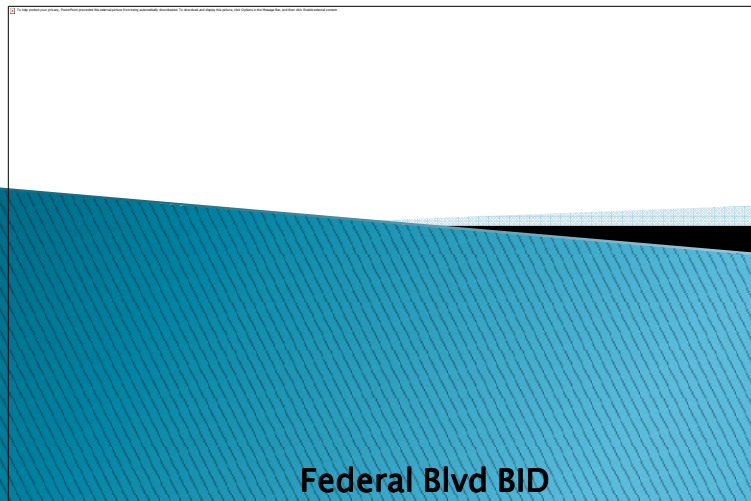




Business Improvement Districts (BIDs) 2015 Budget Review



Types of Districts

State Statutory **Special Districts**

Title 31

Business Improvement Districts
General Improvement Districts

Urban Renewal Authority
Downtown Development Authority

Title 32: Special District Act of 1981

Metropolitan Districts

Ambulance Districts
Fire Protection Districts
Health Services Districts
Park and Rec Districts
Water and Sanitation Districts

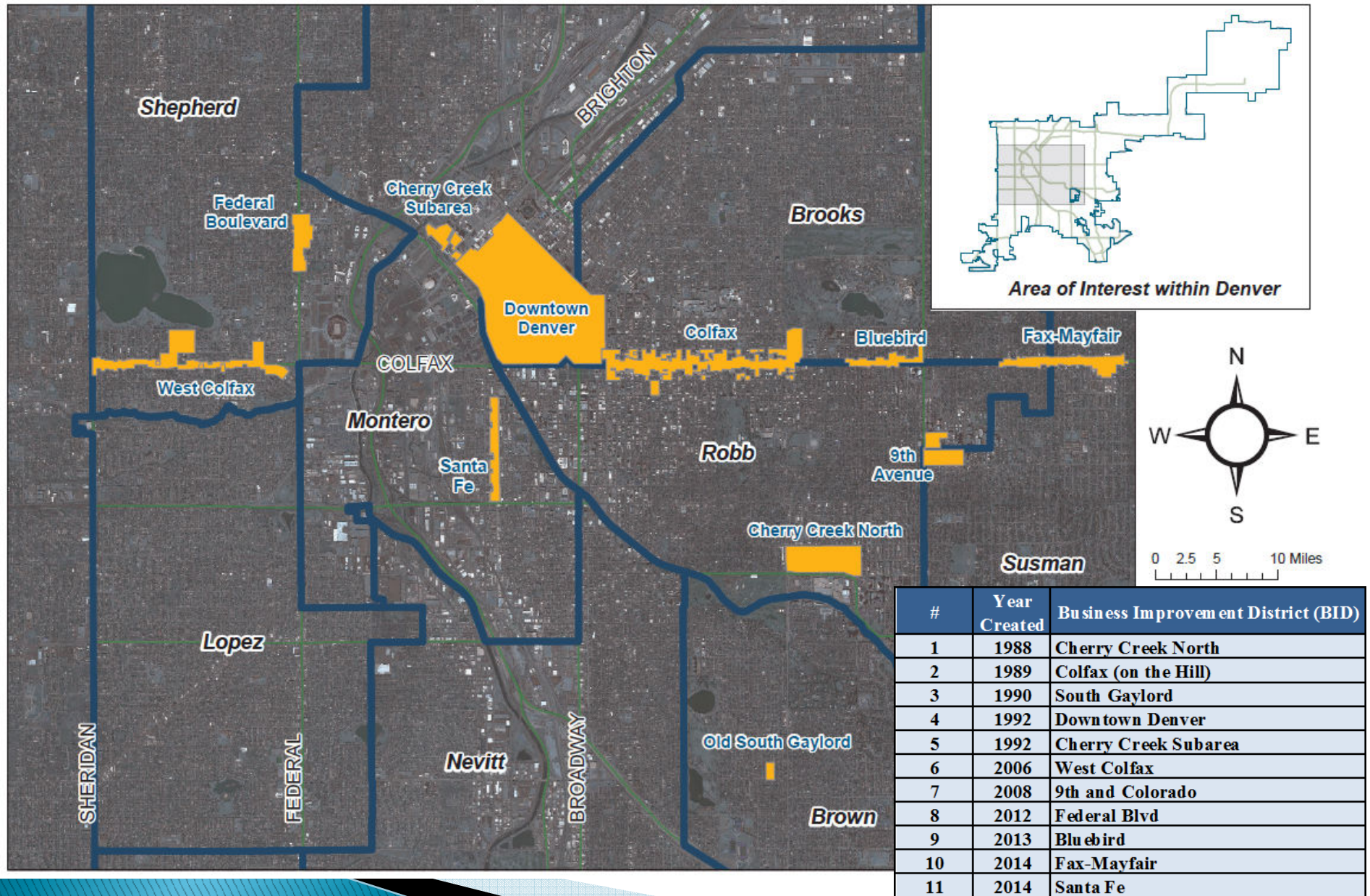
Business Improvement Districts(BIDs)

- ▶ **Legal authority:** Colorado Revised Statutes Sections 31-25-1201 through 31-25-1228. (Consists of **commercial property only** –“residential and agriculture exempt”).
- ▶ **Powers:** To manage, control, and supervise all the business affairs of the district and of the acquisition, construction, financing, installation, and operation of district improvements, and the financing and operation of district services within its boundaries.

They have the power to issue general obligation bonds (with election) and revenue bonds; Can acquire previously constructed improvements. Powers may be expanded in the creating ordinance or by separate agreement. Once approved by Council a new governmental authority and overlapping debt is created.

- ▶ **Created:** Letter of Intent by property owners in the district; It is initiated by a petition of owners having at least 50% of the assessed valuation and at least 50% of the district’s land. It is approved by a Creation Ordinance with public hearing.
- ▶ **Revenues Derived:** Through levy of ad valorem tax (property taxes) or special assessments.
- ▶ **Board of Directors:** Board of Directors are appointed by the Mayor and approved by City Council. Must meet at least once a year as board to adopt budget, audit etc.

BUSINESS IMPROVEMENT DISTRICTS WITHIN DENVER



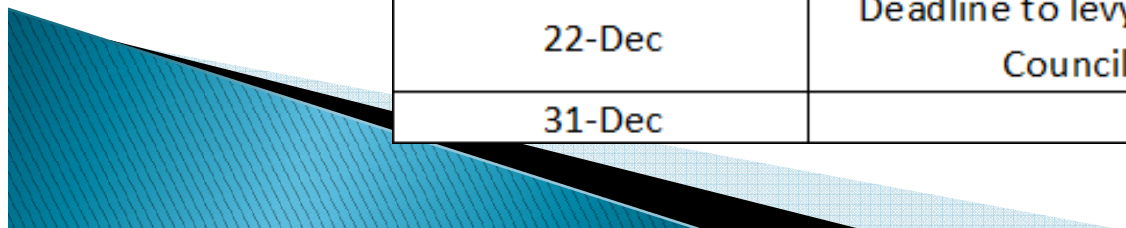
Required Budget Approval Process

Deadline for
BID to Submit
Budget

Date	Business Improvement District Action
1-Sep	Budget Submission Reminder Notifications
30-Sep	Submit Budget to City
Oct 1-15th	Staff Reviews & Analysis
15-Oct	Ordinance Request to City Council submitted to ensure deadlines met
5-Dec	City Council approve Work Plan & Budget
15-Dec	Deadline for Certification of Mill Levies
22-Dec	Deadline to levy for City Council
31-Dec	

Staff Review

Deadline to approve
Work Plan and
Budget



Annual BID Data Requested

Financial:

- ▶ 2015 Work Plan (Performance Activities) and Budget
- ▶ 2014 year-to-date “budget to actual” financial reports, and activities performed.
- ▶ Any material departures from the 2014 Operating Plan, and an explanation.
- ▶ The status of any planned or outstanding indebtedness.
- ▶ The results of any audits conducted during the year (2013 Annual Audited Financial Statement by July 31st of each year).

Informational:

- ▶ A copy of the By-laws, if any, in effect in 2014/2015.
- ▶ A list of official board actions (motions) in the past year.
- ▶ Current list of all Board members including name, address, phone, fax and email as well as term appointment and expiration date.
- ▶ Board members attendance records for the past year.

Performance:

- ▶ If documented tangible impacts, as well as any statistical performance measures including trend occupancy rates, business or citizen surveys, crime rates, lease rates, taxable retail sales, number of jobs created, pedestrian/visitor counts, and business license revenues.



Finance Department

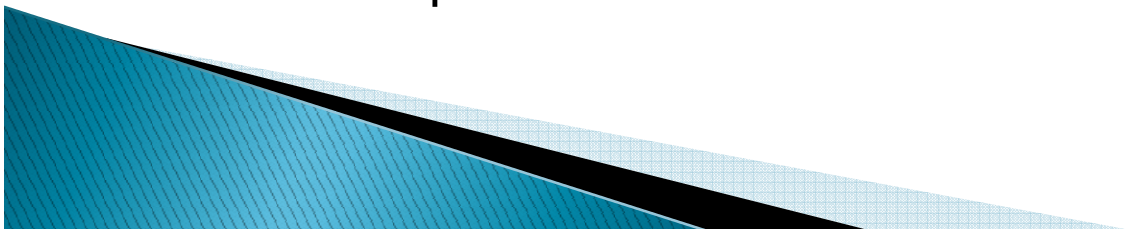
Components of Analytic Review

Financial Review

- ▶ Confirm expenditures with 2014 year-to-date budget. Identify any material departures from the 2014 Operating Plan, and obtain an explanation.
- ▶ Review year-end financial reports for variations from reported budget. Examine results of any audits (when applicable) conducted during the year.
- ▶ Identify the status of any planned or outstanding indebtedness.
- ▶ Perform a “Budget Change” analysis to identify variations to proposed budgets.
- ▶ Review Bonded Debt compliance (where applicable) and review impact to the City’s Overall Overlapping Debt.
- ▶ Reviewed performance metrics and impact to Work Plan.

Report Anomalies

- ▶ Material variations, deviations from plan, audit findings, and debt compliance.



Finance Department Analysis Includes: 2015 Budget Expenditures Comparative Summary



2. Cherry Creek North & Downtown Denver Represent 93% of BID Expenditures

Business Improvement District
2015 Budget Expenditures Comparative Summary

4. Only Cherry Creek North Has Bonded Debt Service

#	Year Created	District in Creation Order	Admin	Capital Improvements	Maintenance	Marketing & Econ Dev	Parking	Safety & Security	Special Events & Projects	Debt Service	Fund Balance Reserve	Totals	% of Grand Total
1	1988	Cherry Creek North	\$517,082	\$0	\$870,500	\$905,600	\$126,000	\$0	\$69,000	\$1,200,621	\$2,732,894	\$6,421,697	42%
		% of Total	8%		14%	14%	2%		1%	19%	43%		
2	1989	Colfax (on the Hill)	\$161,914	\$55,000	\$135,500	\$22,235	\$0	\$0	\$50,000	\$0	\$13,133	\$437,782	2.9%
		% of Total	37%	13%	31%	5%			11%		3.0%		
3	1990	Old South Gaylord	\$14,256	\$0	\$26,750	\$0	\$0	\$0	\$0	\$0	\$0	\$41,006	0%
		% of Total	35%		6%						0%		
4	1992	Downtown Denver	\$1,306,356	\$218,051	\$3,435,894	\$863,859	\$0	\$730,857	\$349,541	\$0	\$813,851	\$7,718,409	51%
		% of Total	17%	2.8%	45%	11%	0	9%	5%		11%		
5	1992	Cherry Creek Subarea	\$13,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,419	\$59,419	0%
		% of Total	22%		0%	0%					78%		
6	2006	West Colfax	\$17,549	\$0	\$22,499	\$104,751	\$0	\$0	\$16,000	\$0	\$0	\$160,799	1%
		% of Total	11%		14%	65%			10%		0.0%		
7	2008	9th and Colorado	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
		(Inactive)											
8	2012	Federal Blvd	\$35,000	\$10,000	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$50,000	0%
			70%	20%		10%							
9	2013	Bluebird	\$44,957	\$20,000	\$16,000	\$10,000	\$0	\$0	\$0	\$0	\$2,075	\$93,032	1%
			48%	21%	17%	11%					2.2%		
10	2014	Fax-Mavfair	\$3,000	\$0	\$28,000	\$58,000	\$0	\$29,000	\$0	\$0	\$0	\$118,000	1%
			3%		24%	49%		25%					
11	2014	Santa Fe	\$3,000	\$25,000	\$40,000	\$20,000	\$0	\$12,000	\$0	\$0	\$0	\$100,000	1%
			3%	25%	40%	20%		12%					
		Totals	\$2,116,114	\$328,051	\$4,575,143	\$1,989,445	\$126,000	\$771,857	\$484,541	\$1,200,621	\$3,608,372	\$15,200,144	100%
			14%	2%	30%	13%	1%	5%	3%	8%	24%		

3. Maintenance and Marketing Represent 43% of BID Budgets – \$6.5M

1. \$15.2M Spent By all BIDs



Analysis Includes: 2015 BID Budget Change Summary

#	BID Name (Alpha Order)	Budgeted Revenue	Material Changes to Prior Yr	Mill Levy/Assessment	Mill Levy or Assessment Change	Principal Debt Outstanding	Fund Balance
1	Bluebird BID	\$ 93,032	\$20K Grant	10.00	No Change	None	\$ 2,075
2	Cherry Creek North BID	\$ 3,247,909	No Change	10.942	No Change	\$ 16,560,000	\$ 2,732,894
	Debt Service Mill			6.7000	No Change		
	Total			17.6420	No Change		
3	Cherry Creek Subarea BID	\$ 15,000	No Change	0.793	No Change	None	\$ 46,419
4	Colfax Ave BID***	\$ 437,782	No Change	8.005	No Change	None	\$ 13,133
5	Downtown Denver BID	\$ 6,683,983	No Change	Assessment	No Change	None	\$ 813,851
6	Fax-Mayfair BID	\$ 118,000	New	Assessment	New	None	\$ -
7	Federal Blvd BID**	\$ 50,000	No Change	11.944	New	None	\$ -
8	Old S. Gaylord BID	\$ 41,006	No Change	7.233	No Change	None	\$ 15,000
9	Santa Fe BID	\$ 100,000	New	Assessment	New	None	\$ -
10	West Colfax BID	\$ 160,799	No Change*	Assessment	No Change	None	\$ 3,594
11	9th Ave. BID (Inactive)	\$ -	N/A	-	N/A	None	\$ -

*2014 West Colfax had a \$309K Pedestrian Mobility Project, 2015 applying for additional grant funds

**Federal Blvd had an operational grant in 2014 from OED, now has a new Mill Levy for 2015

***\$45,000 Grant increase for pedestrian lights

Conclusion: No Material Changes from prior period Budgets

Special District Monitoring of Overlapping Debt



DENVER
THE MILE HIGH CITY

- ▶ Overlapping debt capacity and community fiscal impact is monitored on an annual basis.

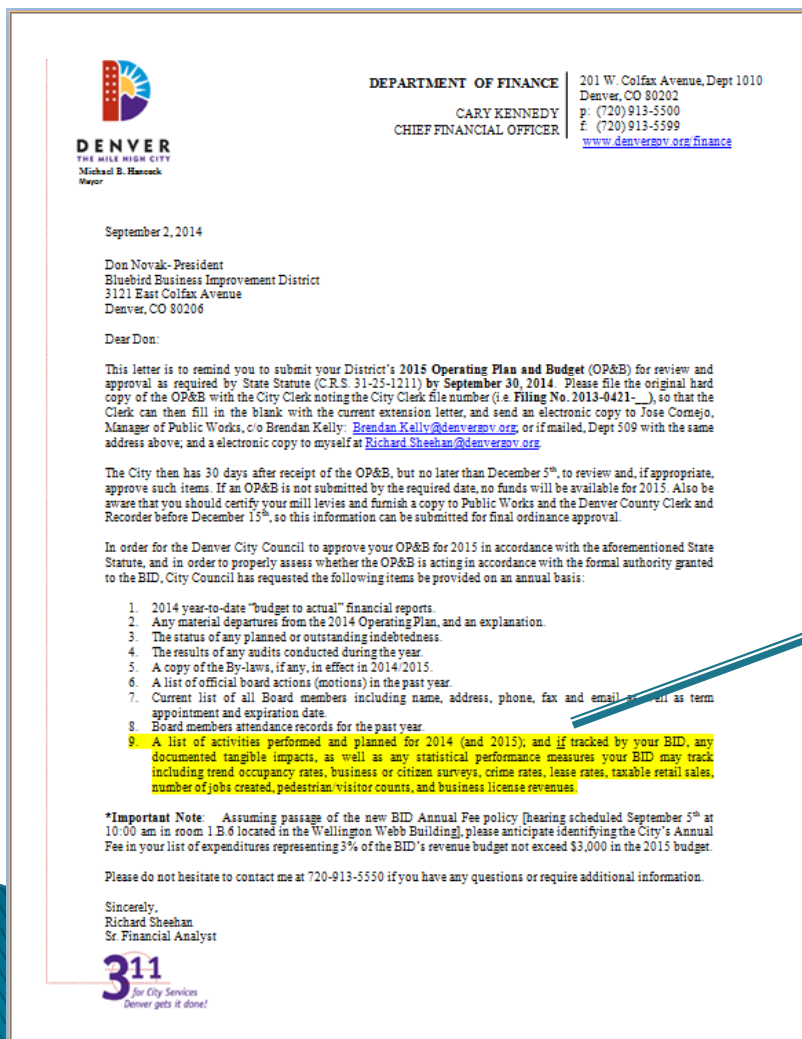
City and County of Denver											
Special District Debt Obligation Risk Assessment											
Report Date: As of FY 2010											
#	District Listing	Mil Levy	Year Council Approved	Developer/Owner	Bonds Outstanding	Debt Authorized but Unissued	District AV	Total District Score	Risk Assessment Rating 2010	Risk Assessment Rating 2009	Comments
Metropolitan											
1	Alameda Station	0.00	2008	Alameda Station LLC	\$ -	\$ 19,725,000	\$ -	3.00	Minimal	Minimal	District was created December 2008. No financial impact until City 1GB is in
2	BMP #1	0.00	2010	D4 Urban LLC & CF Property	\$ -	\$ 300,000,000	\$ -	3.00	Minimal		New District
3	BMP #2	0.00	-	-	Inactive	Inactive	Inactive				
4	BMP #3	0.00	-	-	Inactive	Inactive	Inactive				
5	Bowles	40.00	1987	Development Completed	\$ 23,100,000	\$ -	\$ 53,415,880	4.00	Minimal	Minimal	
6	Broadway Station #1	N/A	2006	Mississippi Development, LLC	\$ -	\$ 378,000,000	\$ 25,370	0.00	Low	Minimal	Amount of Developer Advances reduced from prior year by \$316,000, yet capital outlay continued causing deficit
7	Broadway Station #2	N/A	-	-	\$ -	\$ 378,000,000	\$ -	3.00	Minimal	Minimal	
8	Broadway Station #3	11.00	-	-	\$ -	\$ 378,000,000	\$ 6,047,460	2.00	Minimal	Minimal	
9	Central Platte Valley	53.00	1998	Construction Mgmt	\$ 57,735,000	\$ 111,445,000	\$ 34,733,250	-2.00	Low	Low	
	Central Platte Valley (Debt)	20.00	-	-	\$ -	\$ -	\$ 48,726,530				
	Community Coordinating	N/A	2010	N/A	N/A	N/A	N/A				
	Deaargo Market #1	0.00	2010	Cypress Real Estate Advisors	\$ -	\$ 22,612,500	\$ 120	1.00	Low		
	Deaargo Market #2	N/A	-	-	Inactive	Inactive	Inactive	Inactive			
	Deaargo Market #3	N/A	-	-	Inactive	Inactive	Inactive	Inactive			
	Deaer Gateway Center	36.99	1997	Watterson & Fair Mgmt	\$ 585,000	\$ 12,650,000	\$ 2,987,980	4.00	Minimal	Low	Paid down Debt improved debt ratio, etc
	Deaer Gateway Meadows	30.00	2004	Watterson & Fair Mgmt	\$ -	\$ 5,000,000	\$ 1,570	3.00	Minimal	Minimal	
	Deaer High Point At DIA	15.00	2006	JNR CPI High Point, LLC	\$ -	\$ 157,800,000	\$ 628,830	1.00	Low	Low	
	Colorado International Center	N/A	-	-	\$ -	\$ 157,800,000	\$ -				
	Colorado International Center	60.00	-	-	\$ 6,400,000	\$ 157,800,000	\$ 10,211,900	1.00	Low	Low	
	Deaer Int'l Business Center	40.00	1994	L C Fulewider, Inc	\$ 12,465,000	\$ 20,780,000	\$ 17,082,570	4.00	Minimal	Low	Temporary effect due to Bond Refunding
	Deaer Union Station #1	0.00	2009	USMC/Perlmutter/Other	\$ -	\$ 300,000,000	\$ -	0.00	Low		
	Deaer Union Station #2	30.00	-	-	\$ -	\$ 300,000,000	\$ 1,670,030	3.00	Minimal		
	Deaer Union Station #3	10.00	-	-	\$ -	\$ 300,000,000	\$ 720	3.00	Minimal		
	Deaer Union Station #4	N/A	-	City Owned/USMC right	Inactive	Inactive	Inactive				
	Deaer Union Station #5	N/A	-	-	Inactive	Inactive	Inactive				
	Ebert	75.00	1982	HC Develop	\$ 87,830,000	\$ 92,770,000	\$ 56,128,260	-1.00	Low	High	Refund will long generating \$1.3 M in additional income; also a \$300K increase



DENVER
THE MILE HIGH CITY

New Analysis: BID Performance Measures

Budget Letter Reminders went out On September 2nd. We added a request for Performance Measure Data tracked by the BID. As evidenced previously by the 2015 Budgets, few Districts have historically tracked these specific performance outcomes. What we request should be reasonable and meaningful.

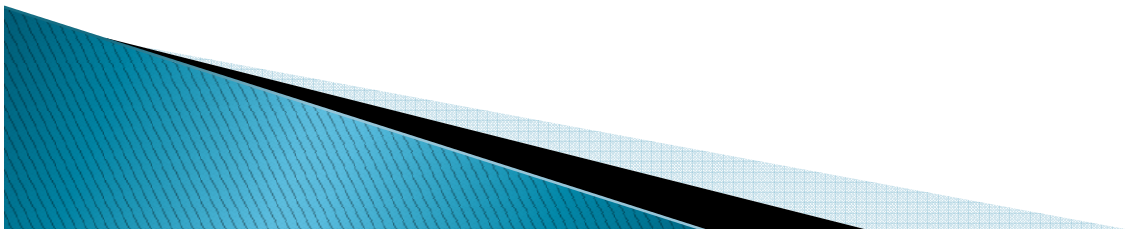


9. A list of activities performed and planned for 2014 (and 2015); and If tracked by your BID:

1. Any documented tangible impacts
2. Statistical performance measures your BID may track
 - a. occupancy rates
 - b. business or citizen surveys
 - c. crime rates
 - d. lease rates
 - e. taxable retail sales
 - f. number of jobs created
 - g. pedestrian/visitor counts
 - h. business license revenues.

Finance Department BID Analysis Conclusion

- ▶ No Material Budget Variations from prior year.
- ▶ 2014 Budgets had no material variances from last year's City Council approved 2014 BID budgets.
- ▶ Of the 3 Districts (CBID, DDBID, CCBID) which perform annual audits, all opinions were "unqualified" (positive).
- ▶ There is no planned debt for any BID, and the 1 outstanding debt obligation of Cherry Creek North is current and in compliance, and there are no impacts to the City's overlapping debt performance.
- ▶ There are no material changes in either the BID mill levies or assessments.
- ▶ Performance measure information provided is relatively positive in nature and does not warrant any concerns at this time.



BID Creation Checklist

Business Improvement District
per C.R.S. §§ 31-25-1201, City Charter and Rules & Regulations
Creation Checklist

Time Table	v	A/C (1)	Required Steps
2 wks Prior to Petition Submittal (unless > 200 - 1 month prior) 1 wk prior to filing Petition with Clerk	<input type="checkbox"/>	A	-Submit letter of Intent and Letter of Intent Fee per Manager of Finance Rules and Regulations (2) to Finance Department- Special District Office
	<input type="checkbox"/>	A	-Submit a Creation Ordinance Draft per Manager of Finance Rules and Regulations to Special District Office
	<input type="checkbox"/>	A/C	-Meet with Assessor to develop Map with Parcels and/or Lots/Blocks
	<input type="checkbox"/>	A	-Submit (Parcel) Map with Lots/Blocks or Metes and Bounds
	<input type="checkbox"/>	A/C	-Optional: Parcel Map with Lots/Blocks and Metes and Bounds Confirmed by City Surveyor (Note: This will assist BID in enforcement)
	<input type="checkbox"/>	C	-Informally Submit signed petition with the clerk for initial review (Review by Finance for numerical check, Assessor's for Address/Acres/AV check)
	<input type="checkbox"/>	C	-Petitions match Name and addresses
	<input type="checkbox"/>	C	-All Petitions are signed (Notary not necessary if witnessed) Complies with CRS Sections 31-25-1201, et seq.
	<input type="checkbox"/>	C	-All addresses in the service area are shown on property list or on petition (Be sure to clarify distinction of Personal Property Owners if used)
	<input type="checkbox"/>	C	-Verification made of Acres (over 50% minimum) of real property of signed petitioners
	<input type="checkbox"/>	C	-Verification made of Assessed Valuation of real and personal property (unless personal property excluded) (over 50% minimum) of signed petitions
	<input type="checkbox"/>	A	(Note: If applicable, helpful later to also get personal property list of names and the list of business names associated, if/when going to election)
	<input type="checkbox"/>	A	-(Parcel) Map provided with a Listing of Lots/Blocks and/or Legal Description submitted to Assessor for Assessment Calculation Verification
	<input type="checkbox"/>	A	-Receive prospective Board BID appointments with term length (staggered) and have them sent to the Mayor's Office for approval to be approved by City Council per C.R.S. 31-25-1209
	2-3 weeks prior to Ordinance submission	<input type="checkbox"/>	A
2 weeks prior to Ordinance submission	<input type="checkbox"/>	A	-Petition Formally Filed with City Clerk and Special District Office
At time of Petition Filing with Clerk	<input type="checkbox"/>		Typical 9 week approval process subject to Council Scheduling (Timing of Council Committee can add 1-2 weeks)
Week 1	<input type="checkbox"/>	C	City Council Process schedule drafted and approved by City Council Staff
Week 3 - Tuesday (10:30 am) "Even"	<input type="checkbox"/>	A	-Public Hearing Notice published in newspaper of general circulation in Denver. Public Hearing Notice mailed. (Public Hearing must be held 20-40 days from the "filing of petition")
Week 4 - Tuesday (9:30 am)	<input type="checkbox"/>	C	Hearing Resolution before Business and Development Committee - Meets "even" Tuesdays Check calendar (Often on Consent - Thursday)
Week 4 - Thursday (12 noon)	<input type="checkbox"/>	C	Mayor/Council - Hearing Resolution Request
Week 5 - Tuesday (10:30 am) "Even"	<input type="checkbox"/>	C	Hearing Resolution Filed
Week 6 - Tuesday (9:30 am)	<input type="checkbox"/>	A/C	PowerPoint Presentation by Petitioner on Ordinance for Business and Development Committee
Week 6 - Thursday (12 noon)	<input type="checkbox"/>	C	Mayor/Council on Ordinance (staff)
Week 7 - Monday Council	<input type="checkbox"/>	C	Ordinance Filed: Map and Parcels identified as separate files at the City Clerk's Office
Week 8 - Monday Council	<input type="checkbox"/>	A/C	1st Ordinance Reading
Week 8 - Friday	<input type="checkbox"/>	A/C	2nd Ordinance Reading and Public Hearing (& Staff Report)
	<input type="checkbox"/>	C	Publication Date-Ordinance Effective
	<input type="checkbox"/>	A	-BID holds first public meeting, votes on officers and appointment. If property taxes are authorized, passes resolution notice letter to submit to Assessor
	<input type="checkbox"/>	A	-"Board and Commissions Application" filled out to register Board members with the City conducted by Mayor's Office (certificates sent out)
	<input type="checkbox"/>	A	-Provide a Board Directory to the Special District's Finance Office in the format requested
	<input type="checkbox"/>	C	-Provide a copy of the Creation Ordinance to the Controller's Office to notify them of potential debt obligations
30-Jun	<input type="checkbox"/>	A	Official deadline to be recognized as organized by Assessor to enable imposition of mill levy for year in which BID is created-hand deliver notice
If/when Going to Election in November	<input type="checkbox"/>	A	Create the designation of elector forms to turn into the elections office which allow the business and property owners to designate themselves as the representative of the business
Time Table	v		Submit to City -Annually
1-Apr	<input type="checkbox"/>	A	-Provide Audited or year-end compiled Financial Statements to the Controller's Office to be incorporated in to the Comprehensive Annual Financial Report
30-Jun	<input type="checkbox"/>	A	-Annual Report including Construction Schedules & Contracts, IGAs, Audited or Year-end Financial Statements.
30-Sep	<input type="checkbox"/>	A	-Budget and Operating Plan, Current Yr Budget to Actuals, Names & Terms of Board Members, Board Actions, Attendance Records all by September 30th each year