRUSHES

FINISH  
 SIGN FACE ADJUSTED TO  
 SPEC. DRAWING



Sign and More  
1100 S. ...  
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CLIENT:	PALLS CORPORATION
FILE NAME:	18X12 PARKING
DESIGNER:	LOREN

PROJECT NAME:	21 FITZSIMONS
ACCOUNT MANAGER:	JEAN WHITE
DATE:	10/24/11

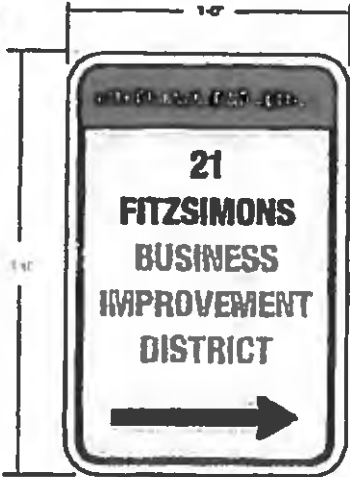
BY ORDERING THIS SIGN YOU AGREE TO THE TERMS AND CONDITIONS OF THE SIGN ORDER AGREEMENT AND TO HOLD US HARMLESS FROM ANY LIABILITY OF ANY KIND ARISING OUT OF THE USE OF THE SIGN ORDER AGREEMENT.

PLEASE PRINT OR TYPE CLEARLY IN ALL CAPS.

APPROVAL SIGNATURE: \_\_\_\_\_



SCALE: 1/4" = 1'



SCALE: 3/4" = 1'

**BACKFACE**  
PLEASE PRINT  
WITH SIGN DRAFTER

**FRONTFACE**  
SIGN FACE POLISH TO  
PRELIMINARY

IF YOU REVERSE THE FILE IS A PDF, IT IS PRINTED AS A PDF (ONLY 8.5x11) PRODUCTION FILE IS FOR PRINTING.



**EXHIBIT C**  
**(2020 Budget)**



<b>Fitzsimons Business Improvement District</b>				
<b>2020 Budget</b>				
<b>September 15, 2019</b>				
<b>INCOME STATEMENT</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Actual</b>	<b>Proposed</b>
<b>REVENUE</b>				
BID Fee Revenue	9,766	9,766	9,766	9,766
Fund Advance				
Other				
Interest				
<b>Total Revenue</b>	<b>9,766</b>	<b>9,766</b>	<b>9,766</b>	<b>9,766</b>
<b>EXPENSES</b>				
Accounting	(2,000)	(2,000)	(2,000)	(2,000)
Administration				
Advance Reimbursement				
Audit	0	0	0	0
Bank Service Charge	0	0	0	0
Dues & Memberships	(236)	(236)	(236)	(236)
Insurance	(1,337)	(1,337)	(1,337)	(1,337)
Legal	(2,900)	(2,900)	(2,900)	(2,900)
Marketing & Promotions	0	0	0	0
Emergency Reserves (3% of expense)	0	0	0	0
Other Purchased Services	0	0	0	0
<b>Total Expenses</b>	<b>(6,473)</b>	<b>(6,473)</b>	<b>(6,473)</b>	<b>(6,473)</b>
<b>CAPITAL EXPENDITURES</b>				
Landscaping	0	0	0	0
Parking Striping	(3,000)	(3,000)	(3,000)	(3,000)
Signs	0	0	0	0
Sign Posts/Installation	0	0	0	0
<b>Total Capital Spending</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>(3,000)</b>
<b>Total Expenditures</b>	<b>(9,766)</b>	<b>(9,766)</b>	<b>(9,766)</b>	<b>(9,766)</b>
<b>NET REVENUES</b>	<b>9,766</b>	<b>9,766</b>	<b>9,766</b>	<b>9,766</b>
Fund Balance - Beginning of Year	12,892	12,892	12,892	12,892

Fund Balance - End of Year	12,892	22,658	22,658	22,658
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RESOLUTION NO. R2019-\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA,  
COLORADO, APPROVING THE 2020 OPERATING PLAN AND BUDGET FOR  
THE FITZSIMONS BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the City Council (the “Council”) of the City of Aurora, Colorado (the “City”), is vested with jurisdiction to create one or more districts within City boundaries pursuant to the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. (the “Act”); and

WHEREAS, pursuant to the Act, the Council has adopted Ordinance No. 2011-31 organizing the Fitzsimons Business Improvement District (the “District”) and appointing the District’s initial Board of Directors (the “Board”); and

WHEREAS, Section 31-25-1211, C.R.S., provides that no district created under the Act shall issue bonds, levy taxes, fees, or assessments, or provide improvements or services unless the City has approved an operating plan and budget for the district; and

WHEREAS, the Board has approved a 2020 District operating plan and budget (the “2020 Operating Plan and Budget”) for submittal to the City, which Operating Plan and Budget are in full compliance with the requirements of the Act; and

WHEREAS, the Council finds and determines that the approval of the 2020 Operating Plan and Budget in the form presented to the Council at this meeting is in the best interests of both the City and the District.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO THAT:

Section 1. The 2020 Operating Plan and Budget for the Fitzsimons Business Improvement District are hereby approved, including the declaration of public interest and necessity for improvements contained therein.

Section 2. All resolutions or parts of resolutions of the City of Aurora, Colorado, in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
BOB LEGARE, Mayor

ATTEST:

\_\_\_\_\_  
STEPHEN J. RUGER, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
HANOSKY HERNANDEZ,  
Assistant City Attorney

**PAINTED PRAIRIE BUSINESS IMPROVEMENT DISTRICT NO. 1**

**2020 OPERATING PLAN AND BUDGET**

**(City of Aurora, Adams County, Colorado)**

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**EXHIBIT A**           Director and Other Contact Information

**EXHIBIT B**           District Legal Description and Map

**EXHIBIT C**           2020 Budget

## I. PURPOSE AND SCOPE OF DISTRICT

**A. Requirement for this Operating Plan.** The Business Improvement District Act, specifically § 31-25-1211, C.R.S., requires that the Painted Prairie Business Improvement District No. 1 (the “**District**”) file an operating plan and budget with the City of Aurora City Clerk no later than September 30 of each year.

1. Under the statute, the City of Aurora (the “**City**”) is to approve the operating plan and budget within thirty (30) days of submittal of all required information.

2. The District will operate under the authorities and powers allowed under §§ 31-25-1201, *et seq.*, C.R.S., as amended (the “**Business Improvement District Act**”), as further described and limited by this Operating Plan.

**B. What Must Be Included in the Operating Plan?** Pursuant to the Business Improvement District Act, this Operating Plan specifically identifies: (1) the composition of the Board of Directors; (2) the services and improvements to be provided by the District; (3) the taxes, fees, and assessments to be imposed by the District; (4) the estimated principal amount of the bonds to be issued by the District; and (5) such other information as the City may require.

1. This Operating Plan and any subsequent operating plans that are approved by the City, will be incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

**C. Purposes.** As may be further articulated in succeeding year’s operating plans, the ongoing and/or contemplated purposes of the District for 2020 include the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all the services and public improvements allowed under Colorado law for business improvement districts.

**D. Ownership of Property or Major Assets.** The District may own public improvements, easements, real property and facilities not otherwise dedicated to other public entities for ownership, operation and maintenance.

**E. Contracts and Agreements.** It is anticipated that the District may enter into various agreements with private parties to facilitate the funding, construction, operation and maintenance of public improvements. The District is not currently a party to any significant active contracts or agreements. The District may also enter into agreements with the City, metropolitan districts, authorities, business improvement districts or other public entities encompassing adjacent developments in order to cooperate on infrastructure projects.

## II. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

**A. Organization.** The District has been organized by the City as requested in the Petition for Organization.

**B. Governance.** Pursuant to § 31-25-1209(1)(d), C.R.S., the City appointed the initial board of directors for the District (“**Board of Directors**”), which shall have up to five members.

Each member shall be an elector of the District. The City appointed the initial board of directors for the District, after which the positions on the board of directors shall be elected.

**C. Current Board of Directors.** The District will be managed by a Board of Directors consisting of five members all of whom shall be voting members. The Board members are:

1. Christopher H. Fellows
2. Timothy P. O'Connor
3. Dustin M. Anderson
4. Vacant
5. Vacant

Board member and other pertinent contact information is provided in **Exhibit A**.

**D. Term Limits.** Ballot Question W of the November 7, 2017 election eliminated term limits.

**E. Advisory Board.** The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

### **III. BOUNDARIES, INCLUSIONS AND EXCLUSIONS**

The current District boundaries are 0.250 acres as depicted in **Exhibit B**. In subsequent years, the District anticipates inclusion requests for additional property as additional property owners participate in the District.

### **IV. PUBLIC IMPROVEMENTS**

The District will be primarily be concerned with the provision of public improvements and services within the boundaries of the District; however, there may be instances where the District will provide public improvements and services outside of the boundaries of the District as part of the project. The District shall have the authority to provide these public improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial public improvements and services shall be as limited by state law. The public improvements that the District anticipates it will construct, install or cause to be constructed or installed, include those public improvements the cost of which may, in accordance with the Business Improvement District Act, lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscape and storm and wastewater management facilities and associated land acquisition and



remediation (collectively, the “**Public Improvements**”). The costs of such Public Improvements includes the costs of design, acquisition, construction and financing.

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Business Improvement District Act, and other applicable statutes, common law and the Constitution.

The property owners of the District request that the City designate the territory within the District as a location for new business or commercial development pursuant to § 31-25-1203(10), C.R.S.

## **V. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE**

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

## **VI. FINANCIAL PLAN AND BUDGET**

**A. 2020 Budget.** The proposed 2020 Budget for the District is attached as **Exhibit C**.

**B. Authorized Indebtedness.** The District held an organizational election on November 7, 2017 for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Article X, Section 20 of the Colorado Constitution (“**TABOR**”). The initial maximum debt authorization for the District shall be \$100,000,000.

**C. Property Tax and Mill Levy Caps.** The District’s taxing ability shall be constrained to mill levy limitations of up to 50 mills for debt service, general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.

**D. District Revenues.** The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District may also be the beneficiary of revenues derived from a privately imposed public improvement fee.

**E. Existing Debt Obligations.** The District has no outstanding debt obligations.

**F. Future Debt Obligations.** The District does not anticipate issuing debt in 2020.

**G. Other Financial Obligations.** The District may enter into agreements including developer reimbursement agreements or other agreements and leases; as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.

**H. Non-Default Provisions.** Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default so long as the District is imposing the required maximum allowed mill levy.

1. The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. These statements will be clearly stated on all offering documents and disclosure statements associated with any debt issued by the District.

## **VII. 2020 ACTIVITIES, PROJECTS AND CHANGES**

**A. Activities.** It is anticipated that the District will primarily be engaged in undertaking the financing and operation and maintenance of Public Improvements in 2020, subject to the needs of the development.

**B. Projects and Public Improvements.** The District will be undertaking projects or public improvements as development needs require.

## **VIII. DISSOLUTION**

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate a perpetual existence. If the District no longer has such obligations, the District may seek to dissolve pursuant to § 31-25-1225, C.R.S.

## **IX. CONCLUSION**

It is submitted that this Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act, the Colorado Constitution, and the additional information required by the City. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

## EXHIBIT A

### DIRECTOR AND OTHER CONTACT INFORMATION

#### Board Members:

Christopher H. Fellows  
5600 Greenwood Plaza Blvd., Suite 220  
Greenwood Village, CO 80111  
Work: 303-795-9900  
Cell: 720-341-7052  
Email: [chris@fellowscos.com](mailto:chris@fellowscos.com)

Tim O'Connor  
5750 DTC Parkway, Suite 210  
Greenwood Village CO 80111  
Work: 303-771-4004  
Email: [tim@albdev.com](mailto:tim@albdev.com)

Dustin Anderson  
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Greenwood Village CO 80111  
Work: 303-771-4004  
Email: [dma@albdev.com](mailto:dma@albdev.com)

#### District Contact:

Clint C. Waldron, Esq.  
2154 E Commons Avenue, Suite 2000  
Centennial, CO 80122  
Work: 303-858-1800  
Email: [cwaldron@wbapc.com](mailto:cwaldron@wbapc.com)

Megan M. Murphy, Esq.  
2154 E Commons Avenue, Suite 2000  
Centennial, CO 80122  
Work: 303-858-1800  
Email: [mmurphy@wbapc.com](mailto:mmurphy@wbapc.com)

**EXHIBIT B**  
**DISTRICT LEGAL DESCRIPTION AND MAP**

**LEGAL DESCRIPTION – PAINTED PRAIRIE BUSINESS IMPROVEMENT DISTRICT NO. 1**

A PARCEL BEING A PART OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 3 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 11, AND CONSIDERING THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT, TO BEAR NORTH 00°13'50" WEST, A DISTANCE OF 2658.63 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE NORTH 18°41'27" WEST, A DISTANCE OF 227.38 FEET TO A POINT BEING 72.00 FEET, BY PERPENDICULAR MEASUREMENT, WESTERLY OF THE EAST LINE OF SAID SOUTHEAST QUARTER, SAID POINT BEING THE POINT OF BEGINNING;

THENCE SOUTH 89°46'10" WEST, A DISTANCE OF 105.00 FEET;

THENCE NORTH 00°13'50" WEST, A DISTANCE OF 105.00 FEET;


THENCE NORTH 89°46'10" EAST, A DISTANCE OF 105.00 FEET TO A POINT BEING 72.00 FEET, BY PERPENDICULAR MEASUREMENT, WESTERLY OF THE EAST LINE OF SAID SOUTHEAST QUARTER;

THENCE SOUTH 00°13'50" EAST PARALLEL WITH SAID EAST LINE, A DISTANCE OF 105.00 FEET TO THE POINT OF BEGINNING,

SAID PARCEL CONTAINING A CALCULATED AREA OF 11,025 SQUARE FEET OR 0.253 ACRE, MORE OR LESS.

THE LINEAL UNIT USED IN THE PREPARATION OF THESE DESCRIPTIONS IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

I, WILLIAM F. HESSELBACH JR., A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.

  
WILLIAM F. HESSELBACH JR., P.L.S. 25359  
FOR AND ON BEHALF OF  
CVL CONSULTANTS OF COLORADO, INC.  
10333 E. DRY CREEK ROAD, SUITE 240  
ENGLEWOOD, CO 80112



# ILLUSTRATION FOR EXHIBIT

SE 1/4  
SEC 11

E 1/4 COR. SEC. 11  
REBAR & 3-1/2" ALUM. CAP  
"LS 38003 2007"

E. LINE, SE 1/4, SEC. 11  
N00°13'50"W 2658.63'  
(BASIS OF BEARINGS)

BUSINESS IMPROVEMENT  
DISTRICT #1  
11,025 S.F.  
0.253 AC.

N89°46'10"E  
105.00'

N00°13'50"W  
105.00'

72.00'  
S00°13'50"E  
105.00'

S89°46'10"W  
105.00'

POINT OF  
BEGINNING

N18°41'27"W  
227.38' (TIE)

S LINE, SE 1/4, SEC. 11  
N89°43'32"E 2653.23'

S 1/4 COR. SEC. 11  
REBAR & 3-1/4" ALUM. CAP  
"LS 17666 2002"

POINT OF COMMENCEMENT  
SE COR. SEC. 11  
REBAR & 3-1/4" BRASS CAP  
"LS 16398 1986"



OWNER:  
WF PRAIRIE LLC  
5600 GREENWOOD PLAZA BLVD., STE 220  
GREENWOOD VILLAGE, CO 80111

200 100 0 200 400

SCALE: 1" = 200'

THE ABOVE DESCRIBED PARCEL CONTAINS 11,025 SQUARE FEET OR (0.253 ACRE) MORE OR LESS.  
This illustration does not represent a monumented survey. It is intended only to depict the attached legal description.

PAINTED PRAIRIE BUSINESS IMPROVEMENT DISTRICT NO. 1		A PARCEL OF LAND SITUATED WITHIN THE SOUTHEAST QUARTER OF SECTION 11, T3S, R66W, 6TH P.M., CITY OF AURORA, ADAMS COUNTY, COLORADO.	
DRAWN BY: MJP	SCALE: 1" = 200'	R.O.W. FILE NUMBER	
CHECKED BY: WFM	DATE: 4/25/2017	JOB NUMBER: 30175604	

**EXHIBIT C**

**2020 BUDGET**

**Painted Prairie Business Improvement District #1**  
**Proposed Budget**  
**General Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>08/31/19</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 942
Revenues:					
Developer advances	15,263	50,000	6,688	15,000	30,000
Interest income	-	-	-	-	-
Total revenues	<u>15,263</u>	<u>50,000</u>	<u>6,688</u>	<u>15,000</u>	<u>30,000</u>
Total funds available	<u>15,263</u>	<u>50,000</u>	<u>6,688</u>	<u>15,000</u>	<u>30,942</u>
Expenditures:					
Accounting / audit	1,192	5,000	1,655	3,500	5,000
Engineering	-	5,000	-	-	5,000
Office supplies	-	-	-	-	-
Insurance/SDA dues	-	2,500	358	358	2,500
Legal	14,011	20,000	3,907	10,000	15,000
Management	-	2,500	-	-	-
Miscellaneous	60	2,000	84	200	1,000
Contingency	-	11,890	-	-	1,587
Emergency reserve (3%)	-	1,110	-	-	855
Total expenditures	<u>15,263</u>	<u>50,000</u>	<u>6,004</u>	<u>14,058</u>	<u>30,942</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684</u>	<u>\$ 942</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 10</u>	<u>\$ -</u>		<u>\$ 10</u>
Mill Levy		<u>-</u>	<u>-</u>		<u>-</u>



**Painted Prairie Business Improvement District #1**  
**Proposed Budget**  
**Capital Projects Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>08/31/19</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond issue	-	-	-	-	-
Developer advances	-	-	-	-	-
Interest income	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Developer contributions	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds available	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:					
Interest expense	-	-	-	-	-
Organization costs	-	-	-	-	-
Accounting	-	-	-	-	-
Legal	-	-	-	-	-
Capital expenditures	-	-	-	-	-
Repay developer advances	-	-	-	-	-
Repay developer advances - interest	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Painted Prairie Business Improvement District #1**  
**Proposed Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2020**

	<u>Actual</u> 2018	<u>Adopted</u> <u>Budget</u> 2019	0 <u>Actual</u> 08/31/19	<u>Estimate</u> 2019	<u>Proposed</u> <u>Budget</u> 2020
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	-	-	-	-
Specific ownership taxes	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	-	-	-	-	-
Total funds available	-	-	-	-	-
Expenditures:					
Bond interest expense	-	-	-	-	-
Bond principal	-	-	-	-	-
Treasurer's fees	-	-	-	-	-
Transfer to District #1	-	-	-	-	-
Trustee / paying agent fees	-	-	-	-	-
Total expenditures	-	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 10</u>	<u>\$ -</u>		<u>\$ 10</u>
Mill Levy		<u>-</u>	<u>-</u>		<u>-</u>
Total Mill Levy		<u>-</u>	<u>-</u>		<u>-</u>

RESOLUTION NO. R2019-\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, APPROVING THE 2020 OPERATING PLAN AND BUDGET FOR THE PAINTED PRAIRIE BUSINESS IMPROVEMENT DISTRICT NUMBER ONE

WHEREAS, the City Council (the “Council”) of the City of Aurora, Colorado (the “City”), is vested with jurisdiction to create one or more districts within City boundaries pursuant to the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. (the “Act”); and

WHEREAS, pursuant to the Act, the Council has adopted Ordinance No. 2017-37 organizing the Painted Prairie Business Improvement District Number One (the “District”) and appointing the District’s initial Board of Directors (the “Board”); and

WHEREAS, Section 31-25-1211, C.R.S., provides that no district created under the Act shall issue bonds, levy taxes, fees, or assessments, or provide improvements or services unless the City has approved an operating plan and budget for the district; and

WHEREAS, the Board has approved a 2020 District operating plan and budget (the “2020 Operating Plan and Budget”) for submittal to the City, which Operating Plan and Budget are in full compliance with the requirements of the Act; and

WHEREAS, the Council finds and determines that the approval of the 2020 Operating Plan and Budget in the form presented to the Council at this meeting is in the best interests of both the City and the District.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO THAT:

Section 1. The 2020 Operating Plan and Budget for the Painted Prairie Business Improvement District Number One are hereby approved, including the declaration of public interest and necessity for improvements contained therein.

Section 2. All resolutions or parts of resolutions of the City of Aurora, Colorado, in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
BOB LEGARE, Mayor

ATTEST:

---

STEPHEN J. RUGER, City Clerk

APPROVED AS TO FORM:

---

HANOSKY HERNANDEZ,  
Assistant City Attorney

**PAINTED PRAIRIE BUSINESS IMPROVEMENT DISTRICT NO. 2**

**2020 OPERATING PLAN AND BUDGET**

**(City of Aurora, Adams County, Colorado)**

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**EXHIBITS**

**EXHIBIT A**                    Director and Other Contact Information

**EXHIBIT B**                    District Legal Description and Map

**EXHIBIT C**                    2020 Budget

## I. PURPOSE AND SCOPE OF DISTRICT

**A. Requirement for this Operating Plan.** The Business Improvement District Act, specifically § 31-25-1211, C.R.S., requires that the Painted Prairie Business Improvement District No. 2 (the “**District**”) file an operating plan and budget with the City of Aurora City Clerk no later than September 30 of each year.

1. Under the statute, the City of Aurora (the “**City**”) is to approve the operating plan and budget within thirty (30) days of submittal of all required information.

2. The District will operate under the authorities and powers allowed under §§ 31-25-1201, *et seq.*, C.R.S., as amended (the “**Business Improvement District Act**”), as further described and limited by this Operating Plan.

**B. What Must Be Included in the Operating Plan?** Pursuant to the Business Improvement District Act, this Operating Plan specifically identifies: (1) the composition of the Board of Directors; (2) the services and improvements to be provided by the District; (3) the taxes, fees, and assessments to be imposed by the District; (4) the estimated principal amount of the bonds to be issued by the District; and (5) such other information as the City may require.

1. This Operating Plan and any subsequent operating plans that are approved by the City, will be incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

**C. Purposes.** As may be further articulated in succeeding year’s operating plans, the ongoing and/or contemplated purposes of the District for 2020 include the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all the services and public improvements allowed under Colorado law for business improvement districts.

**D. Ownership of Property or Major Assets.** The District may own public improvements, easements, real property and facilities not otherwise dedicated to other public entities for ownership, operation and maintenance.

**E. Contracts and Agreements.** It is anticipated that the District may enter into various agreements with private parties to facilitate the funding, construction, operation and maintenance of public improvements. The District is not currently a party to any significant active contracts or agreements. The District may also enter into agreements with the City, metropolitan districts, authorities, business improvement districts or other public entities encompassing adjacent developments in order to cooperate on infrastructure projects.

## II. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

**A. Organization.** The District has been organized by the City as requested in the Petition for Organization.

**B. Governance.** Pursuant to § 31-25-1209(1)(d), C.R.S., the City appointed the initial board of directors for the District (“**Board of Directors**”), which shall have up to five members.

Each member shall be an elector of the District. The City appointed the initial board of directors for the District, after which the positions on the board of directors shall be elected.

**C. Current Board of Directors.** The District will be managed by a Board of Directors consisting of five members all of whom shall be voting members. The Board members are:

1. Christopher H. Fellows
2. Timothy P. O'Connor
3. Dustin M. Anderson
4. Vacant
5. Vacant

Board member and other pertinent contact information is provided in **Exhibit A**.

**D. Term Limits.** Ballot Question W of the November 7, 2017 election eliminated term limits.

**E. Advisory Board.** The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

### **III. BOUNDARIES, INCLUSIONS AND EXCLUSIONS**

The current District boundaries are 0.250 acres as depicted in **Exhibit B**. In subsequent years, the District anticipates inclusion requests for additional property as additional property owners participate in the District.

### **IV. PUBLIC IMPROVEMENTS**

The District will be primarily concerned with the provision of public improvements and services within the boundaries of the District; however, there may be instances where the District will provide public improvements and services outside of the boundaries of the District as part of the project. The District shall have the authority to provide these public improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial public improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install or cause to be constructed or installed, include those public improvements the cost of which may, in accordance with the Business Improvement District Act, lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage



facilities, sidewalks, parking facilities, paving, lighting, grading, landscape and storm and wastewater management facilities and associated land acquisition and remediation (collectively, the “**Public Improvements**”). The costs of such Public Improvements includes the costs of design, acquisition, construction and financing.

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Business Improvement District Act, and other applicable statutes, common law and the Constitution.

The property owners of the District request that the City designate the territory within the District as a location for new business or commercial development pursuant to § 31-25-1203(10), C.R.S.

## **V. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE**

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

## **VI. FINANCIAL PLAN AND BUDGET**

**A. 2020 Budget.** The proposed 2020 Budget for the District is attached as **Exhibit C**.

**B. Authorized Indebtedness.** The District held an organizational election on November 7, 2017 for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Article X, Section 20 of the Colorado Constitution (“**TABOR**”). The initial maximum debt authorization for the District shall be \$100,000,000.

**C. Property Tax and Mill Levy Caps.** The District’s taxing ability shall be constrained to mill levy limitations of up to 50 mills for debt service, general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.

**D. District Revenues.** The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District may also be the beneficiary of revenues derived from a privately imposed public improvement fee.

**E. Existing Debt Obligations.** The District has no outstanding debt obligations.

**F. Future Debt Obligations.** The District does not anticipate issuing debt in 2020.

**G. Other Financial Obligations.** The District may enter into agreements including developer reimbursement agreements or other agreements and leases; as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.

**H. Non-Default Provisions.** Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default so long as the District is imposing the required maximum allowed mill levy.

1. The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. These statements will be clearly stated on all offering documents and disclosure statements associated with any debt issued by the District.

## **VII. 2020 ACTIVITIES, PROJECTS AND CHANGES**

**A. Activities.** It is anticipated that the District will primarily be engaged in undertaking the financing, operation and maintenance of Public Improvements in 2020, subject to the needs of the development.

**B. Projects and Public Improvements.** The District will be undertaking projects or public improvements as development needs require.

## **VIII. DISSOLUTION**

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate a perpetual existence. If the District no longer has such obligations, the District may seek to dissolve pursuant to § 31-25-1225, C.R.S.

## **IX. CONCLUSION**

It is submitted that this Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act, the Colorado Constitution, and the additional information required by the City.

It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

## EXHIBIT A

### DIRECTOR AND OTHER CONTACT INFORMATION

#### Board Members:

Christopher H. Fellows  
5600 Greenwood Plaza Blvd., Suite 220  
Greenwood Village, CO 80111  
Work: 303-795-9900  
Cell: 720-341-7052  
Email: [chris@fellowscos.com](mailto:chris@fellowscos.com)

Tim O'Connor  
5750 DTC Parkway, Suite 210  
Greenwood Village CO 80111  
Work: 303-771-4004  
Email: [tim@albdev.com](mailto:tim@albdev.com)

Dustin Anderson  
5750 DTC Parkway, Suite 210  
Greenwood Village CO 80111  
Work: 303-771-4004  
Email: [dma@albdev.com](mailto:dma@albdev.com)

#### District Contact:

Clint C. Waldron, Esq.  
2154 E Commons Avenue, Suite 2000  
Centennial, CO 80122  
Work: 303-858-1800  
Email: [cwaldron@wbapc.com](mailto:cwaldron@wbapc.com)

Megan M. Murphy, Esq.  
2154 E Commons Avenue, Suite 2000  
Centennial, CO 80122  
Work: 303-858-1800  
Email: [mmurphy@wbapc.com](mailto:mmurphy@wbapc.com)

**EXHIBIT B**  
**DISTRICT LEGAL DESCRIPTION AND MAP**

**LEGAL DESCRIPTION – PAINTED PRAIRIE BUSINESS IMPROVEMENT DISTRICT NO. 2**

**A PARCEL BEING A PART OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 3 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 11, AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 11, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT, TO BEAR NORTH 89°55'04" EAST, A DISTANCE OF 2645.51 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;**

**THENCE SOUTH 84°23'46" EAST, A DISTANCE OF 726.68 FEET TO A POINT BEING 72.00 FEET, BY PERPENDICULAR MEASUREMENT, SOUTHERLY OF THE NORTH LINE OF SAID NORTHWEST QUARTER, SAID POINT BEING THE POINT OF BEGINNING;**

**THENCE NORTH 89°55'04" EAST PARALLEL WITH SAID NORTH LINE, A DISTANCE OF 105.00 FEET;**

**THENCE SOUTH 00°04'56" EAST, A DISTANCE OF 105.00 FEET;**

**THENCE SOUTH 89°55'04" WEST, A DISTANCE OF 111.32 FEET TO A POINT OF NON-TANGENT CURVATURE;**

**THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 527.00 FEET, A CENTRAL ANGLE OF 08°46'40", AN ARC LENGTH OF 60.74 FEET, THE CHORD OF WHICH BEARS NORTH 04°23'20" EAST, 80.66 FEET;**

**THENCE NORTH 00°00'00" EAST, A DISTANCE OF 24.69 FEET TO THE POINT OF BEGINNING,**

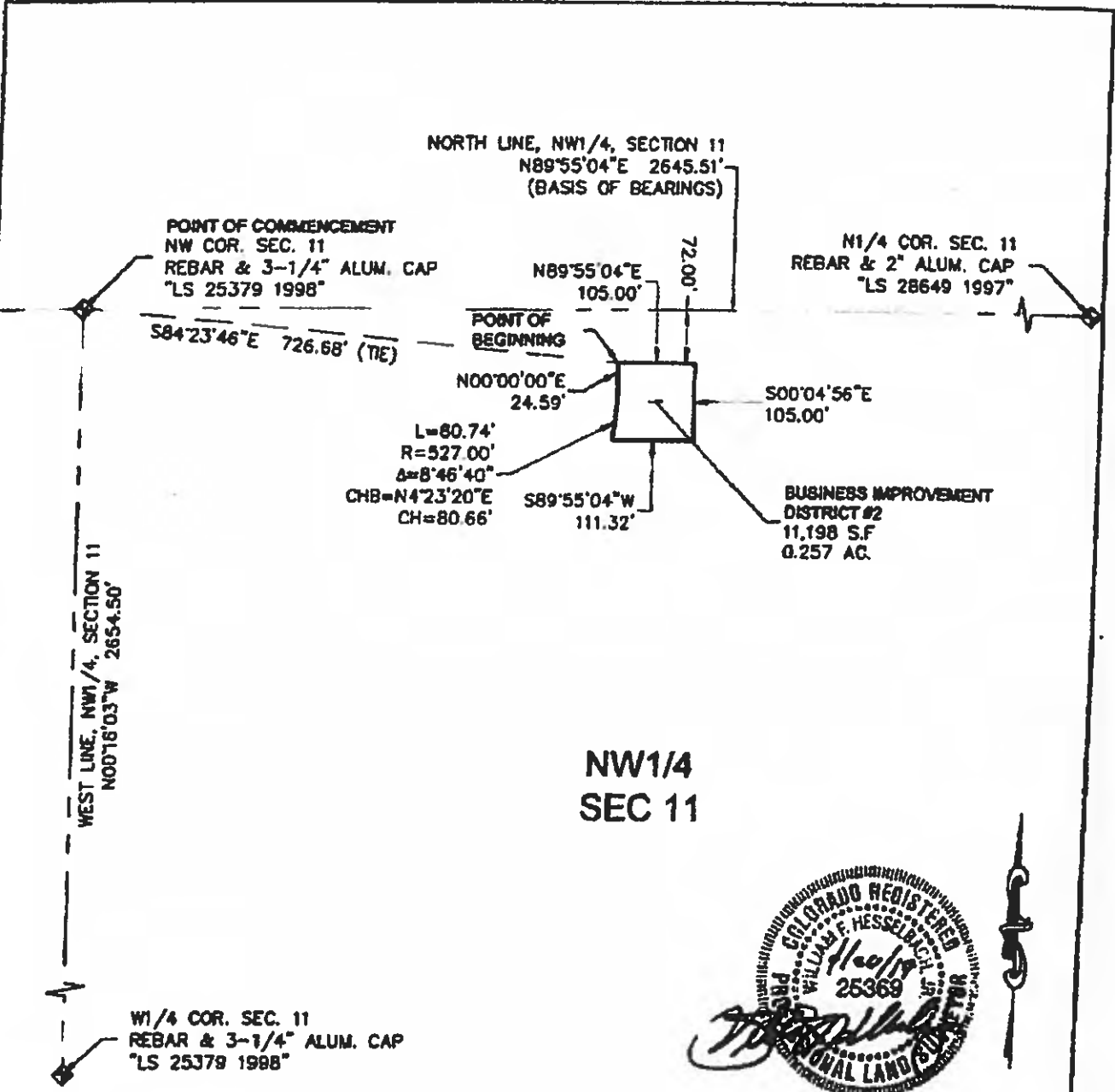
**SAID PARCEL CONTAINING A CALCULATED AREA OF 11,198 SQUARE FEET OR 0.257 ACRE, MORE OR LESS.**

**THE LINEAL UNIT USED IN THE PREPARATION OF THESE DESCRIPTIONS IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.**

**I, WILLIAM F. HESSELBACH JR., A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.**

**WILLIAM F. HESSELBACH JR., P.L.S. 25369  
FOR AND ON BEHALF OF  
CVL CONSULTANTS OF COLORADO, INC.  
10333 E. DRY CREEK ROAD, SUITE 240  
ENGLEWOOD, CO 80112**





NW1/4  
SEC 11



SCALE: 1" = 200'

OWNER:  
WF PRAIRIE LLC  
5600 GREENWOOD PLAZA BLDG., STE 220  
GREENWOOD VILLAGE, CO 80111

THE ABOVE DESCRIBED PARCEL CONTAINS 11,198 SQUARE FEET OR (0.257 ACRE) MORE OR LESS.  
This illustration does not represent a monumented survey. It is intended only to depict the attached legal description.

PAINTED PRAIRIE BUSINESS IMPROVEMENT DISTRICT NO. 2		A PARCEL OF LAND SITUATED WITHIN THE NORTHWEST QUARTER OF SECTION 11, T3S, R66W, 6TH P.M., CITY OF AURORA, ADAMS COUNTY, COLORADO.	
DRAWN BY: MLP	SCALE: 1" = 200'	R.O.M. FILE NUMBER	
CHECKED BY: WFH	DATE: 4/25/2017	JOB NUMBER: 30175604	

**EXHIBIT C**  
**2020 BUDGET**

**Painted Prairie Business Improvement District #2**  
**Proposed Budget**  
**General Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>06/30/19</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Developer advances	-	25,000	-	-	25,000
Interest income	-	-	-	-	-
Total revenues	-	<u>25,000</u>	-	-	<u>25,000</u>
Total funds available	-	<u>25,000</u>	-	-	<u>25,000</u>
Expenditures:					
Accounting / audit	-	2,500	-	-	2,500
Engineering	-	2,500	-	-	2,500
Office supplies	-	-	-	-	-
Insurance/SDA dues	-	2,500	-	-	2,500
Legal	-	10,000	-	-	10,000
Management	-	1,500	-	-	1,500
Miscellaneous	-	2,000	-	-	2,000
Treasurer fees	-	-	-	-	-
Repay developer advances	-	-	-	-	-
Contingency	-	3,370	-	-	3,370
Emergency reserve (3%)	-	630	-	-	630
Total expenditures	-	<u>25,000</u>	-	-	<u>25,000</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 10</u>	<u>\$ -</u>		<u>\$ 10</u>
Mill Levy		<u>-</u>	<u>-</u>		<u>-</u>



**Painted Prairie Business Improvement District #2**  
**Proposed Budget**  
**Capital Projects Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>06/30/19</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond issue	-	-	-	-	-
Developer advances	-	-	-	-	-
Interest income	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Developer contributions	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds available	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:					
Interest expense	-	-	-	-	-
Organization costs	-	-	-	-	-
Accounting	-	-	-	-	-
Legal	-	-	-	-	-
Capital expenditures	-	-	-	-	-
Repay developer advances	-	-	-	-	-
Repay developer advances - interest	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Painted Prairie Business Improvement District #2**  
**Proposed Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2020**

	<u>Actual</u>	<u>Adopted</u>	<u>Actual</u>	<u>Estimate</u>	<u>Proposed</u>
	<u>2018</u>	<u>Budget</u>	<u>06/30/19</u>	<u>2019</u>	<u>Budget</u>
	<u>2018</u>	<u>2019</u>	<u>06/30/19</u>	<u>2019</u>	<u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	-	-	-	-
Specific ownership taxes	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	-	-	-	-	-
Total funds available	-	-	-	-	-
Expenditures:					
Bond interest expense	-	-	-	-	-
Bond principal	-	-	-	-	-
Treasurer's fees	-	-	-	-	-
Transfer to District #1	-	-	-	-	-
Trustee / paying agent fees	-	-	-	-	-
Total expenditures	-	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 10</u>	<u>\$ -</u>		<u>\$ 10</u>
Mill Levy		<u>-</u>	<u>-</u>		<u>-</u>
Total Mill Levy		<u>-</u>	<u>-</u>		<u>-</u>

RESOLUTION NO. R2019-\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, APPROVING THE 2020 OPERATING PLAN AND BUDGET FOR THE PAINTED PRAIRIE BUSINESS IMPROVEMENT DISTRICT NUMBER TWO

WHEREAS, the City Council (the “Council”) of the City of Aurora, Colorado (the “City”), is vested with jurisdiction to create one or more districts within City boundaries pursuant to the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. (the “Act”); and

WHEREAS, pursuant to the Act, the Council has adopted Ordinance No. 2017-37 organizing the Painted Prairie Business Improvement District Number Two (the “District”) and appointing the District’s initial Board of Directors (the “Board”); and

WHEREAS, Section 31-25-1211, C.R.S., provides that no district created under the Act shall issue bonds, levy taxes, fees, or assessments, or provide improvements or services unless the City has approved an operating plan and budget for the district; and

WHEREAS, the Board has approved a 2020 District operating plan and budget (the “2020 Operating Plan and Budget”) for submittal to the City, which Operating Plan and Budget are in full compliance with the requirements of the Act; and

WHEREAS, the Council finds and determines that the approval of the 2020 Operating Plan and Budget in the form presented to the Council at this meeting is in the best interests of both the City and the District.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO THAT:

Section 1. The 2020 Operating Plan and Budget for the Painted Prairie Business Improvement District Number Two are hereby approved, including the declaration of public interest and necessity for improvements contained therein.

Section 2. All resolutions or parts of resolutions of the City of Aurora, Colorado, in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
BOB LEGARE, Mayor

ATTEST:

---

STEPHEN J. RUGER, City Clerk

APPROVED AS TO FORM:

---

HANOSKY HERNANDEZ,  
Assistant City Attorney

**2020 OPERATING PLAN AND BUDGET**

**PARKSIDE AT CITY  
CENTRE BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Aurora, Arapahoe County, Colorado

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EXHIBIT A - Director Contact Information

EXHIBIT B - BID Budget 2020

    General Fund

    Capital Projects Fund

    Debt Service Fund

EXHIBIT C – District Boundary Map

**2020**  
**OPERATING PLAN FOR THE**  
**PARKSIDE AT CITY CENTRE BUSINESS IMPROVEMENT DISTRICT**

**1. PURPOSE AND SCOPE OF THIS DISTRICT**

**A. Requirement for this Operating Plan.** The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Parkside at City Centre Business Improvement District (the “District”) file an operating plan and budget with the City Clerk no later than September 30 of each year.

Under the statute, the City is to approve the operating plan and budget within 30 days of the submittal of all required information.

The District will operate under the authorities and powers allowed under the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, as further described and limited by this Operating Plan.

**B. What Must Be Included in the Operating Plan?** Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, this Operating Plan specifically identifies (1) the composition of the Board of Directors; (2) the services and improvements to be provided by the District; (3) the taxes, fees, and assessments to be imposed by the District; (4) the estimated principal amount of the bonds to be issued by the District; and (5) such other information as the City may require.

The District’s original 2017 Operating Plan and subsequent Operating Plans, previously approved by the City, are incorporated herein by reference and shall remain in full force and effect except as specifically or necessarily modified hereby.

**C. Purposes.** As may be further articulated in prior years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2020 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

**D. Ownership of Property or Major Assets.** The District will own public improvements as constructed if such improvements are not otherwise dedicated to other public entities for operation and maintenance.

**E. Contracts and Agreements.** It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is currently a party to the Public Finance and Reimbursement Agreement with the Aurora Urban Renewal Authority, Parkside Aurora, LLC, and Parkside at City Centre Metropolitan District, dated March 4, 2019. The District may also enter into

agreements with the City and other districts encompassing adjacent developments in order to cooperate on infrastructure projects.

## **2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS**

- A. Organization. The Parkside at City Centre Business Improvement District was organized by the City of Aurora, Colorado by Ordinance No. 2017-38 on October 28, 2017.
- B. Governance. The District is governed by an elected Board of Directors.
- C. Current Board. The current Board members are:
  - 1) Donald J. Marcotte
  - 2) Brian Watson
  - 3) Tim Fredregill
  - 4) Jason Marcotte
  - 5) Vacant

Director and other pertinent contact information is provided in Exhibit A.

- D. Term Limits. A ballot question was included to eliminate term limits for the November 7, 2017 special election. The question passed.
- E. Advisory Board. The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

## **3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS**

A map of the District's current boundaries is attached as **EXHIBIT C**. The District does not anticipate inclusion or exclusion requests in the coming year. The District will obtain the City's approval of any inclusion or exclusion of property in the event such action is necessary.

## **4. PUBLIC IMPROVEMENTS**

The District will be primarily concerned with the provision of public improvements and services within the boundaries of the District; however, there may be instances to provide improvements or services outside of the boundaries of the District as part of the project. The District shall have the authority to provide these improvements and services, but the revenue-



raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install or cause to be constructed and installed include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, et seq., C.R.S., lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the "Public Improvements"). The costs of such Public Improvements, including costs of design, acquisition, construction and financing, are referred to herein as the "Public Improvement Costs."

## **5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE**

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

## **6. FINANCIAL PLAN AND BUDGET**

1. 2020 Budget. The proposed 2020 Budget for the District is attached as **EXHIBIT B**.
2. Authorized Indebtedness. The District held an election on November 7, 2017, for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution, and the Operating Plan. The initial maximum debt authorization for the District shall be \$50,000,000.
3. Property Tax and Mill Levy Caps. The District taxing ability shall be constrained to mill levy limitations of up to 50 mills for debt service, general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.
4. District Revenues. The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District is the beneficiary of revenues derived from a privately imposed public improvement fee, which are used to support public improvement construction and existing bonds. See proposed 2020 budget attached as **EXHIBIT B**.
5. Existing Debt Obligations. On April 9, 2019, the District issued its \$13,990,000 Special Revenue and Tax Supported Senior Bonds Series 2019 A ("2019 Bonds")

for the purpose of constructing capital improvements with a public purpose necessary for development. The City Council approved this issuance by Resolution No. R2019-06, as required by the 2019 Operating Plan. Following the issuance of the 2019 Bonds, the District has \$36,010,000 in remaining debt authorization.

6. Future Debt Obligations. The District does not anticipate issuing debt in the coming year.
7. Other Financial Obligations. The District may enter into agreements including reimbursement or similar agreements and leases, as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.
8. Non-Default Provisions. Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.
9. The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District

## **7. 2020 ACTIVITIES, PROJECTS AND CHANGES**

### **(a) Activities**

The District will be continuing the construction and financing of the Public Improvements in 2020.

### **(b) Projects and Public Improvements**

The District will be undertaking projects and public improvements as development needs require.

## **8. DISSOLUTION**

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate perpetual existence. If the District no longer has such obligations the District will seek to dissolve pursuant to Colorado Revised Statutes § 31-25-1225.

## **9. CONCLUSION**

It is submitted that this Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

**EXHIBIT A**  
**Director and Other Contact Information**

**BOARD OF DIRECTORS:**

Donald J. Marcotte  
1999 Broadway, Suite 770  
Denver, Colorado 80202

303.893.9500  
dmarcotte@northstarcp.com

Jason Marcotte  
1999 Broadway, Suite 770  
Denver, Colorado 80202

303.893.9500  
jason@summitcvg.com

Tim Fredregill  
12655 W. 54<sup>th</sup> Drive  
Arvada, Colorado 80002

303.216.0420  
tfredregill@milenderwhite.com

Brian Watson  
1999 Broadway, Suite 770  
Denver, Colorado 80202

303.893.9500  
brian@northstarcp.com

Vacancy

**DISTRICT CONTACT:**

Russell W. Dykstra  
Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203

303-839-3845  
rdykstra@spencerfane.com

**EXHIBIT B**

**2020 BID Budget  
General Fund  
Capital Projects Fund  
Debt Service Fund**

**Parkside at City Centre BID**  
**Proposed Budget**  
**General Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Revenues:</b>					
Property taxes	-	7,055	7,055	7,055	1,375
Specific ownership taxes	-	564	272	565	110
Transfer from Parkside MD	-	7,509	7,509	7,509	7,509
Developer advances	-	49,978	1,224	15,977	56,027
<b>Total revenues</b>	<u>-</u>	<u>65,106</u>	<u>16,060</u>	<u>31,106</u>	<u>65,021</u>
<b>Total funds available</b>	<u>-</u>	<u>65,106</u>	<u>16,060</u>	<u>31,106</u>	<u>65,021</u>
<b>Expenditures:</b>					
Accounting/audit	-	2,500	4,383	6,500	2,500
Election	-	5,000	-	-	5,000
Insurance/ SDA Dues	-	2,500	-	4,500	2,500
Legal	-	10,000	11,571	20,000	10,000
Engineering	-	10,000	-	-	10,000
Water	-	5,000	-	-	5,000
Lanscaping	-	5,000	-	-	5,000
Snow removal	-	5,000	-	-	5,000
Miscellaneous	-	2,000	-	-	2,000
Management	-	1,500	-	-	1,500
Contingency	-	15,000	-	-	15,000
Treasurer's Fees	-	106	106	106	21
Emergency Reserve	-	1,500	-	-	1,500
<b>Total expenditures</b>	<u>-</u>	<u>65,106</u>	<u>16,060</u>	<u>31,106</u>	<u>65,021</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 1,410,975</u>			<u>\$ 275,093</u>
Mill Levy		<u>5.000</u>			<u>5.000</u>

**Parkside at City Centre BID**  
**Proposed Budget**  
**Capital Projects Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 4,260,001
Revenues:					
Interest income	-	-	13,233	60,000	30,000
Bond Proceeds	-	14,925,000	13,990,000	13,990,000	-
Total revenues	<u>-</u>	<u>14,925,000</u>	<u>14,003,233</u>	<u>14,050,000</u>	<u>30,000</u>
Total funds available	<u>-</u>	<u>14,925,000</u>	<u>14,003,233</u>	<u>14,050,000</u>	<u>4,290,001</u>
Expenditures:					
Issuance costs	-	569,350	879,687	879,687	-
Organization costs	-	-	-	-	-
Legal	-	-	-	-	-
Capital expenditures	-	11,020,650	4,105,309	5,000,000	4,290,001
Repay developer advances	-	-	-	-	-
Repay developer advances - interest	-	-	-	-	-
Transfer to Debt Service	-	3,335,000	3,910,312	3,910,312	-
Total expenditures	<u>-</u>	<u>14,925,000</u>	<u>8,895,308</u>	<u>9,789,999</u>	<u>4,290,001</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,107,925</u>	<u>\$ 4,260,001</u>	<u>\$ -</u>

**Parkside at City Centre BID**  
**Proposed Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2020**

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 3,489,213
<b>Revenues:</b>					
PIF Revenue	-	-	-	-	113,354
Property taxes	-	70,549	71,960	71,960	13,755
Specific ownership taxes	-	5,644	2,780	5,500	1,100
Property taxes	-	1,411	-	-	275
Specific ownership taxes	-	113	-	-	22
Transfer from Capital Projects	-	3,335,000	3,910,312	3,910,312	-
Transfer from Parkside Metro District	-	7,509	-	7,509	16,000
Interest Income	-	-	10,155	60,000	35,000
<b>Total revenues</b>	<u>-</u>	<u>3,420,226</u>	<u>3,995,207</u>	<u>4,055,281</u>	<u>179,506</u>
<b>Total funds available</b>	<u>-</u>	<u>3,420,226</u>	<u>3,995,207</u>	<u>4,055,281</u>	<u>3,668,719</u>
<b>Expenditures:</b>					
Bond interest expense	-	775,000	126,298	563,486	874,375
Bond principal	-	-	-	-	-
Treasurer's fees	-	1,058	1,079	1,079	206
ARI Treasurer fees	-	21	-	-	4
Authority fee	-	-	-	-	11,000
Trustee / paying agent fees	-	5,000	-	-	10,000
ARI Mill levy	-	1,503	1,345	1,503	293
Miscellaneous	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>782,582</u>	<u>128,722</u>	<u>566,068</u>	<u>895,878</u>
<b>Ending fund balance</b>	<u>\$ -</u>	<u>\$ 2,637,644</u>	<u>\$ 3,866,485</u>	<u>\$ 3,489,213</u>	<u>\$ 2,772,841</u>
<b>Assessed valuation</b>		<u>\$ 1,410,975</u>			<u>\$ 275,093</u>
<b>Mill Levy</b>		<u>50.000</u>			<u>50.000</u>
<b>ARI Mill Levy</b>		<u>1.000</u>			<u>1.000</u>
<b>Total Mill Levy</b>		<u>56.000</u>			<u>56.000</u>



**EXHIBIT C**  
**District Boundary Map**



RESOLUTION NO. R2019-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA,  
COLORADO, APPROVING THE 2020 OPERATING PLAN AND BUDGET FOR  
THE PARKSIDE AT CITY CENTRE BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the City Council (the “Council”) of the City of Aurora, Colorado (the “City”), is vested with jurisdiction to create one or more districts within City boundaries pursuant to the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. (the “Act”); and

WHEREAS, pursuant to the Act, the Council has adopted Ordinance No. 2017-38 organizing the Parkside at City Centre Business Improvement District (the “District”) and appointing the District’s initial Board of Directors (the “Board”); and

WHEREAS, Section 31-25-1211, C.R.S., provides that no district created under the Act shall issue bonds, levy taxes, fees, or assessments, or provide improvements or services unless the City has approved an operating plan and budget for the district; and

WHEREAS, the Board has approved a 2020 District operating plan and budget (the “2020 Operating Plan and Budget”) for submittal to the City, which Operating Plan and Budget are in full compliance with the requirements of the Act; and

WHEREAS, the Council finds and determines that the approval of the 2020 Operating Plan and Budget in the form presented to the Council at this meeting is in the best interests of both the City and the District.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO THAT:

Section 1. The 2020 Operating Plan and Budget for the Parkside at City Centre Business Improvement District are hereby approved, including the declaration of public interest and necessity for improvements contained therein.

Section 2. All resolutions or parts of resolutions of the City of Aurora, Colorado, in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
BOB LEGARE, Mayor

ATTEST:

---

STEPHEN J. RUGER, City Clerk

APPROVED AS TO FORM:

---

HANOSKY HERNANDEZ,  
Assistant City Attorney

**2020 OPERATING PLAN AND BUDGET**

**PORTEOS  
BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Aurora, Adams County, Colorado

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EXHIBIT A - Director Contact Information

EXHIBIT B - BID Budget 2020

General Fund

Capital Projects Fund

Debt Service Fund

EXHIBIT C – District Map

**2020**  
**OPERATING PLAN FOR THE**  
**PORTEOS BUSINESS IMPROVEMENT DISTRICT**

**1. PURPOSE AND SCOPE OF THIS DISTRICT**

**A. Requirement for this Operating Plan.** The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Porteos Business Improvement District (the “District”) file an operating plan and budget with the City Clerk no later than September 30 of each year.

Under the statute, the City is to approve the operating plan and budget within 30 days of the submittal of all required information.

The District will operate under the authorities and powers allowed under the Business Improvement District Act, Sections 31-25-1201, et seq., Colorado Revised Statutes, as amended, as further described and limited by this Operating Plan.

**B. What Must Be Included in the Operating Plan?** Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, this Operating Plan specifically identifies (1) the composition of the Board of Directors; (2) the services and improvements to be provided by the District; (3) the taxes, fees, and assessments to be imposed by the District; (4) the estimated principal amount of the bonds to be issued by the District’ and (5) such other information as the City may require.

The District’s original 2017 Operating Plan subsequent Operating Plans, previously approved by the City, are incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

**C. Purposes.** As may be further articulated in prior years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2020 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

**D. Ownership of Property or Major Assets.** The District will own public improvements as constructed if such improvements are not otherwise dedicated to other public entities for operation and maintenance.

**E. Contracts and Agreements.** It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is currently party to an Intergovernmental Agreement Concerning District Operations and Outstanding Reimbursement Obligations with Velocity Metropolitan District Nos. 1-9, dated January 29, 2019. The District may also enter into agreements with the City and other districts encompassing adjacent developments in order to cooperate on infrastructure projects.

## 2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. Organization. The Porteos Business Improvement District was organized by the City of Aurora, Colorado by Ordinance No. 2016-43 on October 29, 2016.

B. Governance. The District is governed by an elected board of directors.

C. Current Board. The District is managed by a Board of Directors consisting of five electors all of whom shall be voting members. The current Board members are:

- (1) Mark A. Adams
- (2) Kristen Adams
- (3) Yuriy Gorlov
- (4) Seth C. Rollert
- (5) Melissa M. Shea

Director and other pertinent contact information is provided in **EXHIBIT A**.

D. Term Limits. Term limits were eliminated. The current board will be up for election at the May 5, 2020 Regular Election.

E. Advisory Board. The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

## 3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

A map of the District's boundaries is attached as **EXHIBIT C**. In 2020 and subsequent years, the District anticipates inclusion requests for additional property as boundaries are established and additional property owners participate in the District.

## 4. PUBLIC IMPROVEMENTS

The District will be primarily concerned with the provision of public improvements and services within the boundaries of the District; however, there may be instances to provide improvement or services outside of the boundaries of the District as part of the project. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install or cause to be constructed and installed, include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, et seq., C.R.S., lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street



improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the "Public Improvements"). The costs of such Public Improvements, including costs of design, acquisition, construction and financing, are referred to herein as the "Public Improvement Costs."

## **5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE**

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

## **6. FINANCIAL PLAN AND BUDGET**

**A.** 2020 Budget. The proposed 2020 Budget for the District is attached as **EXHIBIT**

**B.**

**B.** Authorized Indebtedness. The District held an election for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution, and the Operating Plan. The initial maximum debt authorization for the District is \$50,000,000.

**C.** Property Tax and Mill Levy Caps. The District taxing ability is constrained to mill levy limitations of up to 50 mills for debt service, general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.

**D.** District Revenues. The District is utilizing developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District may also be the beneficiary of revenues derived from a privately imposed public improvement fee.

**E.** Existing Debt Obligations. The District has no current debt.

**F.** Future Debt Obligations. The District does not currently anticipate the issuance of any debt in 2020.

**G.** Other Financial Obligations. The District has entered into agreements including reimbursement and facility acquisitions as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.

**H.** Non-Default Provisions. Limited tax general obligation bonds issued by the District are structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.

**I.** The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the

District. This is clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District

## **7. 2020 ACTIVITIES, PROJECTS AND CHANGES**

**A. Activities.** The District will be continuing the construction and financing of the Public Improvements in 2020.

**B. Projects and Public Improvements.** The District will be undertaking projects or public improvements as development needs require.

## **8. DISSOLUTION**

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate perpetual existence. If the District no longer has such obligations, the District will seek to dissolve pursuant to C.R.S. § 31-25-1225.

## **9. CONCLUSION**

It is submitted that this Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

**EXHIBIT A**  
**Director and Other Contact Information**

**BOARD OF DIRECTORS:**

Mark A. Adams  
4020 South Dahlia Street  
Englewood, CO 80113  
[markaadams@mac.com](mailto:markaadams@mac.com)

Kristen Adams  
5859 S. Galena Street  
Greenwood Village, CO 80111  
[kristen@roganadams.com](mailto:kristen@roganadams.com)

Yuriy Gorlov  
465 Quebec Street  
Denver, CO 80220  
[gorlov@auroraedc.com](mailto:gorlov@auroraedc.com)

Seth C. Rollert  
17757 East Crestridge Place  
Centennial, CO 80015  
[sethrollert@rollertavery.com](mailto:sethrollert@rollertavery.com)

Melissa M. Shea  
9241 Millcreek Court  
Highlands Ranch, CO 80126  
[beinspired.mms@hotmail.com](mailto:beinspired.mms@hotmail.com)

**DISTRICT CONTACT:**

Russell W. Dykstra  
Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203  
303-839-3845  
[rdykstra@spencerfane.com](mailto:rdykstra@spencerfane.com)

**EXHIBIT B**

**2020 BID Budget  
General Fund  
Capital Projects Fund  
Debt Service Fund**

**Porteos Business Improvement District  
Proposed Budget  
General Fund  
For the Year ended December 31, 2020**

	Actual <u>2018</u>	Amended Budget <u>2019</u>	Actual <u>07/31/19</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	209	87	87	100	85
Specific ownership taxes	17	7	5	15	7
Developer advances	12,601	56,747	40,708	120,000	205,000
Transfer from Velocity	-	18,159	51,978	51,978	20,000
Interest income	-	-	-	-	-
Total revenues	<u>12,827</u>	<u>75,000</u>	<u>92,778</u>	<u>172,093</u>	<u>225,092</u>
Total funds available	<u>12,827</u>	<u>75,000</u>	<u>92,778</u>	<u>172,093</u>	<u>225,092</u>
Expenditures:					
Accounting / audit	1,736	7,500	3,407	7,500	10,000
Engineering	-	10,000	-	-	10,000
Insurance/SDA dues	-	10,000	16,441	16,441	20,000
Legal	11,016	35,000	49,643	100,000	100,000
Management	-	1,500	-	-	1,500
Director's Fees	-	-	3,600	5,100	6,000
Utilities	-	-	5,058	12,000	20,000
Landscape Maintenance	-	-	14,504	30,000	30,000
Miscellaneous	72	2,000	124	1,050	2,000
Treasurer fees	3	1	1	2	1
Repay developer advances	-	-	-	-	-
Contingency	-	7,019	-	-	19,606
Emergency reserve (3%)	-	1,980	-	-	5,985
Total expenditures	<u>12,827</u>	<u>75,000</u>	<u>92,778</u>	<u>172,093</u>	<u>225,092</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 43,620</u>	<u>\$ -</u>		<u>\$ 42,490</u>
Mill Levy		<u>2.000</u>	<u>-</u>		<u>2.000</u>

**Porteos Business Improvement District  
Proposed Budget  
Capital Projects Fund  
For the Year ended December 31, 2020**

	Actual <u>2018</u>	0 Amended Budget <u>2019</u>	Actual <u>07/31/19</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond issue	-	80,000,000	-	-	-
Developer advances	-	-	-	-	-
Interest income	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Developer contributions	-	-	-	-	-
Total revenues	<u>-</u>	<u>80,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>-</u>	<u>80,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Interest expense	-	-	-	-	-
Organization costs	-	-	-	-	-
Cost of issuance	-	1,800,000	-	-	-
Legal	-	-	-	-	-
Capital expenditures	-	-	-	-	-
Repay developer advances	-	55,000,000	-	-	-
Repay developer advances - interest	-	-	-	-	-
Transfer to Debt Service	-	23,200,000	-	-	-
Total expenditures	<u>-</u>	<u>80,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Porteos Business Improvement District  
Proposed Budget  
Debt Service Fund  
For the Year ended December 31, 2020**

	Actual <u>2018</u>	0 Amended Budget <u>2019</u>	Actual <u>07/31/19</u>	Estimate <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	-	-	-	-
Specific ownership taxes	-	-	-	-	-
Transfer from Velocity	-	-	-	-	-
Transfer from Capital Projects Fund	-	23,200,000	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>23,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>-</u>	<u>23,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Bond interest expense	-	3,390,796	-	-	-
Bond principal	-	-	-	-	-
Treasurer's fees	-	-	-	-	-
Transfer to District #1	-	-	-	-	-
Trustee / paying agent fees	-	-	-	-	-
Total expenditures	<u>-</u>	<u>3,390,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 19,809,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 43,620</u>	<u>\$ -</u>		<u>\$ 42,490</u>
Mill Levy		<u>-</u>	<u>-</u>		<u>-</u>
Total Mill Levy		<u>2.000</u>	<u>-</u>		<u>2.000</u>

**EXHIBIT C**

**District Map**





RESOLUTION NO. R2019-\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA,  
COLORADO, APPROVING THE 2020 OPERATING PLAN AND BUDGET FOR  
THE PORTEOS BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the City Council (the “Council”) of the City of Aurora, Colorado (the “City”), is vested with jurisdiction to create one or more districts within City boundaries pursuant to the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. (the “Act”); and

WHEREAS, pursuant to the Act, the Council has adopted Ordinance No. 2016-43 organizing the Porteos Business Improvement District (the “District”) and appointing the District’s initial Board of Directors (the “Board”); and

WHEREAS, Section 31-25-1211, C.R.S., that no district created under the Act shall issue bonds, levy taxes, fees, or assessments, or provide improvements or services unless the City has approved an operating plan and budget for the district; and

WHEREAS, the Board has approved a 2020 District operating plan and budget (the “2020 Operating Plan and Budget”) for submittal to the City, which Operating Plan and Budget are in full compliance with the requirements of the Act; and

WHEREAS, the Council finds and determines that the approval of the 2020 Operating Plan and Budget in the form presented to the Council at this meeting is in the best interests of both the City and the District.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO THAT:

Section 1. The 2020 Operating Plan and Budget for the Porteos Business Improvement District are hereby approved, including the declaration of public interest and necessity for improvements contained therein.

Section 2. All resolutions or parts of resolutions of the City of Aurora, Colorado, in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
BOB LEGARE, Mayor

ATTEST:

---

STEPHEN J. RUGER, City Clerk

APPROVED AS TO FORM:

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HANOSKY HERNANDEZ,  
Assistant City Attorney

**2020 OPERATING PLAN AND BUDGET**

# **TOWER BUSINESS IMPROVEMENT DISTRICT**

City of Aurora, Adams County, Colorado

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**EXHIBITS**

- EXHIBIT A – Director Contact Information
- EXHIBIT B – BID Budget 2020
- EXHIBIT C – District Boundary Legal Description
- EXHIBIT D – District Boundary Map

**2020**  
**OPERATING PLAN FOR THE**  
**TOWER BUSINESS IMPROVEMENT DISTRICT**

**1. PURPOSE AND SCOPE OF THIS DISTRICT**

**A. Requirement for this Operating Plan.** The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Tower Business Improvement District (the “District”) file an operating plan and budget with the City Clerk no later than September 30 of each year.

Under the statute, the City is to approve the operating plan and budget within 30 days of the submittal of all required information.

The District operates under the authorities and powers allowed under the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, as further described and limited by this Operating Plan.

**B. What Must Be Included in the Operating Plan?** Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended (“Business Improvement District Act”), this Operating Plan specifically identifies (1) the composition of the Board of Directors; (2) the services and improvements to be provided by the District; (3) the taxes, fees, and assessments to be imposed by the District; (4) the estimated principal amount of the bonds to be issued by the District; and (5) such other information as the City may require.

**C. Purposes.** As may be further articulated in prior years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2020 include principally the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of sources of power that will serve the development within the District, including without limitation natural gas, electricity and solar installations, but the District shall also be empowered to provide the services and public improvements allowed under Colorado law for business improvement districts. **The provision of these services will be coordinated with the Tower Metropolitan District (“Tower”) which the boundaries of the District overlap in part. The District’s activities will neither interfere with nor duplicate those undertaken by Tower.**

**D. Ownership of Property or Major Assets.** The District will own public improvements, easements and land as required if they are not otherwise dedicated to the City or other public entities or public utilities for operation and maintenance.

**E. Contracts and Agreements.** It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is not currently a party to any significant active contracts or agreements. The District may enter into agreements with the City and the Tower Metropolitan District to accommodate the provision of improvements and services.

## 2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

**A. Organization.** The Tower Business Improvement District is anticipated to be organized by the City of Aurora in 2019, Colorado as requested in the Petition for Organization for the District.

**B. Governance.** Pursuant to Section 31-25-1209(1)(b), C.R.S., it is anticipated that the City of Aurora will appoint the board of directors for the District in 2019, which shall have up to five members. Each member shall be an elector of the District.

**C. Current Board.** If approved by the City of Aurora, the District will be managed by a Board of Directors consisting of five electors all of whom shall be voting members. The proposed Board members are:

1. Randall C. Hertel
2. Timothy J. D'Angelo
3. Michael M. Wafer
4. Jack "Skip" Bailey, Jr.
5. Michael V. Kapoor

Director and other pertinent contact information are provided in **EXHIBIT A**.

**D. Term Limits.** A ballot question will be included to eliminate term limits for the November 5, 2019 election.

**E. Advisory Board.** The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

## 3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District includes approximately 539 acres within its boundaries as described in **EXHIBIT C** and depicted in **EXHIBIT D**. In 2020 and subsequent years, the District also anticipates inclusion requests for additional property as boundaries are established and additional property owners participate in the District.

## 4. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

The District shall have the power and authority to provide the public improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Business Improvement District Act, and other applicable

statutes, common law and the Constitution, subject to the limitations set forth herein. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law and as limited by this Operating Plan. The District will only provide improvements and services within the boundaries of the District and directly adjacent property to the extent required to facilitate the construction and operation of the District improvements. The District will not provide improvements or services that duplicate any improvements or services provided by Tower though the two entities will have the authority to cooperate in the extension of facilities and improvements beneficial to both, or where efficiencies in the development process may be gained.

Subject to the foregoing limitation concerning cooperation with Tower, the public improvements that the District anticipates it will construct, install or cause to be constructed and installed, include those public improvements the costs of which may, in accordance with the Business Improvement District Act, lawfully be paid for by the District, including, without limitation safety protection devices, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the “Public Improvements”).

**A. Operations and Maintenance Limitation.** Included within the District’s boundaries is 538 acres owned by MCCII that is also included within Tower’s boundaries. The proposed development will contain significant industrial and warehouse and distribution facilities. Associated with all of the new development is the need for the financing of power sources and facilities that will serve the development, including without limitation natural gas, electricity and solar installations.

Tower does not have the statutory authority to pay for such improvements. The District does, and its creation is intended to fund those improvements in addition to the services and public improvements allowed under Colorado law for business improvement districts, generally. The provision of these improvements and services will be coordinated with Tower which the boundaries of the District overlap in part. The District’s activities will neither interfere with nor duplicate those undertaken by Tower though the two entities will have the authority to cooperate in the extension of facilities and improvements beneficial to both, or where efficiencies in the development process may be gained.

The appropriate limitations contained in the City’s metro district model service plan have been incorporated in the proposed Operating Plan that operates in many of the same ways to guide the District’s activities. However the fifty mill cap included in this Operating Plan is inclusive of operations and administration costs in addition to debt service. The initial maximum debt authorization is \$10,000,000.

**B. Construction Standards Limitation.** The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District will obtain



the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of public improvements prior to performing such work.

**C. Privately Placed Debt Limitation.** Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the debt substantially as follows:

We are [I am] an external financial advisor. [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

**D. Fee Limitation.** The District may impose and collect fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from taxable property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any taxable property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any fee imposed upon or collected from taxable property for the purpose of funding operation and maintenance costs of the District. For purposes of this section, "End User" shall mean any owner, or tenant of any owner, of any taxable improvement within the District who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy (as defined below).

**E. Bankruptcy Limitation.** All of the limitations contained in this Operating Plan have been established under the authority of the City to approve an Operating Plan with conditions pursuant to Section 31-25-1211, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent an amendment to the Operating Plan; and

(b) Are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any debt, issued with a pledge or which results in a pledge, shall not be an authorized issuance of debt unless the City has approved the operating plan and budget for the District.

## 5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

## 6. FINANCIAL PLAN AND BUDGET

**A. 2020 Budget.** The proposed 2020 Budget for the District is attached as **EXHIBIT B.**

**B. Authorized Indebtedness.** It is anticipated that the District will hold an election on November 5, 2019 for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution, and the Operating Plan. The initial maximum debt authorization for the District shall be \$10,000,000.00.

**C. Property Tax and Mill Levy Caps.** The District's taxing ability shall be constrained to mill levy limitations of up to 50 mills for debt service, general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries ("Maximum Mill Levy").

**D. District Revenues.** The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District may also be the beneficiary of revenues derived from a privately imposed public improvement fee and any other lawful revenue source.

**E. Existing Debt Obligations.** The District does not have any existing debt obligations.

**F. Future Debt Obligations.** The District may issue debt in 2019 or 2020 to finance the construction of the Public Improvements.

**G. Other Financial Obligations.** The District may enter into agreements including reimbursement or similar agreements and leases; as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.

**H. Non-Default Provisions.** Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.

**I. No City Obligations.** The debt of the District will not constitute a debt or obligation of the City of Aurora in any manner. The faith and credit of the City of Aurora will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectuses, or disclosure statements associated with any securities issued by the District.

## **7. 2020 ACTIVITIES, PROJECTS AND CHANGES**

**A. Activities.** It is anticipated that the District will primarily be engaged in the undertaking construction and financing of the public improvements in 2020.

**B. Projects and Public Improvements.** The District will be undertaking projects or public improvements as development needs require.

## **8. DISSOLUTION**

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate perpetual existence. However, the District may be dissolved under the conditions of Section 31-25-1225, C.R.S.

## **9. CONCLUSION**

It is submitted that this Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

**EXHIBIT A**  
**Director and Other Contact Information**

**BOARD OF DIRECTORS:**

Randall C. Hertel  
Timothy J. D'Angelo  
Michael M. Wafer  
Jack "Skip" Bailey, Jr.  
Michael V. Kapoor

**LEGAL COUNSEL:**

Matt Dalton  
Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, CO 80203  
303-839-3800  
[mdalton@spencerfane.com](mailto:mdalton@spencerfane.com)

**EXHIBIT B**  
**District Budget 2020**

**GENERAL FUND**

	<u>Proposed 2019</u>	<u>Actual 2019</u>	<u>Proposed 2020</u>
Beginning Fund Balance	-	-	-
REVENUES			
Property Taxes	-		-
Specific Ownership Taxes	-		-
Public Improvement Fees	-		-
Developer Advance	75,000		75,000
Net Investment Income	-		-
Intergovernmental Revenue	-		-
Total Revenues	75,000		75,000
EXPENDITURES			
Accounting	10,000		10,000
Audit	-		-
Contingency	-		-
District Management	-		-
Dues and Membership	1,000		1,000
Insurance	4,000		4,000
Legal	50,000		50,000
Miscellaneous	5,000		5,000
Total Expenditures	70,000		70,000
ENDING FUND BALANCE	5,000		5,000
Emergency Reserve	5,000		5,000
Total Reserve	5,000		5,000

**CAPITAL PROJECTS FUND**

	<u>Proposed 2019</u>	<u>Actual 2019</u>	<u>Proposed 2020</u>
Beginning Fund Balance	-		-
REVENUES			
Property Taxes	-		-
Public Improvement Fees	-		-
Developer Advance	\$2,400,000		\$2,400,000
Net Investment Income	-		-
Intergovernmental Revenue	-		-
Bond Issuance	-		-
Total Revenues	\$2,400,000		\$2,400,000
EXPENDITURES	-		-
Total Expenditures	\$2,000,000		\$2,000,000
ENDING FUND BALANCE	\$400,000		\$400,000

**DEBT SERVICE FUND**

	<u>Proposed 2019</u>	<u>Actual 2019</u>	<u>Proposed 2020</u>
Beginning Fund Balance	-		-
REVENUES			-
Bond Issue	-		
Public Improvement Fees	-		-
Developer Advance	-		-
Net Investment Income	-		-
Intergovernmental Revenue	-		-
Total Revenues	-		-
EXPENDITURES			
Costs of Issuance	-		-
Capitalized Interest Fund	-		
Debt Service Reserve	-		-
Miscellaneous	-		-
Contingency	-		-
Total Expenditures	-		-
ENDING FUND BALANCE	0		0

**EXHIBIT C**  
**The Property Legal Description**

A PARCEL OF LAND IN SECTION 25, TOWNSHIP 3 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 25 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 25 TO BEAR NORTH 89°33'37" EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO: THENCE NORTH 89°33'37" EAST ALONG SAID NORTH LINE A DISTANCE OF 30 FEET TO THE EAST RIGHT-OF-WAY LINE OF PICADILLY ROAD AND THE POINT OF BEGINNING.

THENCE NORTH 89°33'37" EAST CONTINUING ALONG SAID NORTH LINE A DISTANCE OF 2611.78 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 25;

THENCE NORTH 89°32'32" EAST ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 A DISTANCE OF 1321.75 FEET;  
THENCE SOUTH 00°13'08" EAST A DISTANCE OF 1324.11 FEET;  
THENCE NORTH 89°32'39" EAST A DISTANCE OF 931.29 FEET TO THE WESTERLY RIGHT-OF-WAY OF HIGHWAY E-470 AS DESCRIBED IN BOOK 5414 AT PAGE 645 OF THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER;  
THENCE ALONG SAID WESTERLY RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES:

- 1) SOUTH 03°48'50" EAST A DISTANCE OF 427.14 FEET;
- 2) SOUTH 00°00'02" WEST A DISTANCE OF 3372.10 FEET;
- 3) SOUTH 83°34'42" WEST A DISTANCE OF 1006.75 FEET;
- 4) SOUTH 00°29'32" EAST A DISTANCE OF 40.00 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 26TH AVENUE;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY THE FOLLOWING TWO (2) COURSES:

- 1) SOUTH 89°30'28" WEST A DISTANCE OF 1267.94 FEET;
  - 2) SOUTH 89°31'54" WEST A DISTANCE OF 745.69 FEET;
- THENCE NORTH 00°10'59" WEST A DISTANCE OF 361.50 FEET;  
THENCE SOUTH 89°31'54" WEST A DISTANCE OF 1867.71 FEET TO SAID EAST RIGHT-OF-WAY LINE;

THENCE NORTH 00°11'05" WEST ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 2258.23 FEET TO THE SOUTH LINE OF SAID NORTHWEST QUARTER OF SECTION 15;

THENCE NORTH 00°10'52" WEST CONTINUING ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 462.51 FEET;  
THENCE NORTH 89°34'28" EAST A DISTANCE OF 300.36 FEET;  
THENCE NORTH 00°11'05" WEST A DISTANCE OF 862.50 FEET;  
THENCE SOUTH 89°32'44" WEST A DISTANCE OF 300.31 FEET TO SAID EAST RIGHT-OF-WAY LINE;



THENCE NORTH 00°10'52" WEST ALONG EAST RIGHT-OF-WAY LINE A DISTANCE OF 1324.68 FEET TO THE POINT OF BEGINNING;

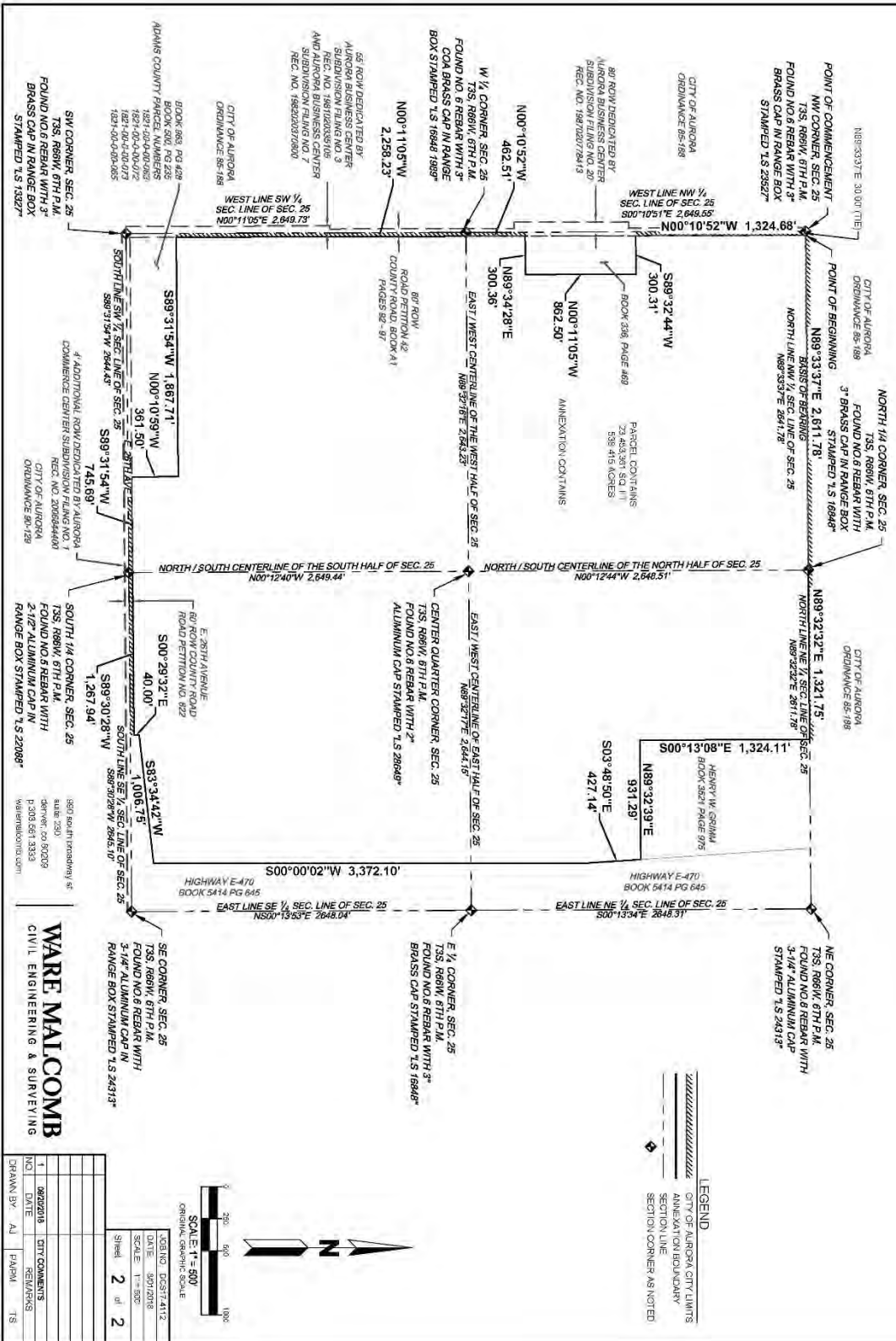
SAID PARCEL CONTAINS AN AREA OF 23,453,361 SQUARE FEET, OR 538.415 ACRES, MORE OR LESS.

**EXHIBIT D**  
**The Property Map**



# ANNEXATION MAP

A PORTION OF SECTION 25, TOWNSHIP 3 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO



**WARE MALCOMB**  
CIVIL ENGINEERING & SURVEYING

NO.	DATE	CITY COMMENTS	REV/ISS
1	08/20/18		
2			

DRAWN BY: AJL  
P&M: TS

RESOLUTION NO. R2019-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA,  
COLORADO, APPROVING THE 2020 OPERATING PLAN AND BUDGET FOR  
THE TOWER BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the City Council (the “Council”) of the City of Aurora, Colorado (the “City”), is vested with jurisdiction to create one or more districts within City boundaries pursuant to the Business Improvement District Act, Part 12 of Article 25 of Title 31, C.R.S. (the “Act”); and

WHEREAS, pursuant to the Act, the Council has adopted Ordinance No. 2019-71 organizing the Tower Business Improvement District (the “District”) and appointing the District’s initial Board of Directors (the “Board”); and

WHEREAS, Section 31-25-1211, C.R.S., provides that no district created under the Act shall issue bonds, levy taxes, fees, or assessments, or provide improvements or services unless the City has approved an operating plan and budget for the district; and

WHEREAS, the Board has approved a 2020 District operating plan and budget (the “2020 Operating Plan and Budget”) for submittal to the City, which Operating Plan and Budget are in full compliance with the requirements of the Act; and

WHEREAS, the Council finds and determines that the approval of the 2020 Operating Plan and Budget in the form presented to the Council at this meeting is in the best interests of both the City and the District.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO THAT:

Section 1. The 2020 Operating Plan and Budget for the Tower Business Improvement District are hereby approved, including the declaration of public interest and necessity for improvements contained therein.

Section 2. All resolutions or parts of resolutions of the City of Aurora, Colorado, in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
BOB LEGARE, Mayor

ATTEST:

---

STEPHEN J. RUGER, City Clerk

APPROVED AS TO FORM:

---

HANOSKY HERNANDEZ,  
Assistant City Attorney

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Management and Finance Policy Committee  
Agenda Item Commentary

Item Title: CONSIDERATION TO APPROVE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, APPROVING THE SERVICE PLAN FOR THE BUCKLEY METROPOLITAN DISTRICT; NOS. 1-4 AND AUTHORIZING THE EXECUTION OF INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY AND THE DISTRICT
Item Initiator: Jacob Cox, Senior Dev Project Manager
Staff Source: Jacob Cox, Senior Dev Project Manager
Deputy City Manager Signature: Jason Batchelor
Outside Speaker:
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

**ACTIONS(S) PROPOSED** *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

In 2004, the City adopted a model service plan for Title 32 metropolitan districts with the intent that any proposed service plan for a metropolitan district will be compliant with the model. The model service plan provides the following key features:

1. Maximum debt mill levy of 50 mills (Gallagher adjusted)
2. Maximum term for debt repayment of 40 years (for residential districts)
3. Agreement to impose the Aurora Regional Improvements (ARI) mill levy.

**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

A new service plan for the Buckley Metropolitan District has been submitted in anticipation of the spring district election cycle. The proposed service plan is in compliance with the Aurora model service plan and is attached. The proposed Buckley Metropolitan District is located at the southeast corner of 6th Avenue and Picadilly Road. (see attached vicinity map).

The District will service a mixed use development consisting of both residential and commercial property. The service area (initial and inclusion areas) is approximately 160 acres in size. The population of the District is estimated to be approximately 3,069 people. (See attached letter and service plan.)



QUESTIONS FOR Committee

Does the Committee wish to move this item forward to City Council Study Session?

EXHIBITS ATTACHED:

(Clean) Service Plan and IGA for Buckley Metropolitan District Nos. 1-4.pdf

Inclusion Area Map\_Buckley Metropolitan District Nos. 1-4.pdf

Transmittal Letter to City of Aurora, 2019-10.pdf

Vicinity Map\_Buckley Metropolitan District Nos. 1-4.pdf

**SERVICE PLAN  
FOR  
BUCKLEY METROPOLITAN DISTRICT NOS. 1-4  
CITY OF AURORA, COLORADO**

Prepared

by

WHITE BEAR ANKELE TANAKA & WALDRON  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

October 11, 2019

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**LIST OF EXHIBITS**

<b>EXHIBIT A</b>	Legal Descriptions
<b>EXHIBIT B</b>	Aurora Vicinity Map
<b>EXHIBIT C-1</b>	Initial District Boundary Maps
<b>EXHIBIT C-2</b>	Inclusion Area Boundary Map
<b>EXHIBIT D</b>	Intergovernmental Agreement between the Districts and Aurora

## I. INTRODUCTION

### A. Purpose and Intent.

The Districts are independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements.

The Districts are not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

### B. Need for the Districts.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements needed for the Project. Formation of the Districts is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

### C. Objective of the City Regarding Districts Service Plan.

The City's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy for commercial and residential properties, and/or repaid by Fees, as long as such Fees are not imposed upon or collected from Taxable Property owned or occupied by an End User for the purpose of creating a capital cost payment obligation as further described in Section V.A.11. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities are allowed as specifically set forth in this Service Plan or as set forth in an intergovernmental agreement with the City which shall not constitute a material modification of this Service Plan.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if any District has authorized operating functions under this Service Plan or an intergovernmental agreement with the City, to retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy on commercial and residential properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no commercial or residential property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts. With regard to Regional Improvements, this Service Plan also provides for the Districts to pay a portion of the cost of regional infrastructure as part of ensuring that development and those that benefit from development pay for the associated costs.

## **II. DEFINITIONS**

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a Framework Development Plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

ARI or Regional Improvements: means Aurora Regional Improvements.

ARI Authority: means one or more Authorities established by an ARI Authority Establishment Agreement.

ARI Establishment Agreement: means an intergovernmental agreement establishing an ARI Authority which has, at minimum, Title 32 special districts from three (3) or more Approved Development Plan areas as parties to the Agreement.

ARI Master Plan: means one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the districts which constitute such ARI Authority, which master plan will change from time to time.

ARI Mill Levy: means the following:

A. For districts with property within their boundaries developed with any residential uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; and (ii) shall be five (5) mills from the twenty-first (21<sup>st</sup>) year through the fortieth (40<sup>th</sup>) year or the date of repayment of the debt incurred for Public Improvements, other than Regional Improvements, which ever first occurs; and (iii) for an additional ten (10) years, the mill levy shall be equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of the debt incurred for Public Improvements other than Regional Improvements; and

B. For districts with property within their boundaries developed solely for commercial uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; (ii) shall be one and one-half (1.5) mills from the twenty-first (21<sup>st</sup>) year through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements; and (iii) for five (5) years thereafter, the mill levy shall be the lesser of twenty (20) mills or a mill levy equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of debt issued for Public Improvements, other than Regional Improvements; and

C. Any district may, pursuant to any intergovernmental agreement with the City, extend the term for application of the ARI Mill Levy beyond the years set forth in A and B above. The Maximum Mill levy Imposition Term shall include the terms set forth in A and B above and any extension of the term as approved in an intergovernmental agreement as described herein.

D. All mills described in this ARI Mill Levy definition shall be subject to adjustment as follows: On or after January 1, 2004, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the one (1) mill levy described above may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes, for purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Board: means the board of directors of one District or the boards of directors of all Districts, in the aggregate.



Bond, Bonds or Debt: means bonds or other obligations for the payment of which any District has promised to impose an *ad valorem* property tax mill levy, and/or collect Fee revenue.

City: means the City of Aurora, Colorado.

City Code: means the City Code of the City of Aurora, Colorado.

City Council: means the City Council of the City of Aurora, Colorado.

District: means any one of the Buckley Metropolitan District No. 1 through 4.

District No. 1: means the Buckley Metropolitan District No. 1.

District No. 2: means the Buckley Metropolitan District No. 2.

District No. 3: means the Buckley Metropolitan District No. 3.

District No. 4: means the Buckley Metropolitan District No. 4.

Districts: means District No. 1 and District Nos. 2, 3, and 4 collectively.

End User: means any owner, or tenant of any owner, of any taxable improvement within the Districts who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fees: means any fee imposed by the Districts for services, programs or facilities provided by the Districts, as described in Section V.A.11. below.

Financial Plan: means the Financial Plan described in Section VII which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the initial boundaries of the Districts.

Maximum Debt Mill Levy: means the maximum mill levy any of the Districts is permitted to impose for payment of Debt as set forth in Section VII.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VII.D below.

Project: means the development or property within the Service Area.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below, to serve the future taxpayers and inhabitants of the Service Area, and the general public, as determined by the Board of one or more of the Districts.

Regional Improvements: means Public Improvements and facilities that benefit the Service Area and which are to be financed pursuant to Section VI below.

Service Area: means the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

Service Plan: means this service plan for the Districts approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Taxable Property: means real or personal property within the Service Area subject to ad valorem taxes imposed by the Districts.

### **III. BOUNDARIES**

The area of the Initial District Boundaries includes approximately four (4) acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately One Hundred Fifty-Six (156) acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

### **IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION**

The Service Area consists of approximately One Hundred Sixty (160) acres of residential and commercial land. The current assessed valuation of the Service Area is \$0.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the Districts at build-out is estimated to be approximately three thousand sixty-nine (3,069) people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

### **V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES**

#### **A. Powers of the Districts and Service Plan Amendment.**

The Districts shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements

and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto. Any Fee imposed by the Districts for access to such park and recreation improvements shall not result in Non-District Aurora residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the Districts. However, the Districts shall be entitled to impose an administrative Fee as necessary to cover additional expenses associated with Non-District Aurora residents to ensure that such costs are not the responsibility of Districts residents. All such Fees shall be based upon the Districts' determination that such Fees do not exceed reasonable annual market fees for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District Aurora residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

2. Fire Protection Limitation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

3. Television Relay and Translation Limitation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

4. Golf Course Construction Limitation. Acknowledging that the City has financed public golf courses and desires to coordinate the construction of public golf courses in the City's boundaries, the Districts shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

5. Construction Standards Limitation. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The Districts will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S.

8. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy of the Districts. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

9. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the Districts shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

10. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of Seventy Five Million Dollars (\$75,000,000), exclusive of the Debt for Regional Improvements authorized in Section VI.C. of this Service Plan.

11. Fee Limitation. Each of the Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

12. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the Districts without any limitation.

13. Consolidation Limitation. No District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with one of the Districts.

14. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

15. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in Sections V.A.1-14 above or in Section VII.B-G shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

B. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of the Public Improvements within and without the boundaries of the Districts, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates

derived from the zoning on the property in the Service Area and is approximately Fifty Million Dollars (\$50,000,000).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of this Service Plan. Accordingly, any determination of any Board to set aside said intergovernmental agreement without the consent of all of the Districts shall be a material modification of the Service Plan. Said intergovernmental agreement may be amended by mutual agreement of the Districts without the need to amend this Service Plan.

**VI. REGIONAL IMPROVEMENTS**

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C below.

The Districts shall impose the ARI Mill Levy and shall convey it as follows:

A. If the Districts have executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

B. If the City and the Districts have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional

Improvements which benefit the service users and taxpayers of the Districts in accordance with such agreement; or

C. If neither Section VI.A nor VI.B above is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under this Section VI and shall not expend such revenue until an intergovernmental agreement is executed between the Districts establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the Districts as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, any District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI.B above. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Sections VI.A, B, or C set forth above, unless the City has agreed otherwise in writing; provided, however, in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The Districts shall cease to be obligated to impose, collect and convey to the appropriate entity, as described above, the revenue from the ARI Mill Levy described in this Section VI at such time as the area within the Districts' boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

The Districts shall have the authority to issue Debt for the Regional Improvements, in an amount not to exceed Twenty Million Dollars (\$20,000,000) pursuant to agreements as described in VI.A, B, or C above.

## **VII. FINANCIAL PLAN**

### **A. General.**



The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Fees and other legally available revenues. The total Debt that the Districts shall be permitted to issue shall not exceed Seventy Five Million Dollars (\$75,000,000), exclusive of the Debt for Regional Improvements authorized in Section VI.C. of this Service Plan, and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and shall be phased to serve development as it occurs. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the Districts. The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

The “Maximum Debt Mill Levy” shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt, and shall be determined as follows:

1. For the portion of any aggregate Debt which exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 below; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For the portion of any aggregate Debt which is equal to or less than fifty percent (50%) of the District’s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the

Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, such District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in such District's Debt to assessed ratio. All Debt issued by the Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the Districts are composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Maximum Debt Mill Levy Imposition Term.

The Districts shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI. Other than the ARI Mill Levy, the Districts shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District imposing the mill levy are residents of such District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

E. Debt Repayment Sources.

Each of the Districts may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. In no event shall the debt service mill levy in any District exceed the Maximum Debt Mill Levy or, for residential property within a District, the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the District and the City for Regional Improvements.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the

resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the Districts.

G. Security for Debt.

The Districts shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the Districts in the payment of any such obligation.

H. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Board, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of the Districts' Boards.

I. Districts' Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the districts' organization and initial operations, are anticipated to be One Hundred Fifty Thousand Dollars (\$150,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be One Hundred Thousand Dollars (\$100,000) which is anticipated to be derived from property taxes and other revenues.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase their mill levy as necessary for provision of operation and maintenance services to their taxpayers and service users.

## **VIII. ANNUAL REPORT**

A. General.

Each of the Districts shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than

August 1<sup>st</sup> of each year following the year in which the Order and Decree creating the District has been issued.

**B. Reporting of Significant Events.**

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the Districts' rules and regulations, if any as of December 31 of the prior year.
4. A summary of any litigation which involves the Districts Public Improvements as of December 31 of the prior year.
5. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the Districts for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the Districts financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.
- 12.

**IX. DISSOLUTION**

Upon an independent determination of the City Council that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the Districts have provided for the payment or discharge of all of

their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

## **X. DISCLOSURE TO PURCHASERS**

The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide written notice to all purchasers of property in the Districts regarding the Maximum Debt Mill Levy, as well as a general description of the Districts' authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

## **XI. INTERGOVERNMENTAL AGREEMENT**

The form of the intergovernmental agreement required by the City Code, relating to the limitations imposed on the Districts' activities, is attached hereto as **Exhibit D**. The Districts shall approve the intergovernmental agreement in the form attached as **Exhibit D** at their first Board meeting after their organizational elections. Failure of the Districts to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

## **XII. CONCLUSION**

It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2), C.R.S., and Section 122-35 of the City Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the Districts are compatible with the facility and service standards of the City within which the special districts are to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.

7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.

8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.

9. The creation of the District is in the best interests of the area proposed to be served.

Respectfully submitted this 11<sup>th</sup> day of October, 2019.

By: WHITE BEAR ANKELE TANAKA & WALDRON

Attorneys for the Proponents of the Districts

**EXHIBIT A**

Legal Descriptions

# EXHIBIT A

## District No. 1

A PARCEL OF LAND IN THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHEAST CORNER OF SECTION 12 AND CONSIDERING THE NORTH LINE OF SAID NORTHEAST QUARTER OF SECTION 12 TO BEAR NORTH 89°17'01" EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE SOUTH 86°49'53" WEST A DISTANCE OF 1,355.51 FEET TO THE **POINT OF BEGINNING**;  
 THENCE SOUTH 00°42'59" EAST A DISTANCE OF 200.00 FEET;  
 THENCE SOUTH 89°17'01" WEST A DISTANCE OF 200.00 FEET;  
 THENCE NORTH 00°42'59" WEST A DISTANCE OF 200.00 FEET;  
 THENCE NORTH 89°17'01" EAST A DISTANCE OF 200.00 FEET TO THE **POINT OF BEGINNING**;

SAID PARCEL CONTAINS AN AREA OF 40,000 SQUARE FEET, OR 0.918 ACRES, MORE OR LESS.

THE LINEAL DISTANCE UNIT USED IN THE PREPARATION OF THIS LEGAL DESCRIPTION IS THE UNITED STATES SURVEY FOOT. THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY DEFINES THE UNITED STATES SURVEY FOOT AS 1200/3937 METERS.

I, THOMAS D. STAAB, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING, IS BASED ON MY KNOWLEDGE, INFORMATION AND BELIEF, AND IS IN ACCORDANCE WITH APPLICABLE STANDARDS OF PRACTICE.

THOMAS D. STAAB, P.L.S. 25965  
 FOR AND ON BEHALF OF  
 WARE MALCOMB  
 990 SOUTH BROADWAY  
 SUITE 230  
 DENVER, COLORADO 80209  
 P 303.561.3333



990 south broadway suite 230 denver, co 80209 p 303.561.3333 waremalcomb.com <b>WM</b> <b>WARE MALCOMB</b> CIVIL ENGINEERING & SURVEYING	PROJECT NAME: AURORA ONE			SHEET  <b>1 OF 1</b>
	JOB NO.: DCS19-4081	DATE : 10/09/2019		
	DRAWN: AJ	PA/PM: TS	SCALE: NA	



# EXHIBIT A

## District No. 2

A PARCEL OF LAND IN THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHEAST CORNER OF SECTION 12 AND CONSIDERING THE NORTH LINE OF SAID NORTHEAST QUARTER OF SECTION 12 TO BEAR NORTH 89°17'01" EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE SOUTH 87°08'47" WEST A DISTANCE OF 1,555.35 FEET TO THE **POINT OF BEGINNING**;  
 THENCE SOUTH 00°42'59" EAST A DISTANCE OF 200.00 FEET;  
 THENCE SOUTH 89°17'01" WEST A DISTANCE OF 200.00 FEET;  
 THENCE NORTH 00°42'59" WEST A DISTANCE OF 200.00 FEET;  
 THENCE NORTH 89°17'01" EAST A DISTANCE OF 200.00 FEET TO THE **POINT OF BEGINNING**;

SAID PARCEL CONTAINS AN AREA OF 40,000 SQUARE FEET, OR 0.918 ACRES, MORE OR LESS.

THE LINEAL DISTANCE UNIT USED IN THE PREPARATION OF THIS LEGAL DESCRIPTION IS THE UNITED STATES SURVEY FOOT. THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY DEFINES THE UNITED STATES SURVEY FOOT AS 1200/3937 METERS.

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THOMAS D. STAAB, P.L.S. 25965  
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990 south broadway suite 230 denver, co 80209 p 303 561.3333 waremalcomb.com <b>WM</b> <b>WARE MALCOMB</b> CIVIL ENGINEERING & SURVEYING	PROJECT NAME: AURORA ONE		SHEET
	JOB NO.: DCS19-4081	DATE: 10/09/2019	1 OF 1
	DRAWN: AJ	PA/PM: TS	

# EXHIBIT A

## District No. 3

A PARCEL OF LAND IN THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHEAST CORNER OF SECTION 12 AND CONSIDERING THE NORTH LINE OF SAID NORTHEAST QUARTER OF SECTION 12 TO BEAR NORTH 89°17'01" EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE SOUTH 87°23'24" WEST A DISTANCE OF 1,755.23 FEET TO THE **POINT OF BEGINNING**;  
 THENCE SOUTH 00°42'59" EAST A DISTANCE OF 200.00 FEET;  
 THENCE SOUTH 89°17'01" WEST A DISTANCE OF 200.00 FEET;  
 THENCE NORTH 00°42'59" WEST A DISTANCE OF 200.00 FEET;  
 THENCE NORTH 89°17'01" EAST A DISTANCE OF 200.00 FEET TO THE **POINT OF BEGINNING**;

SAID PARCEL CONTAINS AN AREA OF 40,000 SQUARE FEET, OR 0.918 ACRES, MORE OR LESS.

THE LINEAL DISTANCE UNIT USED IN THE PREPARATION OF THIS LEGAL DESCRIPTION IS THE UNITED STATES SURVEY FOOT. THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY DEFINES THE UNITED STATES SURVEY FOOT AS 1200/3937 METERS.

I, THOMAS D. STAAB, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING, IS BASED ON MY KNOWLEDGE, INFORMATION AND BELIEF, AND IS IN ACCORDANCE WITH APPLICABLE STANDARDS OF PRACTICE.

THOMAS D. STAAB, P.L.S. 25965  
 FOR AND ON BEHALF OF  
 WARE MALCOMB  
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 DENVER, COLORADO 80209  
 P 303.561.3333



990 south broadway suite 230 denver, co 80209 p 303.561.3333 waremalcomb.com <div style="text-align: center; font-weight: bold; font-size: 1.5em;">WM</div> WARE MALCOMB CIVIL ENGINEERING & SURVEYING	PROJECT NAME: AURORA ONE			SHEET
	JOB NO.: DCS19-4081	DATE : 10/09/2019		1 OF 1
	DRAWN: AJ	PA/PM: TS	SCALE: NA	

# EXHIBIT A

District No. 4

A PARCEL OF LAND IN THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHEAST CORNER OF SECTION 12 AND CONSIDERING THE NORTH LINE OF SAID NORTHEAST QUARTER OF SECTION 12 TO BEAR NORTH 89°17'01" EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE SOUTH 87°35'01" WEST A DISTANCE OF 1,955.13 FEET TO THE **POINT OF BEGINNING**;  
 THENCE SOUTH 00°42'59" EAST A DISTANCE OF 200.00 FEET;  
 THENCE SOUTH 89°17'01" WEST A DISTANCE OF 200.00 FEET;  
 THENCE NORTH 00°42'59" WEST A DISTANCE OF 200.00 FEET;  
 THENCE NORTH 89°17'01" EAST A DISTANCE OF 200.00 FEET TO THE **POINT OF BEGINNING**;

SAID PARCEL CONTAINS AN AREA OF 40,000 SQUARE FEET, OR 0.918 ACRES, MORE OR LESS.

THE LINEAL DISTANCE UNIT USED IN THE PREPARATION OF THIS LEGAL DESCRIPTION IS THE UNITED STATES SURVEY FOOT. THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY DEFINES THE UNITED STATES SURVEY FOOT AS 1200/3937 METERS.

I, THOMAS D. STAAB, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING, IS BASED ON MY KNOWLEDGE, INFORMATION AND BELIEF, AND IS IN ACCORDANCE WITH APPLICABLE STANDARDS OF PRACTICE.

THOMAS D. STAAB, P.L.S. 25965  
 FOR AND ON BEHALF OF  
 WARE MALCOMB  
 990 SOUTH BROADWAY  
 SUITE 230  
 DENVER, COLORADO 80209  
 P 303.561.3333



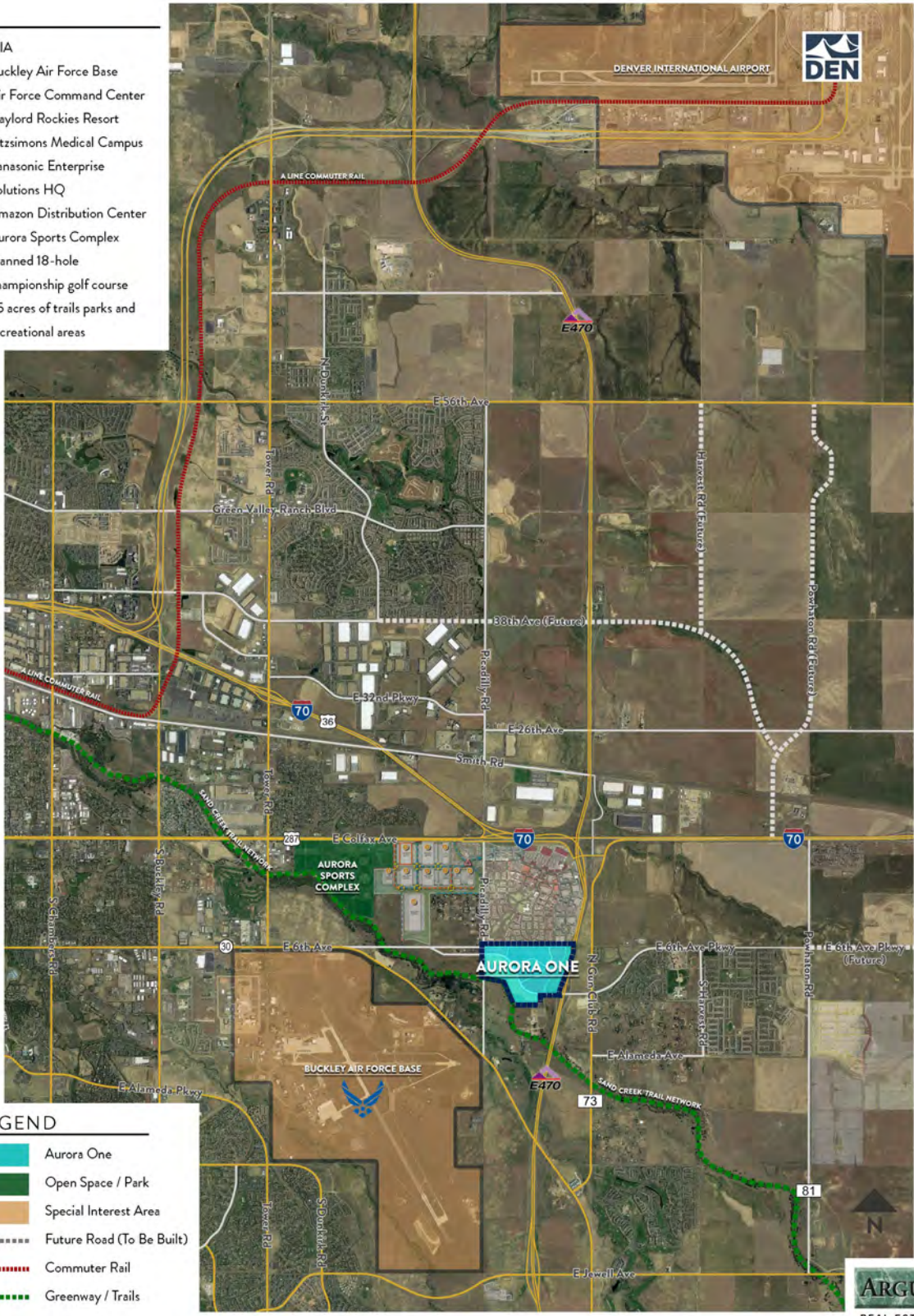
990 south broadway suite 230 denver, co 80209 p 303.561.3333 waremalcomb.com <div style="text-align: center; font-weight: bold; font-size: 1.5em;">WM</div> WARE MALCOMB CIVIL ENGINEERING & SURVEYING	PROJECT NAME: AURORA ONE			SHEET  1 OF 1
	JOB NO.: DCS19-4081	DATE: 10/09/2019		
	DRAWN: AJ	PA/PM: TS	SCALE: NA	

**EXHIBIT B**

Aurora Vicinity Map



- DIA
- Buckley Air Force Base
- Air Force Command Center
- Gaylord Rockies Resort
- Fitzsimons Medical Campus
- Panasonic Enterprise Solutions HQ
- Amazon Distribution Center
- Aurora Sports Complex
- Planned 18-hole championship golf course
- 95 acres of trails parks and recreational areas



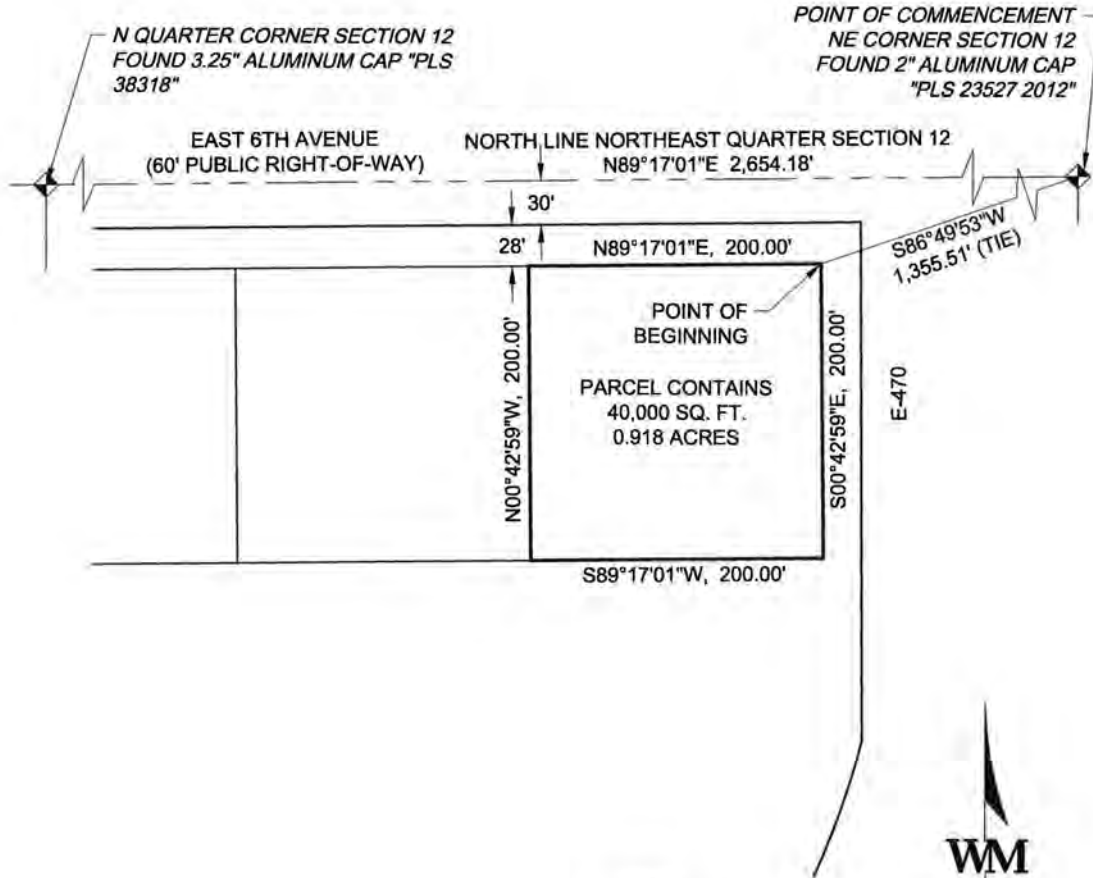
Disclaimer: Neither the Seller, Buyer, Owner, Broker, nor Argus represents, warrants, either by implication nor express statement, the accuracy or completeness of the information contained in the Marketing Materials.

**EXHIBIT C-1**

Initial District Boundary Maps

# EXHIBIT C-1

District No. 1



**NOTE:**  
THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY, IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

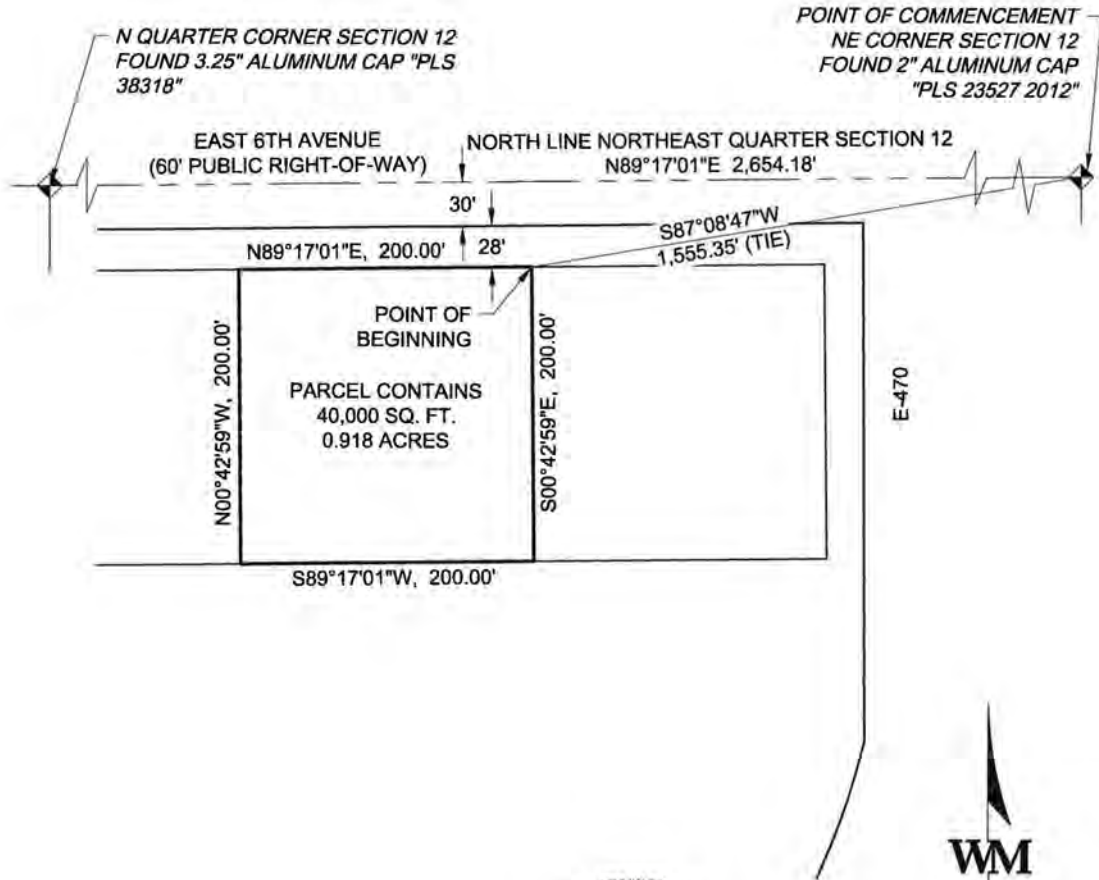


990 south broadway suite 230 denver, co 80209 p 303.561.3333 waremalcomb.com <b>WM</b> WARE MALCOMB CIVIL ENGINEERING & SURVEYING	PROJECT NAME: AURORA ONE			SHEET <b>2 OF 2</b>
	JOB NO.: DCS19-4081	DATE: 10/09/2019		
	DRAWN: AJ	PA/PM: TS	SCALE: 1" = 100'	



# EXHIBIT C-1

District No. 2



**NOTE:**  
THIS EXHIBIT DOES NOT REPRESENT A  
MONUMENTED SURVEY, IT IS  
INTENDED ONLY TO DEPICT THE  
ATTACHED DESCRIPTION.

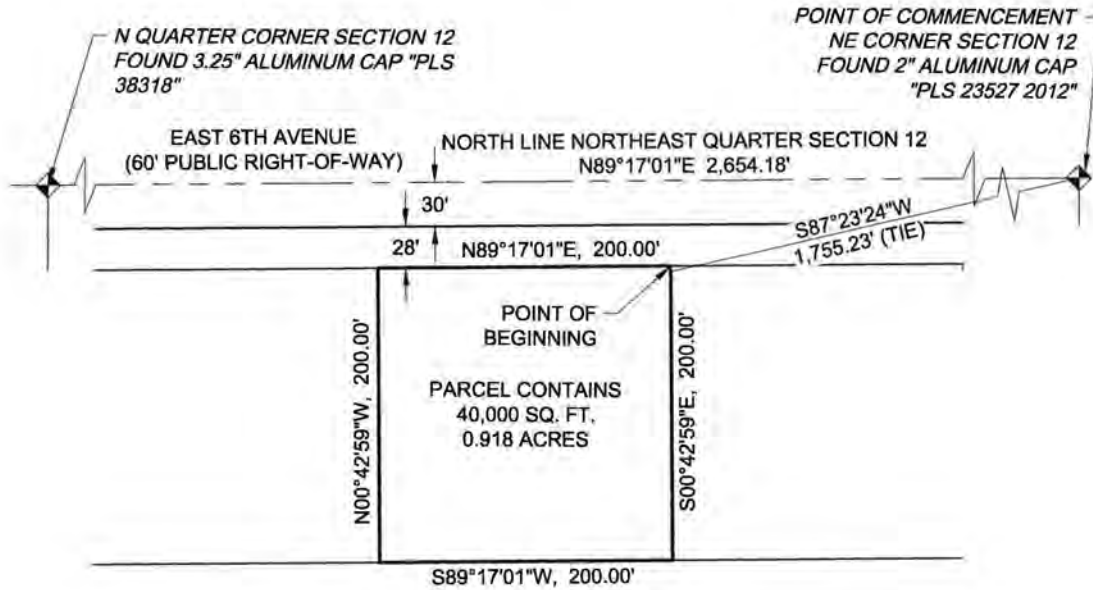


990 south broadway suite 230 denver, co 80209 p 303.561.3333 waremalcomb.com <b>WM</b> <b>WARE MALCOMB</b> CIVIL ENGINEERING & SURVEYING	PROJECT NAME: AURORA ONE			SHEET <b>2 OF 2</b>
	JOB NO.: DCS19-4081	DATE: 10/09/2019		
	DRAWN: AJ	PA/PM: TS	SCALE: 1" = 100'	



# EXHIBIT C-1

District No. 3



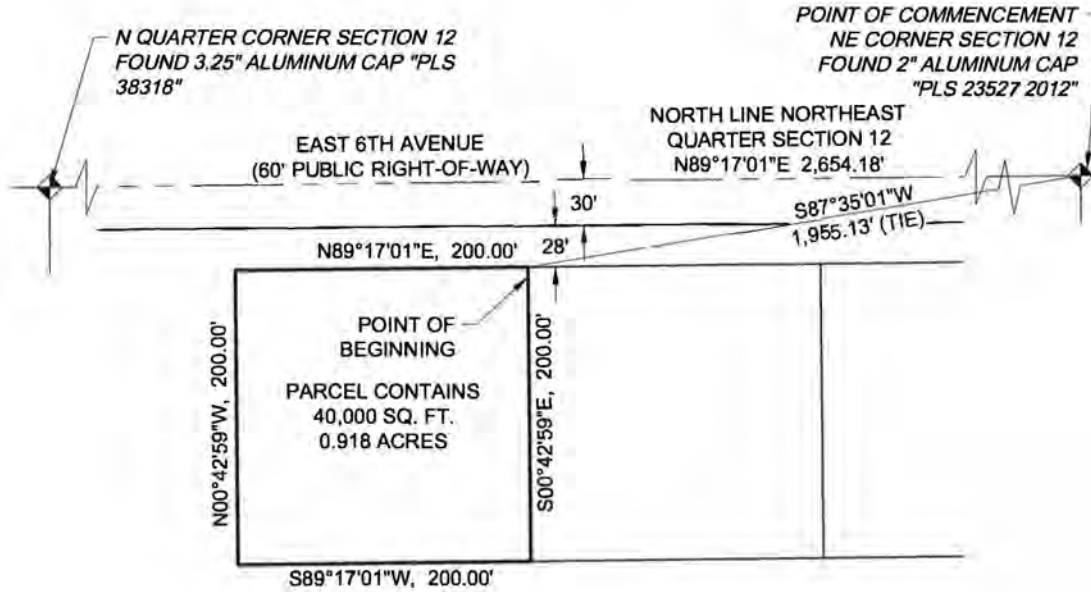
**NOTE:**  
 THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY, IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.



990 south broadway suite 230 denver, co 80209 p 303.561.3333 waremalcomb.com <b>WM</b> <b>WARE MALCOMB</b> CIVIL ENGINEERING & SURVEYING	PROJECT NAME: AURORA ONE			SHEET
	JOB NO.: DCS19-4081	DATE : 10/09/2019		2 OF 2
	DRAWN: AJ	PA/PM: TS	SCALE: 1" = 100'	

# EXHIBIT C-1

District No. 4



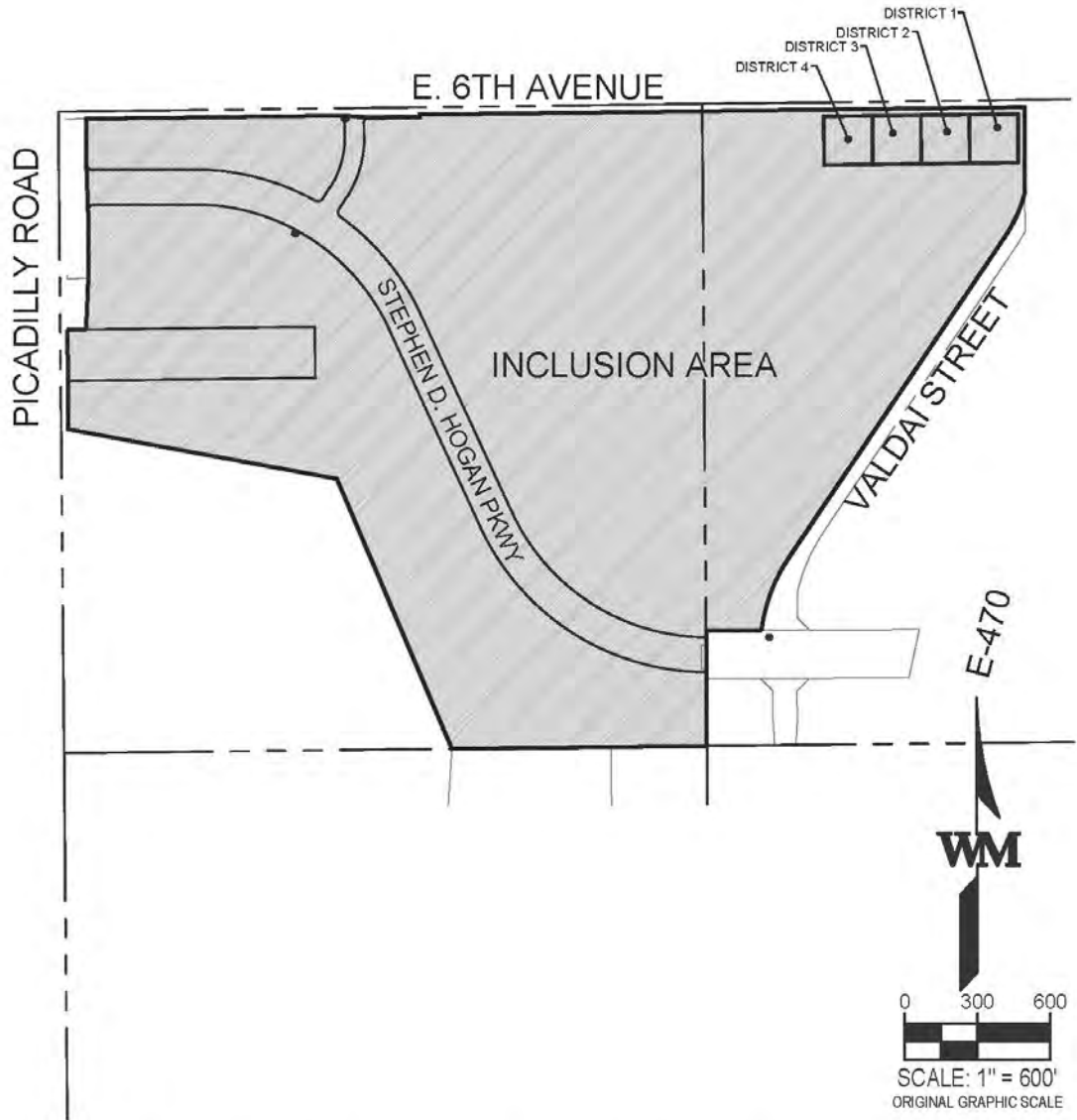
**NOTE:**  
THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY, IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

990 south broadway suite 230 denver, co 80209 p 303.581.3333 waremalcomb.com 	PROJECT NAME: AURORA ONE			SHEET
	JOB NO.: DCS19-4081	DATE: 10/09/2019		2 OF 2
	DRAWN: AJ	PA/PM: TS	SCALE: 1" = 100'	
CIVIL ENGINEERING & SURVEYING				

**EXHIBIT C-2**

Inclusion Area Boundary Map

# INCLUSION AREA



990 south broadway suite 230 denver, co 80209 p 303.561.3333 waremalcomb.com <b>CIVIL ENGINEERING &amp; SURVEYING</b>		PROJECT NAME: BUCKLEY METRO DIST. - INCLUSION		SHEET
		JOB NO.: DCS19-4081	DATE: 10/9/19	INCL
		DRAWN:	PA/PM: TCJ	

**EXHIBIT D**

Intergovernmental Agreement between the Districts and Aurora

**INTERGOVERNMENTAL AGREEMENT BETWEEN**

**THE CITY OF AURORA, COLORADO,**

**BUCKLEY METROPOLITAN DISTRICT NO. 1,**

**BUCKLEY METROPOLITAN DISTRICT NO. 2,**

**BUCKLEY METROPOLITAN DISTRICT NO. 3,**

**AND**

**BUCKLEY METROPOLITAN DISTRICT NO. 4**

THIS AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado (“City”), and BUCKLEY METROPOLITAN DISTRICT NO. 1, BUCKLEY METROPOLITAN DISTRICT NO. 2, BUCKLEY METROPOLITAN DISTRICT NO. 3, and BUCKLEY METROPOLITAN DISTRICT NO. 4, quasi-municipal corporations and political subdivisions of the State of Colorado (the “Districts”). The City and the Districts are collectively referred to as the Parties.

**RECITALS**

WHEREAS, the Districts were organized to provide those services and to exercise powers as are more specifically set forth in the Districts’ Service Plans approved by the City on November \_\_, 2019 (“Service Plans”); and

WHEREAS, the Service Plans make reference to the execution of an intergovernmental agreement between the City and the Districts, as required by the Aurora City Code; and

WHEREAS, the City and the Districts have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**COVENANTS AND AGREEMENTS**

1. Operations and Maintenance. The Districts shall dedicate the Public Improvements (as defined in the Service Plan) to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities,

paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto.

Any Fee imposed by the District for access to such park and recreation improvements shall not result in Non-District City residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the District. However, the District shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with Non-District City residents to ensure that such costs are not the responsibility of District residents. All such Fees shall be based upon the District's determination that such Fees do not exceed reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District City residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

2. Fire Protection. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

3. Television Relay and Translation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

4. Golf Course Construction. The Districts shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

5. Construction Standards. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The Districts will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S.

8. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy of the Districts. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

9. Initial Debt. On or before the effective date of approval by the City of an Approved Development Plan (as defined in the Service Plan), the Districts shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

10. Total Debt Issuance. The Districts shall not issue Debt in excess of Seventy Five Million Dollars (\$75,000,000), exclusive of the Debt for Regional Improvements authorized in Section VI.C. of the Service Plan,

11. Fee Limitation. Each of the Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

12. Debt Issuance Limitation. The Districts shall not be authorized to incur any indebtedness until such time as the Districts have approved and executed the IGA and approved



the imposition of the Aurora Regional Improvement Mill Levy (as defined in the Service Plan) upon all taxable property located within the boundaries of the Districts.

13. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the Districts without any limitation.

14. Consolidation. No District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with one of the Districts.

15. Bankruptcy. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

16. Dissolution. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

17. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District’s authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

18. Service Plan Amendment Requirement. Actions of the Districts which violate the limitations set forth in V.A.1-14 or VII.B-G of the Service Plans shall be deemed to be material modifications to the Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

19. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts. Such intergovernmental agreement will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of the Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of the Service Plan. Accordingly, any determination of any Board to set aside said intergovernmental agreement without the consent of all of the Districts shall be a material modification of the Service Plan. Said intergovernmental agreement may be amended by mutual agreement of the Districts without the need to amend the Service Plan.

20. Annual Report. The Districts shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued, pursuant to the City Code and containing the information set forth in Section VIII of the Service Plan.

21. Regional Improvements. The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C of the Service Plan.

The Districts shall impose the ARI Mill Levy and shall convey it as follows:

(a) If the Districts have executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

(b) If the City and the Districts have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the Districts in accordance with such agreement; or

(c) If neither Section VI.A nor VI.B of the Service Plan is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under Section VI of the Service Plan and shall not expend such revenue until an intergovernmental agreement is executed between the Districts establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the Districts as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, any District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI.B of the Service Plan. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Sections VI.A, B, or C of the Service Plan, unless the City has agreed otherwise in writing; provided, however, in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The Districts shall cease to be obligated to impose, collect and convey to the appropriate entity, as described above, the revenue from the ARI Mill Levy described in Section VI of the Service Plan at such time as the area within the Districts' boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

22. Maximum Debt Mill Levy. The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

(a) For the portion of any aggregate District's Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 of the Service Plan; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes

occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) For the portion of any aggregate District's Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

(c) For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 of the Service Plan, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

23. Maximum Debt Mill Levy Imposition Term. The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI of the Service Plan. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

24. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Districts: Buckley Metropolitan District Nos. 1-4  
Attn: Kristen D. Bear  
2154 E. Commons Ave., Suite 2000  
Centennial, CO 80122  
Phone: 303-858-1800  
Fax:303-858-1801

To the City: City of Aurora  
15151 E. Alameda Pkwy., 5th Floor

Aurora, CO 80012  
Attn: Daniel L. Brotzman, Interim City Attorney  
Phone: (303) 739-7030  
Fax: (303) 739-7042

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

25. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

26. Assignment. No Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of all other Parties, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

27. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Parties shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party/Parties in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

28. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

29. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

30. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

31. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the Districts and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts and the City shall be for the sole and exclusive benefit of the Districts and the City.

32. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of

such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

33. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

34. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

35. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

BUCKLEY METROPOLITAN DISTRICT  
NOS. 1-4

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

CITY OF AURORA, COLORADO

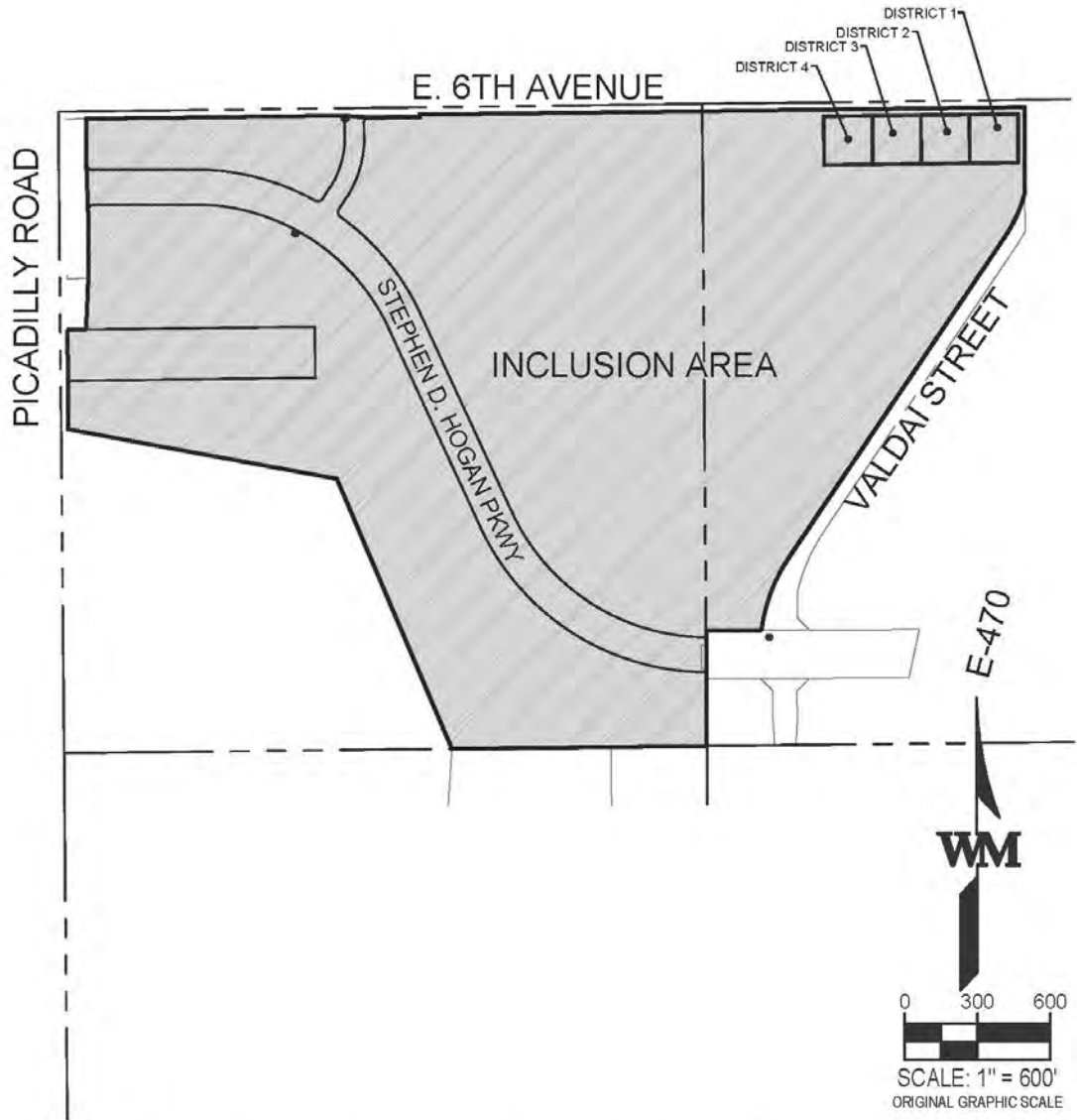
By: \_\_\_\_\_  
Bob LeGare, Mayor

Attest:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM: \_\_\_\_\_

# INCLUSION AREA



990 south broadway suite 230 denver, co 80209 p 303.561.3333 waremalcomb.com <b>CIVIL ENGINEERING &amp; SURVEYING</b>		PROJECT NAME: BUCKLEY METRO DIST. - INCLUSION		SHEET
		JOB NO.: DCS19-4081	DATE: 10/9/19	INCL
		DRAWN:	PA/PM: TCJ	

October 11, 2019

**VIA ELECTRONIC MAIL**

Ms. Cesarina Dancy  
Development Project Coordinator  
City of Aurora  
Office of Development Assistance  
15151 East Alameda Parkway, Suite 5200  
Aurora, CO 80012  
[cdancy@auroragov.org](mailto:cdancy@auroragov.org)

**Re: Buckley Metropolitan District Nos. 1-4 (the “Districts”) Service Plan Pre-Submittal**

Ms. Dancy:

Enclosed please find a clean electronic copy of the proposed Service Plan (the “Service Plan”) with exhibits in PDF and Word format. For your reference we are including the following:

- Redline of Model Service Plan (Word format)
- Clean proposed service plan with exhibits (Word format)
- Clean proposed Service Plan with exhibits (PDF format)

We made only minor tweaks to the Model Service Plan which are indicated in the enclosed redline of the Model Service Plan. First, we removed definitions and references to “Operating District” and “Taxing Districts” because it is not clear at this stage in the development of the project if the Operating/Taxing District structure will be used, and, if used, which of the Districts will be the operating district or taxing districts. Second, we clarified that the Districts are authorized to undertake operations and maintenance services as provided in the Service Plan, or in a separate IGA with the City (see Section I.C). Third, we clarified that the Districts are permitted only to consolidate with one of the other Districts (see Section V.A.13). Fourth, we clarified that the debt authorized to be issued by the Districts in Section V.A.10 and VII.A does not include the debt for regional improvements.

Pursuant to the City of Aurora’s “Submittal Instructions for Filing of Proposed Service Plan” (the “Instructions”), please find the following information:

- a. Name of the Districts: Buckley Metropolitan District Nos. 1-4.



b. Contact information:

i. General Counsel:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
Attention: Kristin D. Bear, Esq., Zachary P. White, Esq.  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
Phone: (303) 858-1800  
Fax: (303) 858-1801  
[kbear@wbapc.com](mailto:kbear@wbapc.com), [zwhite@wbapc.com](mailto:zwhite@wbapc.com)

ii. Petitioners:

GB Capital, LLC  
Attn: Geoffrey Babbitt  
2225 S. Clayton Street  
Denver, CO 80210  
Phone: (303)901-1414  
[geoff@gbcapitalllc.com](mailto:geoff@gbcapitalllc.com)

iii. Owners:

AURORA ONE REAL ESTATE, L.P.  
Attn: Eddie Scott, General Partner  
7629 Hillside Road, Suite 100  
Amarillo, TX 79119  
(806) 467 – 1000  
Email: [eddie@greenwaysofamarillo.com](mailto:eddie@greenwaysofamarillo.com),  
[tommy@greenwaysofamarillo.com](mailto:tommy@greenwaysofamarillo.com)

A letter from the Owner's consenting to the organization of the Districts is attached for your reference.

c. Form of Service Plan: Multiple District Single Service Plan.

d. Type of Development: Commercial/Residential.

e. Status of Aurora Development Review Process on Development Plans: The petitioners held a pre-application meeting with the City on September 5, 2019, and received initial comment following the pre-application meeting on September 20, 2019. The petitioners anticipate filing site plan and FDP applications in the next 30 days.

f. Justification for Petitioner's Request to City Council to Approve: There are

currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the public improvements needed for the project to be provided in the most economic manner possible.

g. Statement Certifying Compliance with the Aurora Model Service Plan: The Service Plan is an exact copy of the appropriate Model Service Plan and all changes from the Model Service Plan are clearly identified.

h. Statement on the Debt Limit: The debt limit in Section V.A.10 (Total Debt Issuance Limitation) and Section VII.A. (Financial Plan – General) are the same and DO NOT include any debt associated with regional improvements as described in the last sentence of Section VI.C.

i. Special Requests: Per our previous discussion with Ms. Irvin, we are anticipating the following schedule:

- October 22 - Management and Finance Committee
- November 4 – City Council Study Session
- November 18 – City Council Regular Agenda for formal action

If this schedule does not match the City’s anticipated schedule, please let us know as soon as possible.

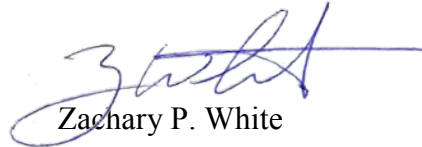
j. Summary Table:

Name of Metro District	Public Improvements	Debt Limit	Debt Limit includes ARI?	ARI Debt Limit	Total Debt Capacity	Organizing and Operating Reimbursement	1 <sup>st</sup> year Operating & Maintenance
(Location in Service Plan)	V.B.	V.A.10	From transmittal letter	VI. C.	Calculate	VII. I	VII.I.
Buckley Metropolitan District No. 1	\$50,000,000	\$75,000,000	No	\$20,000,000	\$95,000,000	\$150,000	\$100,000
Buckley Metropolitan District No. 2	\$50,000,000	\$75,000,000	No	\$20,000,000	\$95,000,000	\$150,000	\$100,000
Buckley Metropolitan District No. 3	\$50,000,000	\$75,000,000	No	\$20,000,000	\$95,000,000	\$150,000	\$100,000
Buckley Metropolitan District No. 4	\$50,000,000	\$75,000,000	No	\$20,000,000	\$95,000,000	\$150,000	\$100,000

Finally, the required service plan deposit is enclosed with this letter. We look forward to discussing this matter further with you. In the interim, should you have any immediate questions regarding this submittal, please do not hesitate to contact me.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



Zachary P. White

Enclosures

Cc: Geoff Babbitt  
Steve Nichols  
Kristen D. Bear

Property Owner's Consent

October 10, 2019

City of Aurora  
Office of Development Assistance  
15151 East Alameda Parkway, Suite 5200  
Aurora, Colorado 80012

**RE: Buckley Metropolitan District Nos. 1-4 (the "Districts")**

Ladies and Gentlemen:

Aurora One Real Estate, LP ("Owner") is the sole owner of the property attached hereto as Exhibit A, which property is proposed to constitute the boundaries of the Districts. The purpose of this letter is to advise that I, Dennis Beene, as Assistant Vice-President of Aurora One Management Company, LLC, General Partner of the Owner, do hereby consent to the organization of the Districts.



---

Dennis Beene  
Assistant Vice-President  
Aurora One Management Company, LLC

- DIA
- Buckley Air Force Base
- Air Force Command Center
- Gaylord Rockies Resort
- Fitzsimons Medical Campus
- Panasonic Enterprise Solutions HQ
- Amazon Distribution Center
- Aurora Sports Complex
- Planned 18-hole championship golf course
- 95 acres of trails parks and recreational areas



Disclaimer: Neither the Seller, Buyer, Owner, Broker, nor Argus represents, warrants, either by implication nor express statement, the accuracy or completeness of the information contained in the Marketing Materials.

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## Management and Finance Policy Committee Agenda Item Commentary

Item Title: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, APPROVING THE INCLUSION OF REAL PROPERTY INTO THE BOUNDARIES OF THE AURORA CROSSROADS; METROPOLITAN DISTRICT NOS. 1-3.
Item Initiator: Jacob Cox, Senior Dev Project Manager
Staff Source: Jacob Cox, Senior Dev Project Manager
Deputy City Manager Signature: Jason Batchelor
Outside Speaker:
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

### ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

The consolidated service plan for Aurora Crossroads Metropolitan District Nos. 1-3 was originally approved in February 2008. The existing district is generally located at the southeast corner of E-470 and I-70.

The District is seeking the inclusion of additional real property consisting of approximately 56.888 Acres. This inclusion property is located along Powhaton Road just south of East Colfax Avenue.

**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

The Aurora Crossroads Metropolitan District Nos. 1-3 is requesting inclusion of an additional 56.888 Acres into the existing District.

The attached inclusion request includes the executed petition.

### QUESTIONS FOR Committee

Does the Committee wish to move this item forward to City Council Study Session?

### EXHIBITS ATTACHED:

Aurora Crossroads Inclusion Request.pdf  
Inclusion Area Vicinity Map.pdf  
Map ALTA Survey.pdf  
Vicinity Map - Aurora Crossroads.pdf

WILLIAM P. ANKELE, JR.  
JENNIFER GRUBER TANAKA  
CLINT C. WALDRON  
KRISTIN BOWERS TOMPKINS  
ROBERT G. ROGERS  
BLAIR M. DICKHONER

OF COUNSEL:  
KRISTEN D. BEAR  
K. SEAN ALLEN  
GEORGE M. ROWLEY



ZACHARY P. WHITE  
TRISHA K. HARRIS  
HEATHER L. HARTUNG  
MEGAN J. MURPHY  
EVE M. GRINA  
ALLISON C. FOGG  
JENNIFER C. ROGERS  
LAURA S. HEINRICH

September 12, 2019

City of Aurora  
Attention: Vinessa Irvin  
Office of Development Assistance  
15151 E Alameda Parkway, Suite 5200  
Aurora, Colorado 80012  
[virvin@auroragov.org](mailto:virvin@auroragov.org)

Re: City Council Consent to Inclusion of Property into Aurora Crossroads  
Metropolitan District Nos. 1-3

Dear Ms. Irvin:

Our firm serves as general legal counsel to the Aurora Crossroads Metropolitan District Nos. 1-3 (the "Districts"). The Districts requested that we contact your office to seek consent from the City Council of the City of Aurora, Colorado (the "City Council") to the inclusion of the following property into the Districts currently owned by JAMASO LLC:

THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 4, TOWNSHIP 4 SOUTH, RANGE 65 WEST OF THE 6<sup>TH</sup> PRINCIPAL MERIDIAN, EXCEPT ANY PART OF THE LAND LYING WITHIN EXISTING ROADS AND EXCEPT THAT PORTION RELEASED BY PARTIAL RELEASE RECORDED NOVEMBER 23, 2004 UNDER RECEPTION NO. B4203202 AND EXCEPT THAT PART CONVEYED IN DEED TO THE CITY OF AURORA RECORDED FEBRUARY 8, 2008 UNDER RECEPTION NO B8022077, COUNTY OF ARAPAHOE, STATE OF COLORADO

Consisting of approximately 56.888 Acres and as more particularly described on the enclosed map (the "Property").

This consent is necessary as Article V, Section A7 of the Consolidated Service Plan for the Districts (the "Service Plan") provides that property located outside of the Districts' Service Area (as defined in the Service Plan) may not be included within the Districts without first obtaining consent from the City Council. The Property is outside of the Districts' Service Area.

The Districts wish to include the Property within their Service Area as it is important part to the overall development of the area. It is anticipated that the Property will consist of commercial units that will result in an increase of taxable income revenue for the Districts. This additional taxable revenue could be utilized by the Districts to assist in funding the regional infrastructure



improvements, such as the expansion of Colfax Avenue and Gun Club Road. The Districts also believe that the inclusion of the Property could activate the regional activity center more quickly than what is currently anticipated. For these reasons, the Districts respectfully request that the City Council adopt the enclosed resolution consenting to the inclusion.

In support of the request for the inclusion, JAMASO LLC has submitted the attached petition.

Please let us know if you have any questions or wish to discuss this matter either on a conference call or at a meeting.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



Heather L. Hartung  
Associate

Enclosures

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA COLORADO  
CONSENTING TO THE INCLUSION OF CERTAIN PROPERTY INTO AURORA  
CROSSROADS METROPOLITAN DISTRICT NOS. 1-3**

WHEREAS, the City Council of the City of Aurora, Colorado adopted a resolution on February 25, 2008 approving the Consolidated Service Plan for the Aurora Crossroads Metropolitan District Nos. 1-3 (the "Service Plan"); and;

WHEREAS, Article V, Section A7 of the Service Plan provides that the Districts shall not include any property outside of the Service Area (as defined in the Service Plan) within the boundaries of the Districts without the prior consent of the City Council of the City of Aurora, Colorado (the "City Council"); and

WHEREAS, the Districts wish to include the property identified on **Exhibit A**, attached hereto and incorporated herein (the "Property"), within their Service Area; and

WHEREAS, JAMASO LLC, the owner of the Property, consents to the inclusion of the Property into the Districts; and

WHEREAS, the City Council has considered the Districts' request, and the consent of JAMASO LLC, and wishes to provide consent to such inclusion.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:**

1. The City Council of the City of Aurora, Colorado hereby consents to the inclusion of the property set forth in **Exhibit A**.

**RESOLVED, ADOPTED AND APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2019.

**ATTEST:**

**City Council of the City of Aurora, Colorado**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**THE INCLUSION PROPERTY**



**PETITION FOR INCLUSION OF PROPERTY**

**(JAMASO LLC Property – 56.888 Acres)**

---

TO: THE BOARD OF DIRECTORS OF THE  
AURORA CROSSROADS METROPOLITAN DISTRICT NOS. 1-3,  
CITY OF AURORA, ARAPAPHOE COUNTY, COLORADO

Pursuant to the provisions of §§ 32-1-401, *et seq.*, C.R.S., JAMASO LLC, a Colorado limited liability company (the “Petitioner”) hereby respectfully requests that the **AURORA CROSSROADS METROPOLITAN DISTRICT NOS. 1-3** (the “Districts”), by and through its Board of Directors, include the real property described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “Property”), into the boundaries of the Districts.

The Petitioner hereby represents and warrants to the Districts that it is the one hundred percent (100%) fee owner of the Property and that no other person, persons, entity or entities own an interest therein except as beneficial holders of encumbrances, if any. The Petitioner hereby assents to the inclusion of the Property into the boundaries of the Districts and to the entry of an Order by the District Court in and for Arapahoe County, including the Property into the boundaries of the Districts.

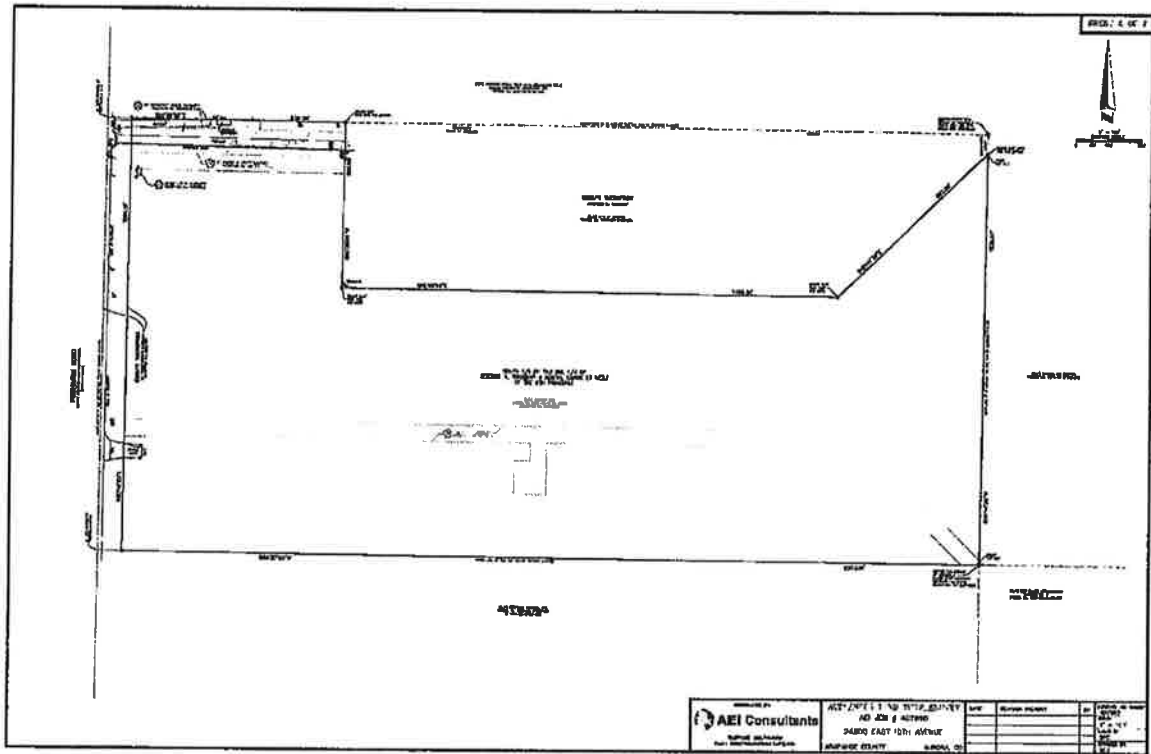
The Petitioner hereby acknowledges that, without the consent of the Board of Directors of the Districts, it cannot withdraw its Petition once the notice of the public hearing on the Petition has been published.

The name and address of the Petitioner is as follows:  
JAMASO LLC  
c/o Mike Schroeder  
4100 E. Mississippi Avenue, Suite 500  
Glendale, Colorado 80246

*Remainder of page intentionally left blank. Signature page follows.*



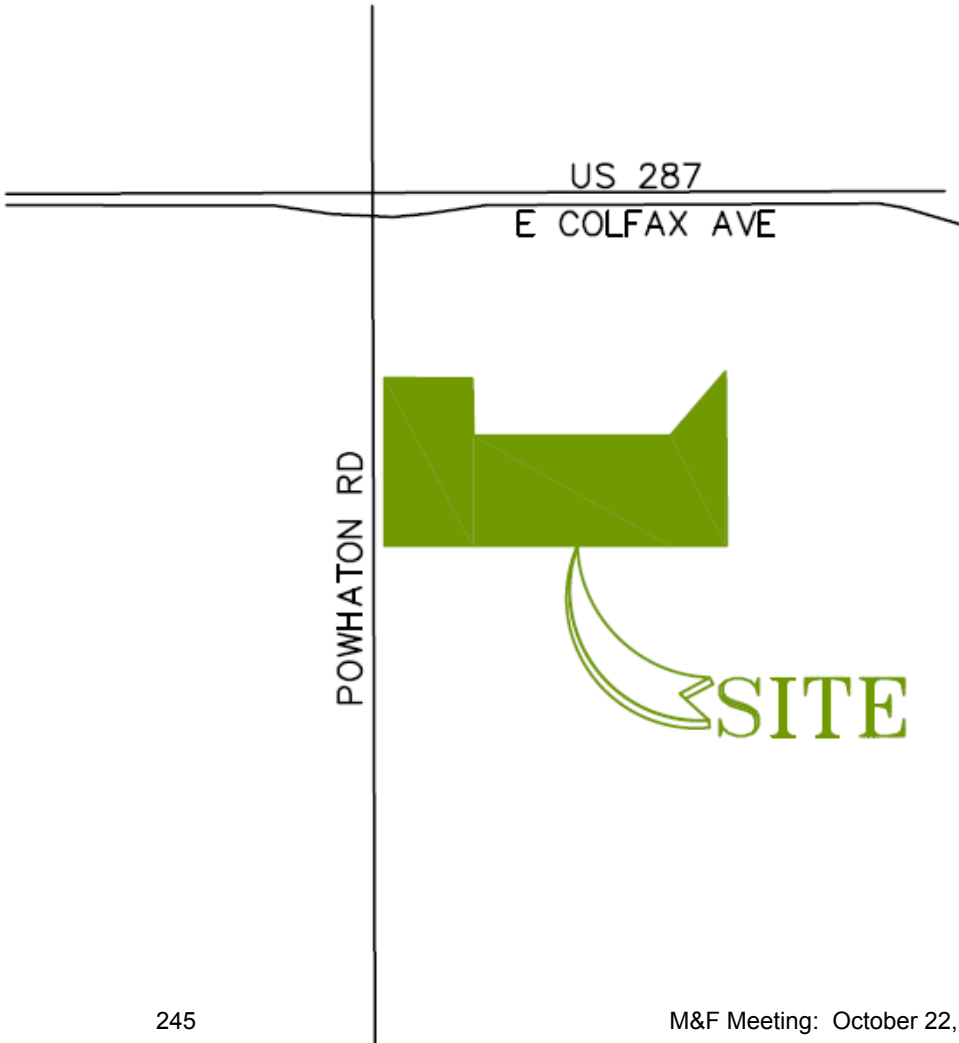






# VICINITY MAP

NOT TO SCALE



**TITLE COMMITMENT INFORMATION**  
 THE PROPERTY HEREON DESCRIBED IS THE SAME AS THE PERTINENT PROPERTY AS DESCRIBED IN FIDELITY NATIONAL TITLE INSURANCE COMPANY, COMMITMENT FILE NO.: PATE-19-61, WITH A DATE OF 06/27/2019

**LEGAL DESCRIPTION**  
 (AS DESCRIBED IN THE TITLE COMMITMENT)  
 THE LAND IS DESCRIBED AS FOLLOWS:  
 THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 4 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN,  
 EXCEPT ANY PART OF THE LAND LYING WITHIN EXISTING ROADS  
 AND EXCEPT THAT PORTION RELEASED BY PARTIAL RELEASE RECORDED NOVEMBER 23, 2004 UNDER RECEPTION NO. B4203202  
 AND EXCEPT THAT PART CONVEYED IN DEED TO THE CITY OF AURORA RECORDED FEBRUARY 8, 2008 UNDER RECEPTION NO. B8022077,  
 COUNTY OF ARAPAHOE, STATE OF COLORADO

- NOTES CORRESPONDING TO SCHEDULE B**
- 8 - RIGHT OF THE PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED, AND A RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES, AS RESERVED IN UNITED STATES PATENT RECORDED FEBRUARY 09, 1892 IN BOOK A21 AT PAGE 309 (AFFECTS, AGREEMENT, NOTHING TO PLOT)
  - 11 - THE EFFECT OF NOTICE RECORDED OCTOBER 7, 1963 UNDER RECEPTION NO. B60751. (AFFECTS, AGREEMENT, NOTHING TO PLOT)
  - 12 - TERMS, CONDITIONS AND PROVISIONS OF AGREEMENT RECORDED JANUARY 26, 1987 IN BOOK 5028 AT PAGE 569. (AFFECTS, AGREEMENT, NOTHING TO PLOT)
  - 13 - TERMS, CONDITIONS, PROVISIONS, BURDENS, OBLIGATIONS AND EASEMENTS AS SET FORTH AND GRANTED IN EMERGENCY ACCESS EASEMENT RECORDED FEBRUARY 23, 2001 UNDER RECEPTION NO. B1025843 (AFFECTS, AS SHOWN)
  - 14 - THE EFFECT, IF ANY, OF ORDINANCE NO. 2001-52, REGARDING ZONING, RECORDED SEPTEMBER 23, 2001 UNDER RECEPTION NO. B1162907. (AFFECTS, AGREEMENT, NOTHING TO PLOT)
  - 15 - TERMS, CONDITIONS AND PROVISIONS CONTAINED IN ACCESS AND UTILITY EASEMENT RECORDED JANUARY 27, 2005 UNDER RECEPTION NO. B5012442 (AFFECTS, AS SHOWN)
  - 16 - TERMS, CONDITIONS AND PROVISIONS CONTAINED IN ACCESS AND UTILITY EASEMENT RECORDED AUGUST 1, 2005 UNDER RECEPTION NO. B5113164. (AFFECTS, AS SHOWN)
  - 18 - TERMS, CONDITIONS AND PROVISIONS CONTAINED IN MEMORANDUM OF SURFACE USE AGREEMENT RECORDED MAY 27, 2011 UNDER RECEPTION NO. D1050400 ASSIGNMENT AND BILL OF SALE RECORDED DECEMBER 21, 2012 UNDER RECEPTION NO. D2147994 AMENDMENT TO ASSIGNMENT AND BILL OF SALE RECORDED JULY 19, 2013 UNDER RECEPTION NO. D3090510 (AFFECTS, AGREEMENT, NOTHING TO PLOT)
  - 19 - TERMS, CONDITIONS AND PROVISIONS CONTAINED IN MINERAL DEED RECORDED JUNE 20, 2017 UNDER RECEPTION NO. D7068929. (AFFECTS, AGREEMENT, NOTHING TO PLOT)
  - 20 - TERMS, CONDITIONS AND PROVISIONS CONTAINED IN SURFACE USE AGREEMENT RECORDED NOVEMBER 7, 2017 UNDER RECEPTION NO. D7126988 ASSIGNMENT AND BILL OF SALE RECORDED NOVEMBER 16, 2017 UNDER RECEPTION NO. D7130642 (AFFECTS, AGREEMENT, NOTHING TO PLOT)
  - 21 - TERMS, CONDITIONS AND PROVISIONS CONTAINED IN LICENSE AGREEMENT RECORDED OCTOBER 15, 2018 UNDER RECEPTION NO. D8101747. (AFFECTS, AGREEMENT, NOTHING TO PLOT)
  - 22 - TERMS, CONDITIONS AND PROVISIONS CONTAINED IN PUBLIC SERVICE COMPANY OF COLORADO EASEMENT RECORDED MARCH 4, 2019 UNDER RECEPTION NO. D9018394 (AFFECTS, AS SHOWN)
  - 23 - TERMS, CONDITIONS AND PROVISIONS CONTAINED IN RIGHT-OF-WAY GRANT RECORDED MARCH 19, 2019 UNDER RECEPTION NO. D9023212 (AFFECTS, AS SHOWN)

**LEGEND**

—○—	POST & WIRE FENCE	⊙	PROPERTY CORNER (NOT FOUND OR SET)
CR	CABLE RISER	○	FOUND CORNER AS SHOWN
UM	UTILITY MARKER	(N/F)	NOW OR FORMERLY
EB	ELECTRIC BOX		
FH	FIRE HYDRANT		
WV	WATER VALVE		
TF	TRANSFORMER		
—●—	TRAFFIC SIGN		
●	BOLLARD		
⊙	MANHOLE		

**STATEMENT OF ENCROACHMENTS**  
 NONE OBSERVED

**\*\* SEE SHEET 2 OF 2 FOR BOUNDARY SURVEY \*\***

**VICINITY MAP**  
 NOT TO SCALE

**SHEET 1 OF 2**

**LAND AREA**  
 2,478,033 SQUARE FEET  
 56.888 ACRES

**PARKING**  
 REGULAR= 0  
 HANDICAP= 0  
 TOTAL= 0  
 (VACANT LAND)

**FLOOD INFORMATION**  
 FLOOD NOTE: BASED ON MAPS PREPARED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) AVAILABLE ONLINE AT WWW.FEMA.GOV, AND BY GRAPHIC PLOTTING ONLY, THIS PROPERTY IS LOCATED IN ZONE "X" ON FLOOD INSURANCE RATE MAP NUMBER 0805030202A, WHICH BEARS AN EFFECTIVE DATE OF 02/17/2017 AND IS NOT IN A SPECIAL FLOOD HAZARD AREA, BY RECEIVING FLOOD MAPS PROVIDED BY THE NATIONAL FLOOD INSURANCE PROGRAM WE HAVE LEARNED THIS COMMUNITY DOES PARTICIPATE IN THE PROGRAM.

**BEARING BASIS**  
 BEARINGS SHOWN HEREON ARE BASED ON NORTH LINE OF S. 1/2 OF THE NW, 1/4 OF SECTION 4-4-65 AS BEING S89°20'06"E, PER RECEPTION NO. B4203202.

- GENERAL NOTES**
1. NO UNDERGROUND UTILITIES ARE SHOWN ON THIS SURVEY, ONLY ABOVE GROUND VISIBLE EVIDENCE OF UTILITIES ARE SHOWN.
  2. ALL STATEMENTS WITHIN THE CERTIFICATION, AND OTHER REFERENCES LOCATED ELSEWHERE HEREON, RELATED TO UTILITIES, IMPROVEMENTS, STRUCTURES, BUILDINGS, PARTY WALLS, PARKING, EASEMENTS, SERVITUDES, AND ENCROACHMENTS ARE BASED SOLELY ON ABOVE GROUND, VISIBLE EVIDENCE, UNLESS ANOTHER SOURCE OF INFORMATION IS SPECIFICALLY REFERENCED HEREON.
  3. THE SUBJECT PROPERTY HAS DIRECT PHYSICAL ACCESS TO POWHATON, A DEDICATED PUBLIC STREET OR HIGHWAY.
  4. BASED ON SURFACE OBSERVATIONS BY A NOVICE (SURVEYOR) THERE IS NO VISIBLE EVIDENCE OF CEMETERIES ON SUBJECT PROPERTY.
  5. THERE IS NO OBSERVABLE EVIDENCE OF EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS WITHIN RECENT MONTHS.
  6. THE PARCELS CONTAINED IN THE LEGAL DESCRIPTION ARE CONTIGUOUS WITHOUT ANY GAPS, BORES OR OVERLAPS.
  7. BUILDING AREAS SHOWN HEREON ARE FOR THE FOOTPRINT OF THE BUILDING ONLY.
  8. NO APPARENT CHANGES IN STREET RIGHT OF WAY LINES EITHER COMPLETED OR PROPOSED, AND AVAILABLE FROM THE CONTROLLING JURISDICTION, NO OBSERVABLE EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS.
  9. NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL SEAL OF PROFESSIONAL LICENSED SURVEYOR. ADDITIONS AND DELETIONS TO SURVEY MAPS, SKETCHES, OR REPORTS BY OTHER THAN THE SIGNING PARTY OR PARTIES IS PROHIBITED WITHOUT WRITTEN CONSENT OF THE SIGNING PARTY OR PARTIES.
  10. NO ATTEMPT WAS MADE TO DETERMINE WETLANDS OR OTHER ENVIRONMENTAL ISSUES, UNLESS OTHERWISE NOTED.
  11. TITLE WORK FOR THIS ALTA SURVEY WAS FURNISHED TO A/EI CONSULTANTS BY THE CLIENT. NO TITLE SEARCH WAS PERFORMED BY A/EI CONSULTANTS. A/EI CONSULTANTS DOES NOT ACCEPT ANY LIABILITY FOR ERRORS, OMISSIONS OR DEFICIENCIES DUE TO INACCURACIES IN THE TITLE WORK.
  12. ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS AFTER THE DATE OF CERTIFICATION SHOWN HEREON.

**ALTA/NSPS LAND TITLE SURVEY**  
 AEI JOB # 407990  
 26500 EAST 10TH AVENUE  
 ARAPAHOE COUNTY AURORA, CO



**COORDINATED BY:**  
 AEI CONSULTANTS  
 2500 CAMINO DIABLO  
 WALNUT CREEK, CA, 94597  
 TELEPHONE: 925.746.6000  
 EMAIL: SURVEYS@AEICONSULTANTS.COM

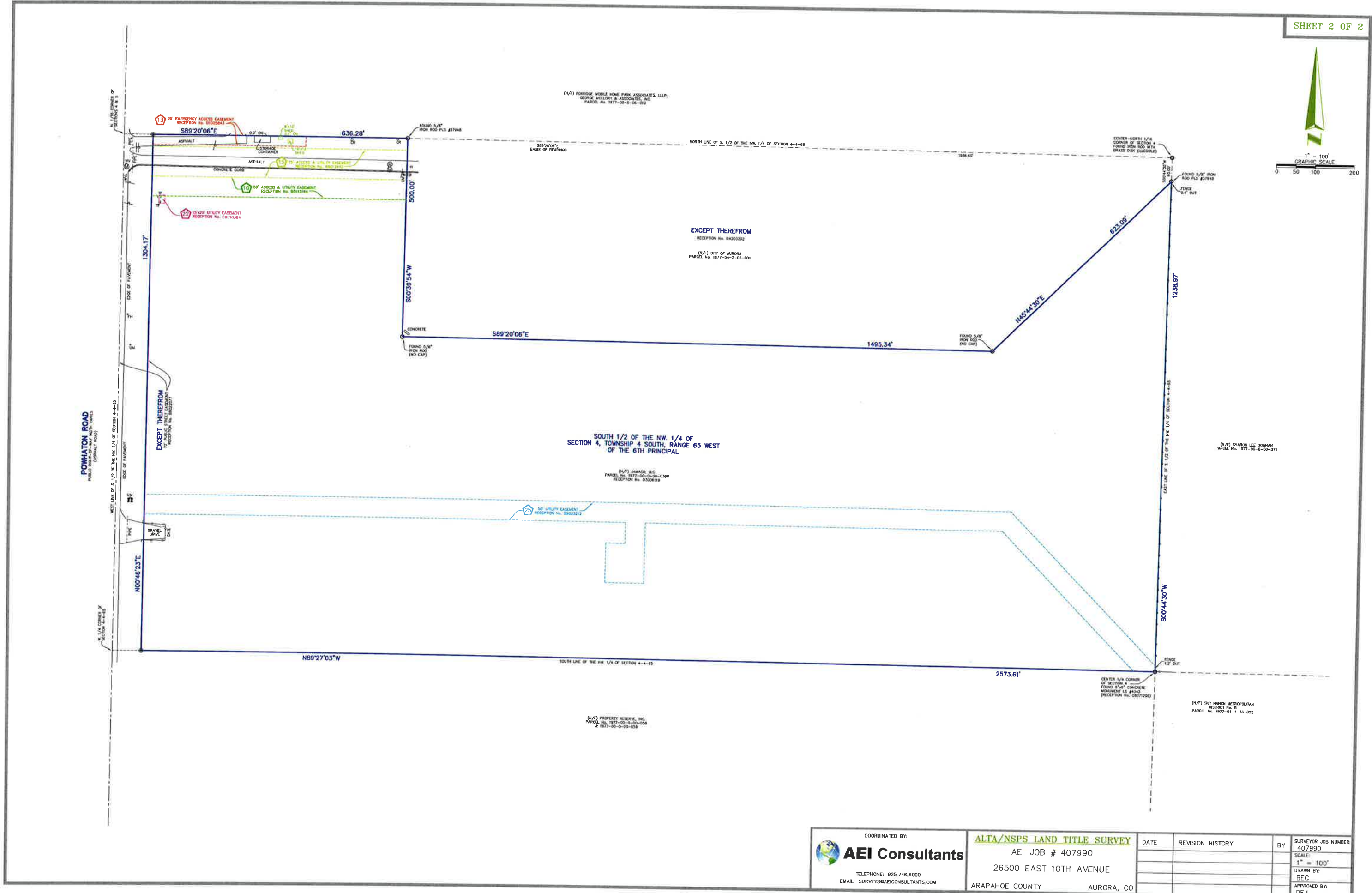
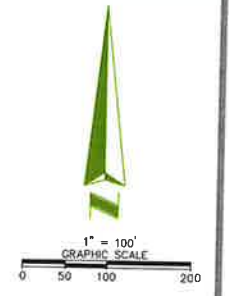
**ALTA/NSPS LAND TITLE SURVEY CERTIFICATION**  
 TO: FIDELITY NATIONAL TITLE INSURANCE COMPANY:

THIS IS TO CERTIFY THAT THIS MAP OR PLAN AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 7(a), 7(b), 7(c), 8, 9, 13, 14, 16, AND 17 OF TABLE A THEREOF. THE FIELDWORK WAS COMPLETED ON 7/19/19. DATE OF PLAT OR MAP: 7/22/19.

**PRELIMINARY**

REGISTERED SURVEYOR: DON E. JOHNSON DATED \_\_\_\_\_  
 PROFESSIONAL LAND SURVEYOR NO.: 34593  
 STATE OF COLORADO  
 (FOR THE FIRM AEI CONSULTANTS)

DATE	REVISION HISTORY	BY	SURVEYOR JOB NUMBER:
			407990
			SCALE:
			NA
			DRAWN BY:
			BEC
			APPROVED BY:
			DEJ



SOUTH 1/2 OF THE NW 1/4 OF SECTION 4, TOWNSHIP 4 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL

(N/T) JAMASO, LLC  
 PARCEL No. 1877-00-0-00-0360  
 RECEIPTION No. 03068119


(N/T) PROPERTY RESERVE, INC.  
 PARCEL No. 1877-00-0-00-058  
 & 1877-00-0-00-053

EXCEPT THEREFROM  
 RECEIPTION No. 84203202  
 (N/T) CITY OF AURORA  
 PARCEL No. 1877-04-2-02-001

EXCEPT THEREFROM  
 RECEIPTION No. 84203202

(N/T) SHARON LEE DOWMAN  
 PARCEL No. 1877-00-0-00-374

(N/T) SKY RANCH METROPOLITAN DISTRICT No. 5  
 PARCEL No. 1877-04-4-16-052

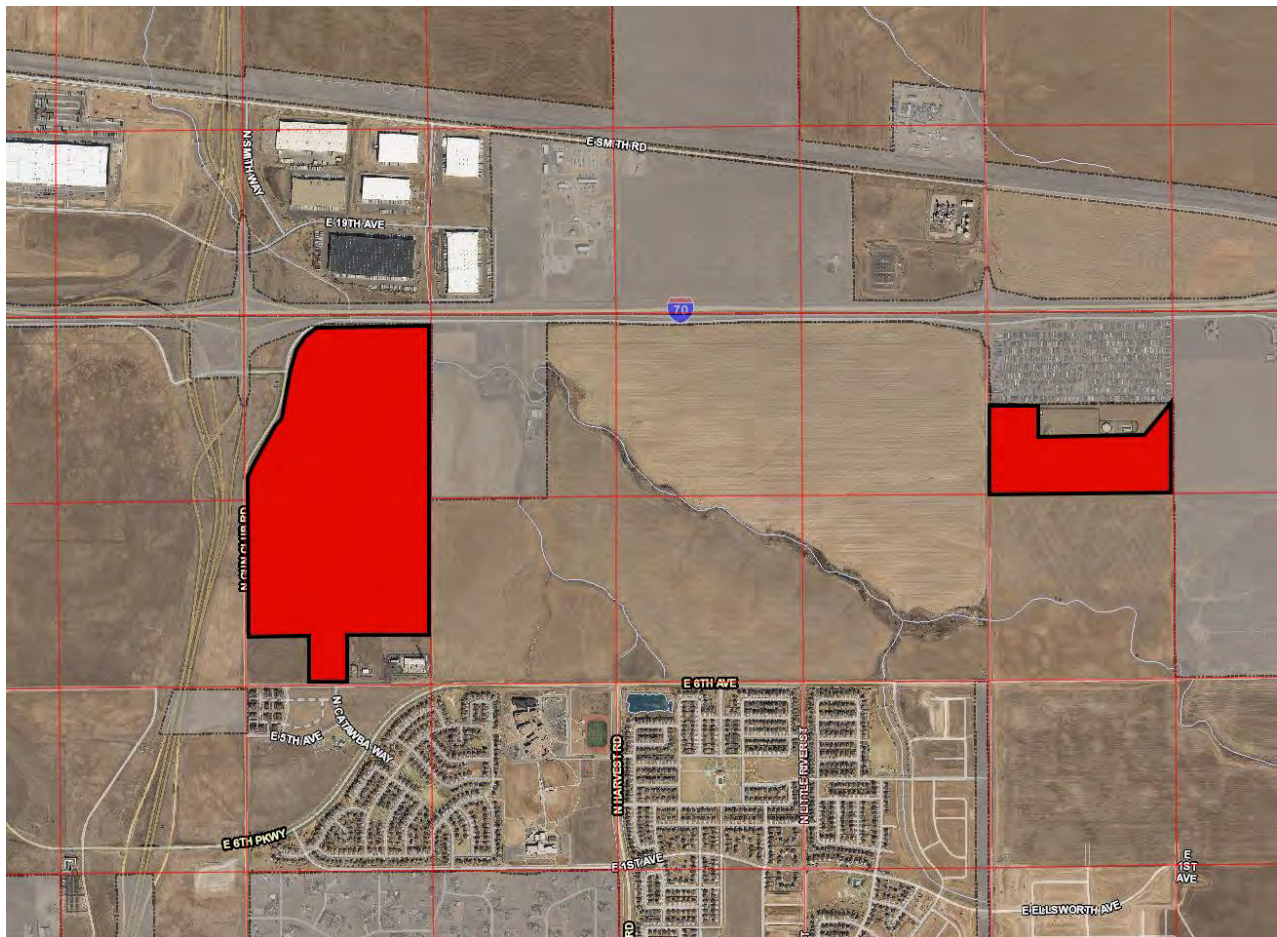
COORDINATED BY:  <b>AEI Consultants</b> TELEPHONE: 925.746.6000 EMAIL: SURVEYS@AEICONSULTANTS.COM	<b>ALTA/NSPS LAND TITLE SURVEY</b> AEI JOB # 407990 26500 EAST 10TH AVENUE ARAPAHOE COUNTY      AURORA, CO		DATE	REVISION HISTORY	BY	SURVEYOR JOB NUMBER: 407990
						SCALE: 1" = 100'
						DRAWN BY: BEC
						APPROVED BY: DEJ





City of Aurora  
Office of Development Assistance  
City Manager's Office

Vicinity Map - Aurora Crossroads Metro District



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Management and Finance Policy Committee  
Agenda Item Commentary

Item Title: CONSIDERATION TO APPROVE A RESOLUTION THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, APPOINTING DIRECTORS TO FILL VACANCIES ON THE FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1, 2, 3; BOARD OF DIRECTORS
Item Initiator: Mark Geyer
Staff Source: Mark Geyer
Deputy City Manager Signature: Jason Batchelor
Outside Speaker:
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

**ACTIONS(S) PROPOSED** *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

Fitzsimons Village Metropolitan Districts No. 1, 2, & 3 were formed in 2006 with subsequent amendments for boundary changes in 2008 and 2015. The districts are located south of Colfax Avenue and east of Ursula Street (See Vicinity Map).

**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

The Fitzsimons Village Metropolitan Districts is requesting the City Council appoint new Board members for the Director's parcel. The Director's parcel was previously included in a greater parcel that was subsequently sold earlier this year. The directors for these district were qualified as electors by a contract for sale of real property that obligated the buyer to pay property taxes prior to closing (this is one of the methods for qualification described by state statute). However, the contract was not recorded and their interest was terminated at closing.

New directors parcels have now been created for each District and five new Colorado voters have been identified to serve as board members. The District is asking the City Council to appoint these new members as is described in state statute. (See Attached Letter)

QUESTIONS FOR Committee

Does the M&F Council Committee wish to move this item to the next available City Council Study Session?

EXHIBITS ATTACHED:

Letter Fitzsimons Village Director Appointment.pdf  
Vicinity Map – Fitzsimons Village Metropolitan Districts Nos. 1-3.pdf









MATT DALTON  
DIRECT DIAL: (303) 839-3706  
mdalton@spencerfane.com

File No. 5033849/0001

October 16, 2019

**VIA ELECTRONIC AND U.S. MAIL**

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[jcox@auroragov.org](mailto:jcox@auroragov.org)

RE: Appointment of Board of Directors for Fitzsimons Village Metropolitan District Nos. 1, 2 and 3.

Dear Ms. Irvin and Mr. Geyer:

Our firm represents Corporex Colorado LLC (“CC”), Fitzsimons Village Hotel & Conference Center Association (“FV”), CPX Aurora Fitz 300, LLC (CPX3), and CPX Aurora Fitz 200, LLC (“CPX2”). FV, CPX3 and CPX2 are all controlled affiliates of CC. I am writing on behalf our clients to, pursuant to C.R.S. Section 32-1-905(2.5), formally request that the City Council adopt a resolution appointing the Boards of Directors for the Fitzsimons Village Metropolitan District Nos. 1, 2 and 3 (together, the “Districts”).

To serve on a Board of Directors for any metropolitan district, one must be a “qualified elector” of the district; that is, a registered Colorado voter and either a resident of the district, or the holder of an interest in taxable real property located within the District. The original board members of the Districts were each qualified as an elector by a contract for sale of real property that obligated each buyer to pay the property taxes that became due prior to closing (which is one of the specific methods prescribed by statute). Unfortunately, the parcel in question was described as being located within a greater parcel that was subsequently sold earlier this year. In that process, the contract for sale was simply forgotten, and neither was the contract for sale assigned to the new buyer, nor was other property substituted for the originally described parcel as was allowed by both the contract for sale and the applicable statutes.

As the contract for sale was not recorded, the buyer of the larger parcel took without notice and the five individuals’ interest in real property within the Districts was technically terminated at closing. That



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being the case, those five individuals serving as directors for all three Districts became disqualified as electors at the same time. Under the applicable statute, that completely vacated all three boards and the Districts are now unable to do business (including certifying their debt levies this December and approving budgets for the next year).

Our clients have created three new director parcels, one for each District, and five Colorado voters have been identified to serve as board members. A map of the three Districts and the location of the three new director parcels is included with this letter. The parcel for District No. 1 is owned by FV, the parcel for District No. 2 is owned by CPX3, and the parcel for District No. 3 is owned by CPX2. Each proposed board member is an employee or otherwise affiliated with CC, and has been qualified through the completion of a new contract for sale as required by statute.

Based on our review of the record, the five individuals listed below are the only eligible electors associated with the Districts and are seeking appointment on the Districts' Boards of Directors:

Karen McShea  
Jamie Curcio  
Bob Dapper  
Brittany Havard  
Nicholas Moschetti

We request the City Council appoint each of them as directors of the three Districts. Pursuant to C.R.S. § 32-1-905(2.5), within six months of their appointment the new Boards of Directors will call for nominations for an election in order to confirm their appointments.

As always, we appreciate the City's time and attention to this matter, and we would be happy to answer any questions you may have.

Sincerely,

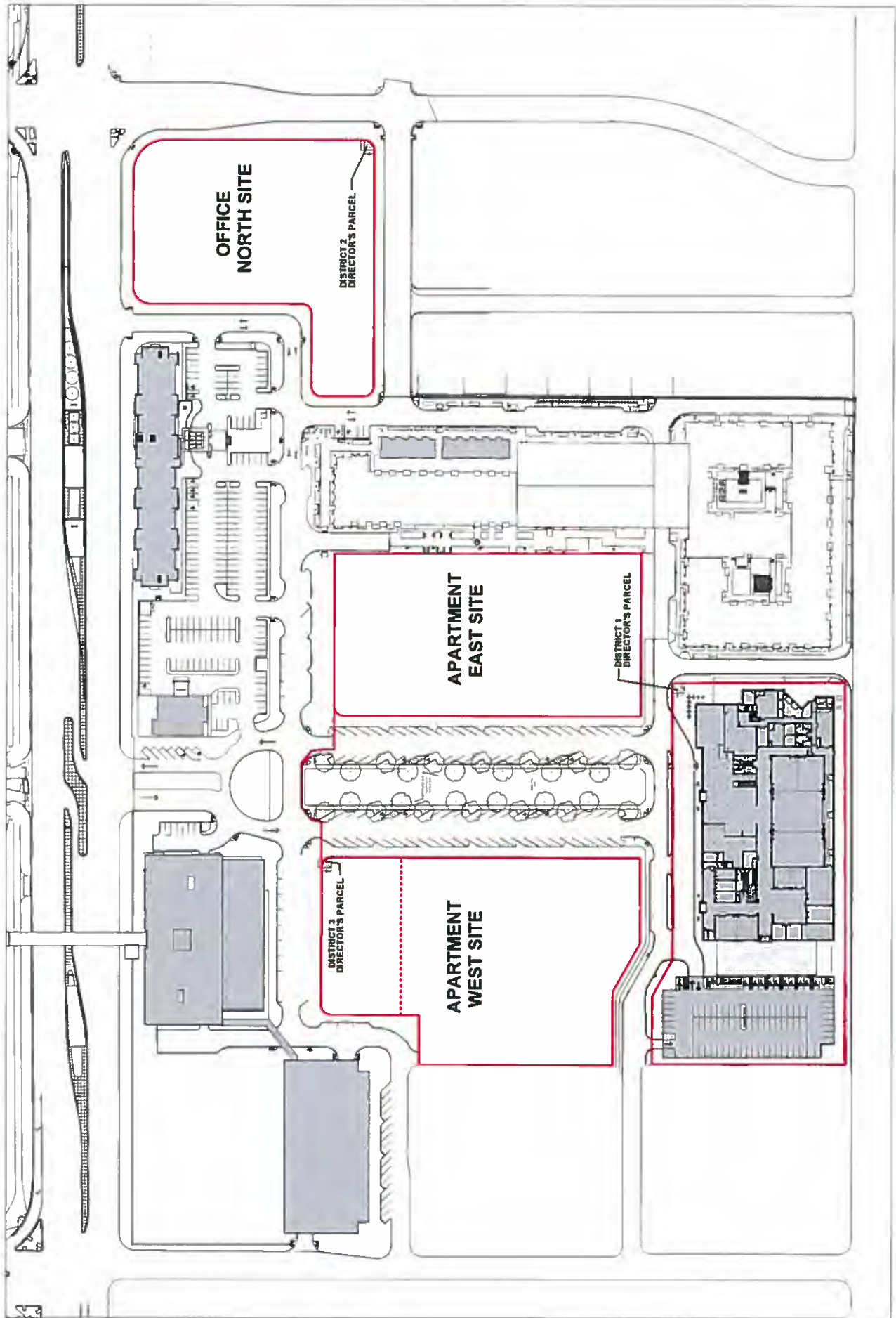
SPENCER FANE LLP

*Matthew R Dalton*

Matthew Dalton

cc: Thomas Banta, Managing Director, Corporex Colorado, LLC  
Karen McShea, Senior Vice President, Market Director for Corporex Colorado, LLC

Enclosure



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## Management and Finance Policy Committee Agenda Item Commentary

Item Title: Evaluation of General Fund revenue diversification options
Item Initiator: Michael Lawson
Staff Source: Michael Lawson, Manager of Special Projects, 303-739-7188
Deputy City Manager Signature: Roberto Venegas
Outside Speaker:
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

### ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

At the April 27, 2019 Council Spring Workshop, staff presented eight options for augmenting the city's General Fund revenues. The Council directed staff to further research four of the eight options for viability. The remaining four options were not advanced for further consideration.

The four options receiving additional research include:

- Assess adequacy of fees to cover costs
- Trash hauling fee
- Remove city cigarette sales tax exemption
- Increase occupational privilege tax

The options not advanced by the Council include:

- Assess a PILOT on city utilities
- Right-of-way/transportation maintenance fees
- Vehicle impact fees
- Remove other city sales tax exemptions (health and athletic clubs and coin-operated self-service car washes)

Staff has made progress in advancing each of the first four options.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Council Member Gruber requested this item come back to the Management and Finance Committee for further discussion. An update on the progress made in researching and implementing the four revenue options advanced by Council at the April 27 Spring Workshop will be given. The four options not advanced will be reviewed with the Committee as well.

The Committee is requested to make a recommendation to the full Council on whether it believes additional revenue options should be explored further by staff.

QUESTIONS FOR Committee

Does the Committee wish to recommend the full Council evaluate any of the four revenue options not advanced at the April 27, 2019 Council Spring Workshop?

EXHIBITS ATTACHED:

SRSR presentation - Mgmt Fin 10.22.19.pdf



# Revenue Diversification

## Options and Analyses

Management & Finance Committee

October 22, 2019

# Objectives for today

1. **Brief overview of 'structural revenue' gap conversations.**
2. Gap-at-glance: five-year outlook.
3. Evaluate options not advanced by City Council at April 27, 2019 Spring Workshop.



# Structural revenue efforts

- Initial structural revenue study completed in 2006 by Public Financial Management.
- Several other efforts to enhance revenues have been explored since 2006:
  - Bond measures in 2009, 2011, 2012, and 2014
  - 2008, 2015, and 2017 conversations on transportation maintenance fees
  - Service fees indexed each year as part of the budget process
- Full City Council reviewed similar presentation at April 27 Spring Workshop.
  - Chose to advance four of eight options.



# General Fund five-year outlook

- Shortfalls are the norm, not the exception
  - These shortfalls assume expenditures grow at reasonable rates based on historical trends.
  - City staff seeks to balance being conservative with being realistic when projecting revenue.
  - We must and always will balance the budget.

Five-year General Fund outlook

	2020	2021	2022	2023	2024
General Fund gap	\$0	(\$3,017,137)	(\$4,456,780)	(\$5,793,711)	(\$7,025,129)

# Options advanced from Spring Workshop

1. Assess adequacy of fees to recover costs
  - Update: \$300,000 budgeted in 2020 for fee study.
2. Trash hauling fee
  - Update: Feasibility study will be incorporated into #1 above.
3. Remove City cigarette sales tax exemption
  - Update: Done. Passed second reading October 7.
4. Increase occupational privilege tax (OPT)
  - Update: Staff is considering as part of anticipated 2020 capital projects bond campaign conversation.

# 1. Assess a PILOT on City utilities

Revenue category	New or existing revenue	Difficulty to implement	New revenue generated (annually)
User fee charge	New	2 City Council approval required	\$6 million - \$9 million

## Description

Municipal-owned utilities are commonly assessed an annual payment in lieu of the taxes or franchise fees (PILOT) they would pay if they were investor-owned.

**An assessment of a PILOT acknowledges the utility is operating within the City’s rights-of-way and easements just as would an investor-owned utility.**

**Other utility entities such as Xcel Energy and Xfinity pay franchise fees for the use of the City’s rights-of-way.**

## Barriers and other considerations

No anticipated legal barriers. There is a possible impact on ratepayers as the utility may need to pass along new costs associated with the PILOT.

# 1. Assess a PILOT on City utilities

- There are different ways of structuring a PILOT. A few examples:
  1. Property tax on physical plant value. **City's property tax mill levy** assessed on physical plant property.
  2. Franchise fees and/or sales tax on revenues. **Based on the City's** franchise fee and/or sales tax rate on some or all revenues generated by the utility.
  3. Use taxes. **Assessment of use tax on the utility's purchase of building** materials and equipment.
- If pursued, per discussion with outside legal counsel, a PILOT can be implemented as long as it is based on reasonable methods as discussed above.

## 2. Right-of-way/transportation maintenance fee

Revenue category	New or existing revenue	Difficulty to implement	New revenue generated (annually)
User fee charge	New	2 City Council approval required	\$5 million – \$15 million*

### Description

All City residents and businesses benefit from use of various City rights-of-way, particularly **the City's transportation system**. A well-constructed and maintained system protects the health, safety, and welfare of residents. It may be reasonable to charge a fee for use of **the City's various rights-of-way**.

This fee recovers the cost of specific services related to rights-of-way maintenance. For example, snow plowing, sidewalk repair, litter pickup, ordinance enforcement and emergency service, and City-owned tree maintenance.

*\*Based on figures from 2008 study.*

## 2. Right-of-way/transportation maintenance fee

There are various ways to structure the fee. One way is to assess a charge per linear foot of street frontage. Another is a flat fee based on the land use type of a given property.

### Barriers and other considerations

To the extent it is charged for specific services, this fee is not subject to a vote.

Maintenance fees dedicated specifically to transportation have been proposed to the Council in 2008, 2015, and 2017.

If pursued, a separate maintenance fee study is recommended to update previous analysis and transportation maintenance related fees.

2008 impact fee study – proposed fees

Land use type	\$5 million annually	\$10 million annually	\$15 million annually
	Monthly fee	Monthly fee	Monthly fee
Single-family residential Per unit	\$2.19	\$4.38	\$6.56
Multi-family residential Per unit	1.08	2.17	3.25
Retail Per 1,000 square feet	7.37	14.75	22.15
Office/commercial Per 1,000 square feet	2.19	4.38	6.57
Industrial/warehouse Per 1,000 square feet	0.90	1.79	2.69
Lodging Per 1,000 square feet	1.06	2.12	3.17
Vacant Per 1,000 square feet	0.90	1.79	2.69
Institutional (exempt) Per 1,000 square feet	2.36	4.73	7.09
Other Per 1,000 square feet	0.90	1.79	2.69

# 3. Vehicle impact fee

Revenue category	New or existing revenue	Difficulty to implement	New revenue generated (annually)
User fee charge	New	2 City Council approval required	\$2.5 million – \$10.0 million

## Description

A fee assessed on each vehicle registered in Aurora may be a means to pay for transportation improvements.

In 2017, CABC estimated Aurora had approximately 250,000 registered vehicles (would need to be verified). An annual fee of \$10 per vehicle would yield \$2.5 million; a \$40 fee \$10.0 million.

## Barriers and other considerations

No anticipated legal barriers.

Administration of fee may be a concern. It is likely the county DMVs would need to collect the impact fees and remit them to the City. The viability of collecting fees through vehicle registrations is not clear at this time.

If pursued, a separate transportation capital impact fee study is recommended once the capital improvement plan is updated with anticipated transportation capital costs.



# 4. Remove other City sales tax exemptions

Revenue category	New or existing revenue	Difficulty to implement	New revenue generated (annually)
Sales tax-related	New (remove sales tax exemptions)	2 City Council approval required	\$1.2 million – \$2.2 million

## Description

The City may choose to rescind sales tax exemptions on goods largely discretionary in nature. If the **Council chooses to remove the exemptions, each will be subject to the City’s 3.75% sales tax.**

Recommended exemptions to review include:

- *Health and athletic club memberships.* Estimated annual revenue: \$1-\$2 million.
- *Coin-operated self-service car washes.* Estimated annual revenue: \$200,000.

## Barriers and other considerations

**The City Attorney’s Office believes a citywide vote is not needed to collect city sales tax on these items, as the sales taxes are technically not new.**

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Management and Finance Policy Committee  
Agenda Item Commentary

Item Title: Report on the outcome of the refinancing of the Series 2009A COPs by issuing the 2019 COPs
Item Initiator: Mike Shannon
Staff Source: Mike Shannon 37538
Deputy City Manager Signature: Roberto Venegas
Outside Speaker:
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

**ACTIONS(S) PROPOSED** *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

At the July 23, 2019 M&F meeting, an Ordinance was presented concerning the refinancing of the Series 2009A COPs.

As Committee members may recall, the City has the opportunity to refund the Series 2009A COPs related to the original construction of the AMC. In 2009 this new debt was issued with a 10 year par call which means it can be refinanced with new debt in 2019. The current 2009A COPs have a final maturity of 2030, annual debt service payments of \$7.7 million, \$72.785 million outstanding, and an interest rate of 5%.

By refinancing this outstanding debt now, staff believes new debt can be issued with a final maturity of 2031, annual debt service payments of \$7.1 million, and an interest rate below 3%. This will result in NPV savings of \$12.7 million or 17.5%. The reason for adding one more year to the maturity is to enable the issuance of up to \$6 million in additional debt for improvements and repairs to any of the properties located on the AMC campus. Studies are currently underway to see what types of repairs/improvements might be necessary. Expected items may include, but are not limited to, security additions to the AMC administrative building, repairs to the garage, and other items that could extend the useful life of the properties on the AMC campus.

The purpose of this item is to provide an update on the status of this refinancing.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

So far, the refinancing has gone well with the pricing scheduled to occur on October 16, 2019. This should allow staff enough time to provide a summary of the transaction results at the October 22 M&F meeting.

The underwriters for this transaction are Stifel as the bookrunner and Key as a Co-manager.

Particularly noteworthy so far is the results from the rating agencies -- Moody's and S&P -- who both spent a full day in town touring various projects and meeting with staff for a working lunch at the Hyatt Conference Center. Attached are the rating agency reports.

To summarize, the City received very good news with Moody's increasing the City's rating to AAA -- the highest rating provided by Moody's. S&P also provided positive news with a change to positive outlook from stable outlook, which often leads to a ratings upgrade over the short term.

Pertaining to the Moody's rating, the only other cities in Colorado receiving AAA ratings are Denver, Boulder, Ft. Collins, and Aspen. Of all the cities in the US that receive Moody's ratings (2,741), less than 8.5% are rated AAA.

QUESTIONS FOR Committee  
Information Only

EXHIBITS ATTACHED:

Moody's Rating Action - Moodys-upgrades-Aurora-.pdf  
SnP Aurora CO - Rating Report.PDF

**Rating Action** **Moody's upgrades Aurora, CO's issuer rating to Aaa and lease revenue debt to Aa1; outlook stable**

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02 Oct 2019

**Assigns Aa1 to Certificates of Participation, Series 2019**

New York, October 02, 2019 -- Moody's Investors Service has upgraded the City of Aurora, CO's issuer rating to Aaa from Aa1 and its outstanding lease appropriation debt for essential purposes to Aa1 from Aa. At the same time, Moody's has assigned a Aa1 to the city's \$62.1 million Refunding and Improvement Certificate of Participation, Series 2019. The outlook is stable.

**RATINGS RATIONALE**

The upgrade to Aaa for Aurora's issuer rating, or a hypothetical general obligation unlimited tax security rating, reflects the city's strong credit characteristics including its solid economy and large, growing tax base. The rating also considers the city's long history of strong fiscal management and maintenance of healthy financial levels, which helps mitigate the city's heavy reliance on economically sensitive sales tax revenues. The rating also reflects the minimal debt burden and manageable unfunded retiree benefits (pensions and post employee benefits), which lead to a very manageable fixed cost burden.

The Aa1 rating on the certificates, which are notched from the issuer rating due to the risk of annual appropriation, reflects Aurora's strong general credit characteristics and the more essential nature of the assets. The rating also incorporates satisfactory legal provisions despite the lack of a debt service reserve fund, a slight credit weakness mitigated by Aurora's record of timely annual appropriations for rental and a manageable burden of lease payments relative to operating revenues.

**RATING OUTLOOK**

The stable outlook reflects Moody's expectation that the city's economy will continue to remain strong and it participates in the vibrant and expanding Denver metropolitan area. The outlook also reflects Moody's anticipation that management will continue to adhere to policies and maintain healthy financial operating reserve levels.

**FACTORS THAT COULD LEAD TO AN UPGRADE**

- Not applicable

**FACTORS THAT COULD LEAD TO A DOWNGRADE**

- Sustained economic contractions measured by material declines in taxable values or sales taxes
- Trend of operating deficits that decrease general fund reserves
- Substantial increases in the city's debt burden and fixed costs

**LEGAL SECURITY**

The COPs are secured by lease payments made by the City of Aurora, for use and occupancy of the leased asset. The lease is subject to annual renewal by the city. The leased assets for the current issuance include the city's police headquarters, municipal parking structure, as well as the courthouse and detention center. Moody's considers more essential to government operations.

**USE OF PROCEEDS**

The majority of the Series 2019 COPs will be used to refinance the city's Series 2009A COPs for debt savings. A small portion of new money will be generated to finance various capital improvements at the municipal campus.

## PROFILE

Aurora is located on the front range of the Rocky Mountains in the north-central part of the State of Colorado (Aa1 stable). The city participates in the Denver metropolitan area, which serves as the retail, financial, transportation and distribution center of the Rocky Mountain region. The city encompasses roughly 150 miles and has an estimated population of 374,154 as of December 31, 2018.

## METHODOLOGY

The principal methodology used in the issuer rating was US Local Government General Obligation I published in September 2019. The principal methodology used in the lease ratings was Lease, Applicable Moral Obligation and Comparable Debt of US State and Local Governments published in July 2018. see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of these methodologies.

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## Summary:

# Aurora, Colorado; Appropriations

### Primary Credit Analyst:

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Rationale

Outlook

Related Criteria And Research

## Summary:

# Aurora, Colorado; Appropriations

### Credit Profile

US\$62.12 mil rfdg and imp certs of part ser 2019 dtd 10/24/2019 due 12/01/2036

<i>Long Term Rating</i>	AA/Positive	New
Aurora APPROP		
<i>Long Term Rating</i>	AA/Positive	Outlook Revised

## Rationale

S&P Global Ratings revised its outlook to positive from stable and affirmed its 'AA' long-term rating on Aurora, Colo.'s appropriation debt outstanding. At the same time, S&P Global Ratings assigned its 'AA' long-term rating, with a positive outlook, to the city's series 2019 (estimated par amount: \$62.12 million) certificates of participation (COPs).

The revised outlook reflects the city's large and continually growing tax base in the Denver-Aurora-Lakewood metropolitan statistical area (MSA), as property wealth continues to increase through additional development and valuation increases. Citywide actual property values (market value) have grown an aggregate 118% since 2014. While broader and local economic characteristics remain strong, in recent years the city has benefitted from strong growth in sales taxes, which are the largest source of general fund revenue. As a result, the city's operations have remained strong dating back several years, and general fund reserves have been maintained at a very strong level. Adding to the city's credit strength are management's very strong financial policies, including a broader managerial philosophy of conservative revenue projections even though the economy and tax base continue to improve. These budget practices support our belief that the city is in a strong position financially to handle an economic downturn or slowdown. Finally, the outlook reflects our view of the city's manageable and relatively low overall debt profile.

## Security and purpose

The city's series 2019 and existing appropriation obligations represent an interest in lease payments the city makes, as lessee, for the use of city facilities. Payments related to the series 2019 obligations will be for the use of the city's police headquarters, a municipal parking structure, the municipal courthouse, and the city's detention center, all of which are already developed structures. Lease payments are subject to annual appropriation, and the city does not have the right or obligation to abate lease payments in the event of nonuse of the facilities. Payments are not subject to set-off or counterclaim, and the city is responsible for maintenance, taxes, and utilities. Our ratings on the city's appropriation obligations are one notch below the city issuer credit rating. Of the estimated \$62.12 million par amount, approximately \$55.5 million will be used to refund the city's 2009 COPs outstanding, and roughly \$6.6 million will be used to fund various capital improvements around the Aurora Municipal Center Campus.

## Credit fundamentals

The rating reflects our view of the city's:

- Strong economy, with access to a broad and diverse MSA;

- Very strong management, with strong financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with an operating surplus in the general fund and a slight operating surplus at the total governmental fund level in fiscal 2018;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2018 of 37% of operating expenditures;
- Very strong liquidity, with total government available cash at 29.1% of total governmental fund expenditures and 6.2x governmental debt service, and access to external liquidity we consider strong;
- Very strong debt and contingent liability profile, with debt service carrying charges at 4.7% of expenditures and net direct debt that is 32.4% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value; and
- Strong institutional framework score.

### **Strong economy**

The city serves a 160-square-mile area spanning the eastern area of the Denver metropolitan region and is just south of the Denver International Airport. With an estimated population of 375,000, Aurora is located in Adams, Arapahoe, and Douglas counties within the Denver-Aurora-Lakewood MSA, which we consider broad and diverse. The city has a projected per capita effective buying income of 94% of the national level and per capita market value of \$131,300. The city's actual property value grew by 22.8% over the past year to \$49.4 billion (this total is preliminary until it is officially certified in December of 2019). The weighted-average unemployment rate of the counties was 3.2% in 2018.

The city's market value fluctuated before and after the Great Recession, with the largest single-year decline being 10% (2010 collection year), but has grown at an average annual rate of 12.8% since 2014. The majority of the increases occurred in revaluation years, with assessed value (AV) rising by 21.3%, 17.9%, and 21.5% in fiscals 2016, 2018, and 2020, respectively. In addition to the revaluation of property, several large scale residential, commercial, and industrial projects have come online in recent years. Although their facilities generally do not include taxable property, we believe that the city's economy benefits from the anchoring effect of the University of Colorado Anschutz Medical Campus (21,000 employees consisting of the university operations and those of other entities) and Buckley Air Force Base (approximately 12,000 airmen and staff). We understand that both facilities generate demand for ancillary services across the city. Moreover, the Rocky Mountain Regional Veterans Administration Medical Center opened in August of 2018, and has already contributed to significant employment growth its first year of operation. Officials expect further growth remain in the next several years, given the continued development occurring throughout the city.

The city's property tax base is very diverse, in our view, with the 10 leading property taxpayers accounting for roughly 9.2% of total AV in 2019. Other major developments that have come online in recent years include a 1 million-square-foot Amazon.com distribution center, the Gaylord Rockies Resort and Convention Center complex including 485,000 square feet of meeting and exhibition space and an over 1,500-room hotel, and a new, 10.5-mile Regional Transportation District (RTD) light rail line with 10 stops in the city. The city has secured long-term water supply and conveyance and is positioned well to absorb regional housing, commercial, and industrial demand, with a large footprint of developable land and what management reports are significant infill opportunities. The city has

significant transportation infrastructure in place to facilitate access to regional employment centers, including multiple interstate highways and RTD light rail and bus routes.

### **Very strong management**

We view the city's management as very strong, with strong financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable.

Our assessment of the city's policies and practices reflects its:

- Analytic approach to revenue and cost trends, along with external economic forecasting sources, to build budget assumptions, which are transparently outlined in a comprehensive budget document;
- Quarterly budget-to-actual discussions with council and the production of detailed reports that include narratives explaining performance for each presented fund;
- Annual updates to five-year financial forecasts, which include transparent discussions of supportable assumptions and clear use of projections to inform current-year budget discussions;
- Annual updates to five-year capital plans, which are integrated into financial forecasts and clearly identify capital spending by year, although funding sources are not reported on a rolled-up basis;
- Formal internal investment policy with qualitative explanation and quantitative portfolio allocation guidelines, supported by quarterly reports on holdings and performance that include brief macroeconomic narratives;
- Debt policy that includes a clear conceptual framework, a detailed swap policy, and limited ratio constraints, although its annual "debtbook" provides strong transparency as to debt obligations, including private placement financings; and
- Two-pronged reserve policy that includes 1% to 3% of budgetary revenue as a cushion against unexpected events and 10% of budgetary operating expenditures (excluding certain transfers) to manage longer-term structural challenges such as economic downturns.

### **Strong budgetary performance**

Aurora's budgetary performance is strong, in our opinion. The city had surplus operating results in the general fund of 3.8% of expenditures, and slight surplus results across all governmental funds of 0.9% in fiscal 2018.

Our calculation of the city's financial performance includes adjustments to treat recurring transfers in and out of the general fund as revenue and expenditures, respectively. The city's general fund performances have been strong in recent years, demonstrated by an operating surplus or essentially balanced operations (after net transfers) in every year within the last decade. Management attributes the positive general fund performances in recent years to conservative and comprehensive budgeting, along with robust sales tax revenue growth and cumulative sales and use tax receipt increases of 24.2% since 2014. Overall general fund revenue growth followed a similar trend during that time, increasing an aggregate 23.8% in that four-year span. Sales and use taxes account for the majority of general fund revenue, at roughly 66% in fiscal 2018, followed by property taxes (10%) and charges for services (4%). We note that the city's sales tax revenues, along with city fees, have been "de-bruced" for several years, meaning that all revenue and spending restrictions under the Taxpayer Bill of Rights (TABOR) in Colorado are effectively removed; property tax collections are still subject to TABOR revenue limitations.

The city's general fund expenditures have increased approximately 4.8% a year since 2014, and according to management, the increases are largely associated with hiring additional police and fire department staff to handle the large amount of growth occurring within the city, including several new fire stations that have come online in the last four years. In addition, the city has increased employee compensation in recent years as part of an effort to maintain competitiveness in the employment market. The city's July 2019 year-to-date report shows total revenue tracking 5.2% above original budget estimates, and expenditures within 1% of the projections. Therefore, officials expect to close out 2019 at least balanced operationally. We note that the city does intend to utilize a portion of available fund balances for one-time projects in the near term, as it has done historically. Because the continued economic expansion occurring citywide has led to strong revenue growth, we do not anticipate the additional spending to have a significant impact on overall available fund balances.

### **Very strong budgetary flexibility**

Aurora's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2018 of 37% of operating expenditures, or \$103.5 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

Our calculation of available fund balance combines assigned, unassigned, and portions of the city's committed portions of the general fund balance. The city's financial flexibility inclusive of our adjustments has been very stable in recent years, ranging from 33% to 37% of expenditures in 2016 to 2019. While the city intends to use a portion of its reserves in 2019 and 2020 for mostly one-time capital expenses, management anticipates sustaining its fund balance position well above its minimum reserve policy.

### **Very strong liquidity**

In our opinion, Aurora's liquidity is very strong, with total government available cash at 29.1% of total governmental fund expenditures and 6.2x governmental debt service in 2018. In our view, the city has strong access to external liquidity if necessary.

Our calculation of the city's liquidity consists of the city's legally available primary government cash and cash equivalents, as well as our estimate of its U.S. Treasuries and U.S. Agencies maturing in one year or less (pooled for both unrestricted and restricted uses). Because our calculation has excluded other at least partly liquid investments, we believe that liquidity on a practical basis could be stronger. As of June 2018, the city's largest investments, including those restricted as to use, were corporate notes (44% of the portfolio), followed by treasuries and agencies (36%) and municipal bonds (15%). Our view of access to external liquidity reflects the city's issuance of multiple debt types over the past 20 years.

### **Very strong debt and contingent liability profile**

In our view, Aurora's debt and contingent liability profile is very strong. Total governmental fund debt service is 4.7% of total governmental fund expenditures, and net direct debt is 32.4% of total governmental fund revenue. Overall net debt is low at 2.0% of market value, which is in our view a positive credit factor.

Our view of the city's debt profile has strengthened since our previous analysis as a result of several bond redemptions and refunding obligations, in addition to strong revenue growth having a positive impact on our net direct debt against total governmental fund revenue calculations. We understand that the city is considering issuing approximately \$30

million in COPs in the spring of 2020; however, we expect debt levels to remain very strong in the near term.

The city has been an active user of alternative financing in recent years, and management reports that the city uses a request-for-proposal process that lays out the city's proposed terms and conditions, which helps it to avoid considering transactions that include onerous contingent liquidity provisions. We have reviewed the terms and conditions and have not identified any provisions that present contingent liquidity concerns that we find can be associated with alternative financing, such as acceleration provisions, although we consider events of default for many of the city's alternative financing obligations to be nonremote.

Aurora's combined required pension and actual other postemployment benefit (OPEB) contributions totaled 4.1% of total governmental fund expenditures in 2018. The city made 100% of its annual required pension contribution in 2018.

The city's required pension contribution is its actuarially determined contribution. We view the largest plan's (the General Employees' Retirement Plan) funded ratio, which we estimate as the plan fiduciary net position as a percentage of the total pension liability, as good, at 99.6% at the end of 2018. The city's OPEB liability is associated with an implicit subsidy consisting of the ability for retirees to participate in the city's health benefit plans after 19.5 years of service for public safety employees and 10 years for most other employees at age 50 or greater. The OPEB unfunded actuarial accrued liability stood at \$19.2 million at the end of 2018, and the city takes a pay-as-you-go approach that, for 2018, resulted in a contribution that was slightly higher than the actuarially calculated annual required contribution.

### **Strong institutional framework**

The institutional framework score for Colorado municipalities required to produce annual audits is strong.

## **Outlook**

The positive outlook reflects our view of the city's strong economy and tax base, which we expect will continue to grow. The outlook also reflects our view of the city's recent history of strong operational performances, supported by management's robust budgeting, financial planning, and debt disclosures, which give it the tools to manage the risks associated with accommodating growth.

### **Upside scenario**

If the city's key economic indicators continue to improve to levels comparable with those of higher-rated peers, and it is able to maintain a strong financial and debt profile through this period of high growth and a potential future economic slowdown, we could raise the ratings.

### **Downside scenario**

If the city is unable to achieve operational balance for multiple years, resulting in a decline in overall reserves, we would likely revise the outlook back to stable.

## Related Criteria And Research

2018 Update Of Institutional Framework For U.S. Local Governments

Ratings Detail (As Of October 7, 2019)		
Aurora certs of part		
<i>Long Term Rating</i>	AA/Positive	Outlook Revised
Aurora certs of part ser 2017B due 12/01/2037		
<i>Long Term Rating</i>	AA/Positive	Outlook Revised
Aurora APPROP		
<i>Long Term Rating</i>	AA/Positive	Outlook Revised

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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Management and Finance Policy Committee  
Agenda Item Commentary

Item Title: Internal Audit Quarterly Report on Progress Against the 2019 Audit Plan
Item Initiator: Wayne Sommer
Staff Source: Wayne Sommer, Internal Audit Manager, 37075
Deputy City Manager Signature: Jason Batchelor
Outside Speaker:
Council Goal: 2012: 6.0--Provide a well-managed and financially strong City

**ACTIONS(S) PROPOSED** *(Check all appropriate actions)*

- Approve Item and Move Forward to Study Session
- Approve Item and Move Forward to Regular Meeting
- Information Only

**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

**Internal Audit develops an annual audit plan. Internal Audit provides quarterly progress reports against the plan to the M&F Committee acting as the Audit Committee.**

**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

**Internal Audit has made substantial progress against is 2019 audit plan.**

**QUESTIONS FOR Committee**

**EXHIBITS ATTACHED:**

Internal Audit 2019 Progress Report as of Sept 30 2019.pdf



# **2019 Annual Audit Plan**

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## **Progress Report as of September 30, 2019**



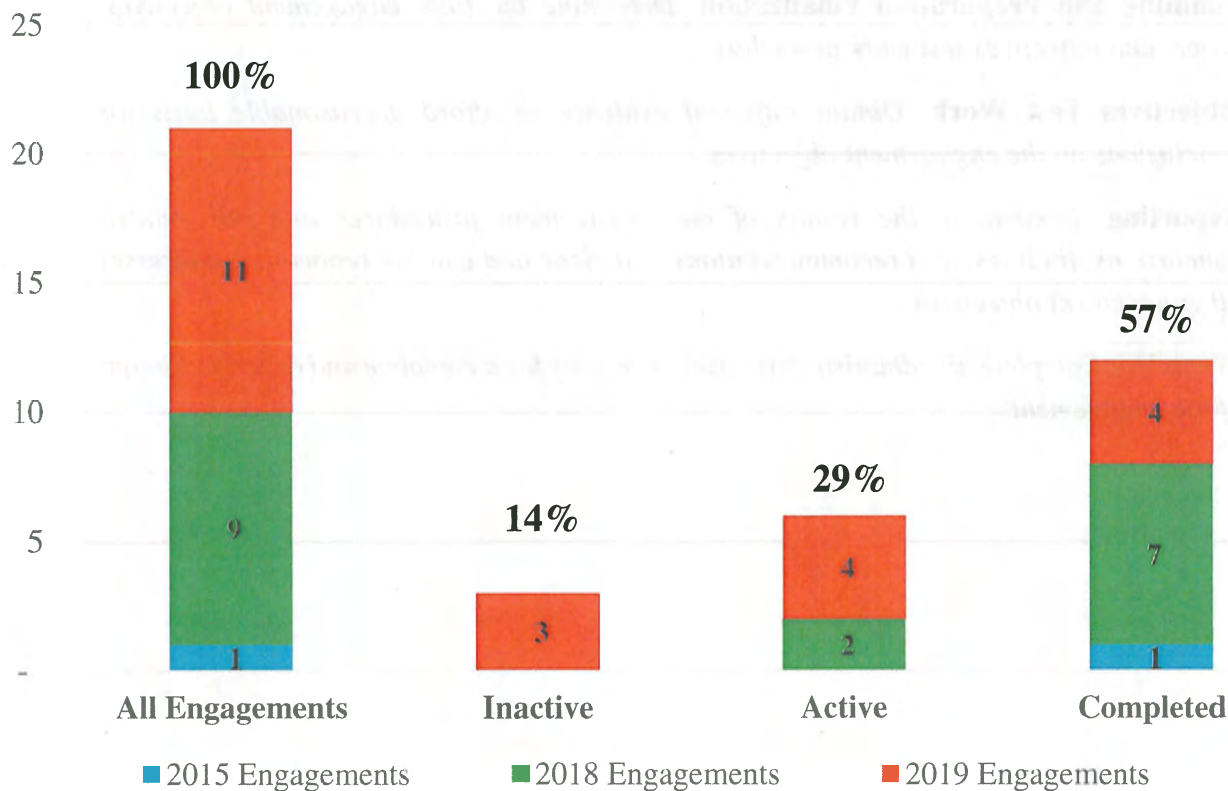
**Prepared by the Office of the Internal Auditor**

## 2019 ENGAGEMENTS SUMMARY

Through September 30, Internal Audit has completed 57% of all engagements; 29% are currently active. We added two new engagements in the most recent quarter. In total, 86% of all our engagements are either active or complete. We completed the 2020 Risk Assessment and drafted our 2020 Annual Audit Plan. This will come to the M&F Committee for affirmation in November once it is approved by the City Manager.

We removed two engagements from our audit plan: DOT/FMCSA Compliance and Vehicle Replacement. After further discussion with department management about the objectives for DOT compliance, we determined that there would be no value to an audit at this time as the activity is cleaning up some compliance-related issues. We agreed that we would revisit the possibility of an audit in the future. Regarding Vehicle Replacement, we do not have the bandwidth to address this engagement. Other engagements (Grants Acquisition and Management and Purchasing, Part 2) are higher priorities.

### 2019 Engagement Plan Statistics



As of September 30, 2019

## Agile Engagements

Internal Audit applies an agile approach to the engagements listed below. This approach brings valuable information to our clients more quickly than the traditional approach through a report provided when each milestone is completed.

This is an explanation of our Milestone objectives:

**Team Preparation:** *Ensure that the engagement team can properly conduct the engagement.*

**Client Evaluation:** *Gain a deeper understanding of the client's operating environment and client issues that may affect the engagement objectives and that may influence subsequent engagement procedures.*

**Process Controls and Efficiency:** *Determine whether appropriate process controls exist and whether processes are efficient.*

**Risks:** *Assess the impact of identified risks on the engagement objectives, scope, and on the objectives test work procedures.*

**Planning and Preparation Finalization:** *Determine the final engagement objectives, scope, and objectives test work procedures.*

**Objectives Test Work:** *Obtain sufficient evidence to afford a reasonable basis for conclusions on the engagement objectives.*

**Reporting:** *Summarize the results of our engagement procedures and our related conclusions, findings, and recommendations in a clear and concise report that addresses all engagement objectives.*

**Wrap Up:** *Complete all administrative tasks necessary for a complete and orderly closeout of the engagement.*



2019 Annual Audit Plan—Progress Report as of September 30, 2019

In the table below, purple shading shows completed milestone work; hatched cells represent milestones in progress; and, orange shading represents milestones in which we expect to be working during the coming quarters. Engagement descriptions and objectives for active engagements follow the table below.

Engagements	Milestones							
	Team Preparation	Client Evaluation	Internal Controls	Risk Evaluations	Preparation Finalization	Objectives Test Work	Reporting	Wrap Up
Fleet Management	[Purple shading]							
Payroll Operations	[Purple shading]	[Hatched]	[Hatched]	Q4	Q4			
Grants Administration Processes Pt 1	[Purple shading]	[Purple shading]	[Hatched]	Q4	Q4			
Purchasing Operations Review Pt 1	[Purple shading]							
APD Property and Evidence	[Purple shading]							
APD Vice and Narcotics	[Purple shading]							
Succession Planning Survey	[Hatched]	Q4						
City Governance	WILL ROLLOVER INTO 2020							
P-card Transactions	Q4							
Grants Administration Processes Pt 2	WILL RECONSIDER IN 2020							
Purchasing Operations Review Pt 2	[Purple shading]					[Hatched]	Q4	Q4
New House Aurora Partnership	[Purple shading]							[Hatched]
New APD Program Expense Review	[Purple shading]							
New Planning Culture Survey	[Purple shading]						[Hatched]	[Hatched]
New PerfectMind and World Pay Reconciliation	[Hatched]	[Purple shading]				[Hatched]	Q4	Q4

## **Finance Payroll Operations Review**

The Payroll division of Finance is responsible for the accurate processing and payment of salaries and wages to over 3,000 full-time, part-time, and seasonal workers. Payroll processing involves meeting immovable deadlines, accurately processing salary and wage payments, ensuring timely funds transfers for tax and benefit payments, as well as securing employee information. Payroll operations are critical to the smooth delivery of City services.

### Objectives:

- ❖ Assess the efficiency and effectiveness of overall payroll operations
- ❖ Ensure that controls sufficiently safeguard employee information maintained internally and appropriately shared with outside parties
- ❖ Ensure that controls ensure accurate payroll processing

## **Finance Grant Administration Processes-Part 1**

The City grant process is decentralized. Individual departments are responsible for seeking out and applying for grants. They are also responsible for the management of the grant funds—including all compliance aspects—throughout the grant's life cycle. The City offers *eCivis*, a grants management system that allows departments to research grants, apply for them, and track and manage any awarded grants. Compliance by departments with established grant management protocols is critical to providing accurate data related to grant activities and avoiding unnecessary financial and reputational risks.

### Objectives:

- ❖ Determine that policies, procedures, and controls are adequate to support grants procurement and management
- ❖ Ascertain the degree to which the current structure supports grant acquisition and effective grants management
- ❖ Evaluate the degree of staff compliance

During Part 1, Internal Audit will address the first objective, documenting all processes and systems related to grant acquisition and management. We will conduct a preliminary adequacy evaluation in anticipation of further work on the remaining objectives in 2020.

## Human Resources Succession Planning Survey

Cities are in the midst of great employment change. “Since the youngest of the baby boomers are now turning fifty, it is only a matter of time before this entire generation has gone, taking their skills, knowledge and experience out of the work force.”<sup>1</sup> Forty-four percent of cities report that retirements in the most recently completed year were higher than the year before, and the share of retirement eligible employees postponing their retirement date has fallen by more than half since 2009 (from 44 to 21 percent).<sup>2</sup>

For the City government to thrive there will need to be succession-planning efforts that transfer institutional memory and develop internal candidates to more cost effectively fill newly opened positions.

Internal Audit will join with Human Resources in developing and distributing a citywide survey on the topic.

### Objectives:

- ❖ Understand the ways and the degree to which departments are preparing for staff transition.
- ❖ Establish a baseline for City succession planning.

## Finance P-card Transaction Propriety

We will conduct a P-card transaction audit to evaluate transaction compliance with City policies and proper recording in the financial records. Internal Audit will employ databased auditing techniques in this engagement. We will consider a dollar threshold, high-risk merchant category codes (MCCs) and/or suppliers (e.g., Amazon), key words that could indicate a prohibited purchase per City policies and procedures, transactions occurring during non-business hours, and any other relevant considerations.

### Objectives:

- ❖ Determine whether P-Card holders are managing and using resources in an efficient, effective, and economical manner.
- ❖ Determine whether P-Card holders are administering funds in compliance with applicable laws, regulations, policies, and procedures.

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<sup>1</sup> <https://www.inc.com/john-boitnott/how-to-bridge-the-talent-gap-as-baby-boomers-leave-your-company.html>

<sup>2</sup> *Survey Findings State and Local Government Workforce: 2018 Data and 10 Year Trends, May 2018*; Center for State and Local Government Excellence.



- ❖ Determine whether authorized P-Card transactions are properly recorded in the financial records.

## **Purchasing Holistic Operations Review-Part 2**

The Purchasing Services Division is responsible for acquiring goods and services through a competitive bid process. Internal Audit will review the Division's activities to ensure they possess sufficient capacity to handle City needs in a timely fashion.

Objectives:

- ❖ Determine that Purchasing resources (staffing and automation) and processes are sufficient to ensure that Purchasing can meet anticipated demand.
- ❖ Assess the effectiveness of our software acquisition process and procurement controls for complex IT systems. (*As requested by the M&F Committee.*)
- ❖ Determine the degree of City staff compliance with purchasing processes and policies.
- ❖ Assess the impact of any discovered non-compliance.

## **Planning and Development Services Culture Survey**

From our 2020 risk assessment activities, we identified information (such as the turnover rate) that led us to believe a culture issue existed in Planning and Development Services. We determined that a survey was best conducted now rather than waiting until 2020.

Objectives:

- ❖ Establish a benchmark for the state of the culture in Planning and Development Services.

## Citywide PerfectMind and World Pay Reconciliation

From our 2020 risk assessment activities, we were informed of a reconciliation situation between these two systems that we determined required a review while recollections were fresh in the minds of all parties involved.

### Objectives:

- ❖ What was expected to happen when reconciling these systems?
- ❖ What actually happened during the reconciliation?
- ❖ Why did the issues occur?
- ❖ When did city staff become aware of the issues?
- ❖ What has been done to resolve any of the issues?
- ❖ What lessons can be learned to apply in the future?

## Traditional Engagements

We either started these engagements before we began our agile approach, or they are too brief in scope to benefit from the new approach. All these engagements are complete.

Engagements	Inactive	Planning	Fieldwork	Reporting	Complete
Citywide Energy Management					
Disaster Preparedness Follow-up					
APD Metro Gang Task Force Change of Command					
Culture Survey, Public Safety Communications					
GenTax Audit					
Animal Shelter Live Release Rate					

## Other Matters

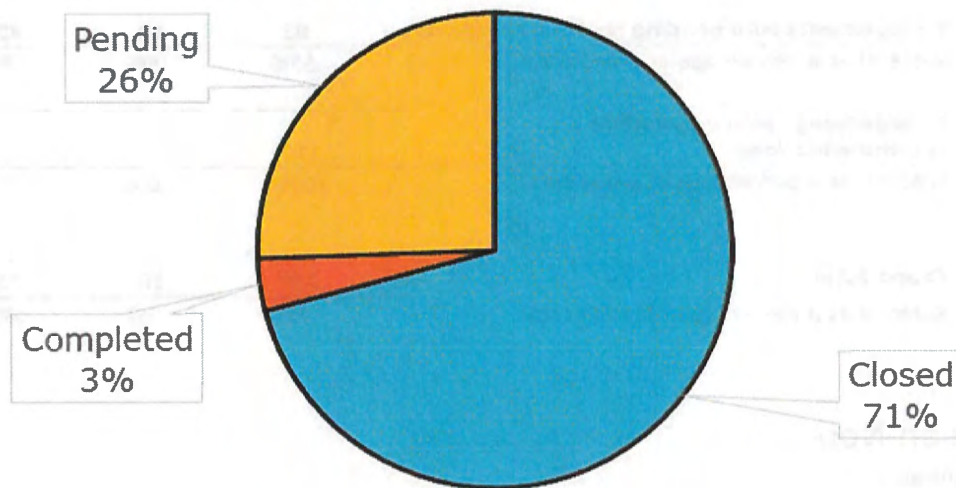
**2020 Risk Assessment:** The Risk Assessment is complete. We have drafted our 2020 Annual Audit Plan and will present it to the M&F Committee in November 2019.

**Staff Professional Development:** All staff is on track to complete their annually required 40 hours (minimum) of continuing professional training for 2019.

## RECOMMENDATIONS

We maintain and track the implementation status of our audit recommendations in our TeamMate audit software. The chart below displays the status of recommendations as of September 30, 2019. As of that date, 26% of all audit recommendations issued remained incomplete. That number is lower than the 31% reported at the end of the previous quarter. The table that follows outlines the status of audit recommendations by engagement. The table lists active audits with outstanding recommendations. Internal Audit regularly monitors the progress made on these recommendations.

### Recommendations Status as of September 30, 2019



**Closed:** Client management has approved the implementation. No further action is necessary.

**Completed:** The client has implemented the recommendation and is waiting for client management's final approval.

**Pending:** Implementation is not completed.

## 2019 Annual Audit Plan—Progress Report as of September 30, 2019

<u>Report Release Date</u>	<u>Audit Plan Year and Engagement Name</u>	<u>Closed</u>	<u>Completed</u>	<u>Pending</u>	<u>Grand Total</u>
February 2017	2015 HIPAA Compliance	7	-	2	9
January 2016	2015 Payroll and HR Audit	13	-	2	15
January 2016	2015 PROS Timesheet Audit	2	-	1	3
September 2017	2016 Citywide Physical Security Assessment	12	-	11	23
September 2017	2016 Core 4 Culture Impact Assessment		-	4	4
March 2018	2016 Fire Department Overtime	16	5	1	22
April 2017	2016 Overall Disaster Preparedness Assessment	5	2	4	11
May 2018	2017 Lethal and Less Lethal Weapons Inventory and Control Review	10	-	8	18
January 2019	2018 Change of Command MGTF	6	1	1	8
May 2019	2018 Fleet Management Operational Review	6	-	28	34
November 2018	2018 Overall Disaster Preparedness: Recommendations Follow-up	1	1	5	7
August 2019	2019 APD Program Expenses			4	4
May 2019	2019 CALEA Property and Evidence Audit	3	1	1	5
<b>Engagements with pending recommendations</b>		<b>81</b>	<b>10</b>	<b>72</b>	<b>163</b>
<i>Subtotal as a percentage of grand total</i>		<i>50%</i>	<i>6%</i>	<i>44%</i>	<i>100%</i>
<b>Engagements with no pending recommendations</b>		<b>119</b>	<b>-</b>	<b>-</b>	<b>119</b>
<i>Subtotal as a percentage of grand total</i>		<i>100%</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>
<b>Grand Total</b>		<b>200</b>	<b>10</b>	<b>72</b>	<b>282</b>
<i>Subtotal as a percentage of grand total</i>		<i>71%</i>	<i>3%</i>	<i>26%</i>	<i>100%</i>

### Implementation Notes

#### 2015 HIPAA Compliance

- Revised completion dates are December 31, 2019 and March 31, 2020

#### 2015 Payroll and HR Audit

- Revised completion dates are December 31, 2019 and January 31, 2020

#### 2015 PROS Timesheet Audit

- Completion is dependent upon a decision regarding the City's timekeeping systems

#### 2016 Citywide Physical Security Assessment

- Management charged a cross-departmental steering committee with overseeing the recommendation implementation process. This committee is progressing slowly but steadily and providing regular progress reports to the City Manager. Some items will be addressed through initiatives funded in the 2020 budget.

#### 2016 Core 4 Culture Impact Assessment

- Human Resources will be addressing the recommendations



2016 Fire Department Overtime

- The remaining recommendation will be addressed through the strategic planning discussions in 2020

2016 Overall Disaster Preparedness Assessment

- Revised completion dates are December 31, 2019 (Internal Audit completed a follow-up engagement on the recommendations from this original engagement: see *2018 Overall Disaster Preparedness: Recommendations Follow Up* below)

2017 Lethal and Less Lethal Weapons Inventory and Control Review

- The implementation effort is waiting on the completion of a software RFP for a new inventory system.

2018 Change of Command Metro Gang Task Force

- Implementation of recommendations is in process.

2018 Fleet Management Operational Review

- Fleet is making consistent progress addressing their recommendations.

2018 Overall Disaster Preparedness: Recommendations Follow Up

- Implementation is in progress; revised dates are in Q4 2019.

2019 APD Program Expenses

- Implementation is in progress

2019 CALEA Property and Evidence Audit

- Implementation is in progress

## INTERNAL AUDIT TEAM

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### Wayne Sommer | Internal Audit Manager

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Wayne is a Certified Public Accountant (CPA) and a Chartered Global Management Accountant (CGMA) with 39 years of diverse work experience. He began his career as an auditor for KPMG in Washington, DC (then known as Peat Marwick Mitchell and Co), advancing to the Audit Senior level with specialization in not-for-profit entities and financial institutions. He spent the next seven years in various financial and management capacities at Trustbank Savings, FSB in Virginia (also known as Dominion Federal Savings and Loan.) Prior to coming to the City of Aurora, Wayne spent 23 years at the International City/County Management Association (ICMA) in Washington, DC with 14 of those as Director, Administration and Finance, and the last nine working in executive management roles performing strategic planning, business development, and organizational change and development. Wayne also managed ICMA's U.S. Programs, which offered research and consulting products and services to local governments, the private sector, and the Federal government. Wayne has been with the City of Aurora since May 2014.

**Professional Associations:** American Institute of Certified Public Accountants; Institute for Internal Auditors; Association of Local Government Auditors; Government Finance Officers Association

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### Michelle Crawford | Internal Audit Staff

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Michelle is a Certified Internal Auditor (CIA), a Certified Fraud Examiner (CFE), and has 12 years of experience in governmental auditing. She received her Bachelors in Business Administration at the University of Montana and her Masters in Accountancy from Missouri State University. Upon graduation from Missouri State University, she started her career at the Missouri State Auditor's office as a Staff Auditor I and progressed over the next seven years to a Senior Auditor. As an auditor with the State Auditor's office, she conducted performance audits of local governments and worked on the statewide Single Audit. Michelle has been with the City of Aurora since October 2014.

**Professional Associations:** Association of Certified Fraud Examiners; Institute for Internal Auditors; Association of Local Government Auditors; Government Finance Officers Association

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### Sheree Van Buren | Internal Audit Staff

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Sheree graduated from Colorado State University in 2010 with a Bachelor of Science in Business Administration – Accounting degree. Prior to joining the City of Aurora, she spent three years as an Audit Associate with PwC, LLP. During this time, Sheree worked in the financial services industry, performing year-end financial statement audits for local and international investment companies. She is a Certified Internal Auditor (CIA.) Sheree has been with the City of Aurora since August 2014.

**Professional Associations:** Institute for Internal Auditors; Association of Local Government Auditors; Government Finance Officers Association, National Forum for Black Public Administrators.

## Appendix A: Completed Engagement Summary Reports

- House Aurora Partnership (HAP)
- APD Expenses Review





The Executive Summary should be interpreted within the context of the complete engagement report.

## BACKGROUND

The House Aurora Partnership (HAP) was developed to both prevent and end homelessness for Aurora residents by specifically supporting lower vulnerability households experiencing housing instability or homeless individuals who have sustainable income to pay their rent after overcoming a temporary crisis or gaining employment/benefits that can sustain housing.

Funded mostly by marijuana tax revenue, the program provides money for rehousing, eviction prevention, and transportation for residents wanting to relocate from Aurora to a place where viable resources are available to them.

## HOUSE AURORA PARTNERSHIP

### SCOPE

Our audit work covered the period between August 2017 and May 2019.

### OBJECTIVES

- Ensure House Aurora Partnership spent its funding in accordance with the program's overall mission.
- Review the effectiveness of the House Aurora Partnership, if possible.

### OBJECTIVE CONCLUSIONS

#### *Expenditures in Accordance with Mission*

During our test work we identified eight exceptions that lacked sufficient supporting documentation. While these eight errors were within our allowable error rate, there is a 5% risk that the actual rate of deviations may exceed 4.8%.

#### *HAP Effectiveness*

Surveyed partner organizations rate the program highly. While it is apparent that HAP is assisting many individuals in need, there are no standards against which to measure HAP's effectiveness. Consequently, we cannot offer a conclusion on HAP's effectiveness.

### RECOMMENDATION HIGHLIGHTS

We recommend the development and documentation of policies and procedures for key HAP activities.

We recommend the development of outcome-based performance measures and strategic planning efforts.

We also recommend the enhancement of partner agreements, including partner performance standards, partner data handling standards, and processes for obtaining partner and client feedback.

### RECOMMENDATION CONCLUSION

Management has agreed to implement the Internal Audit recommendations.



The Executive Summary should be interpreted within the context of the complete engagement report.

## BACKGROUND

Aurora Police requested an audit of a portion of their special programs to ensure that funds were spent appropriately.

## APD PROGRAM EXPENSES

### SCOPE

January 1, 2018 through April 30, 2019

### OBJECTIVES

Verify that expenditures involving City funds for the Volunteer, Aurora for Youth, Explorers, and Teen Academy were appropriate.

Review controls and procedures for the programs for effectiveness.

Review leading practices for handling internal donations.

### CONCLUSIONS

With the exception of \$225 in Volunteer expenditures, we have concluded that the expenditures we reviewed for Aurora for Youth, Explorers, and Teen Academy appear appropriate.

Controls over the program are operating as designed. As noted in our prior report, additional training is needed for supervisor reviews.

We have identified some leading practices to assist APD in developing their process for handling internal donations.

## KEY RECOMMENDATION AND RESPONSE

### RECOMMENDATION

We recommend APD include more detail on the support documentation for expenditures and Supervisors should review supporting documentation to ensure the level of detail is adequate. Additionally, we recommend training for supervisors on what to look for when reviewing supporting documentation.

### RESPONSE

Supervisors will receive training on purchasing documentation, including incorporating a greater level of detail on the reason for purchases that are not self-explanatory.