

2015 OPERATING PLAN AND BUDGET

**CHERRY CREEK
SUBAREA BUSINESS
IMPROVEMENT
DISTRICT**

City and County of Denver, Colorado

Spencer Fane Britt & Browne LLP
9/30/2014

DN 1161286.1

OPERATING PLAN AND BUDGET FOR THE CHERRY CREEK SUBAREA BUSINESS IMPROVEMENT DISTRICT

PURPOSE AND SCOPE OF THIS DOCUMENT

A. Why Approve the 2015 Operating Plan Now? The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Cherry Creek Subarea Business Improvement 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.

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., C.R.S, 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 of the District, and (5) such other information as the City may require.

COMPOSITION OF THE BOARD OF DIRECTORS

The members of the Board of Directors are appointed by the City. The current members of the Board are identified in the attached Exhibit A.

The terms of all current members of the Board expire on December 31, 2015.

SERVICES TO BE PROVIDED

Activities of the District in 2015 will include the following:

1. Maintenance. The District, through an arrangement with Walking Stick Landscape, will continue to maintain flower and tree landscaping along the 15th Street corridor within the District.
2. Landscaping. The District, through its arrangement with Walking Stick Landscape, intends to monitor and correct tree problems as resources are available.

TAXES, FEES, ETC.

The District imposes no fees and has no debt. It is authorized to levy property taxes in an amount not to exceed \$15,000 per year. The 2015 budget is as follows:

GENERAL OPERATING FUND

	2013 Actual	2014 Budget	2014 YTD	2014 Projected	2015 Budget
Balance at Beginning of Year	21,483.53	34,541.35	36,543.88	36,543.88	44,418.88
Projected Revenues:					
Ad Valorem Taxes*	12,708.27	15,000.00	14,265.38	14,350.00	15,000.00
Earned interest	33.25		23.04	25.00	
TOTAL REVENUE	12,741.52	15,000.00	14,288.42	14,375.00	15,000.00
Projected Expenditures:					
Operations, Maintenance	3,582.46	10,000.00	2,000.00	5,000.00	10,000.00
Administration	337.50	500.00	0.00	500.00	500.00
Legal	1,763.74	2,000.00	497.39	1,000.00	1,500.00
TOTAL EXPENDITURES	5,683.70	12,500.00	2,497.39	6,500.00	13,000.00
Reserve Fund **					
Balance at Year End	34,541.35	37,041.35	48,227.00	44,418.88	46,418.88

*Includes the TIF revenue which is intended to allow the District to collect its allowed property tax revenue, and therefore does not increase revenues over the \$15,000 allowed by the District's voted authorization.

**emergency reserves = at least 3% of fiscal year spending, here \$600 of the Balance at End of Year is designated as the emergency reserve.

DOWNTOWN DENVER DEVELOPMENT AUTHORITY AGREEMENT:

In 2008 the Downtown Denver Development Authority (“DDA”) and the District entered into the Agreement to set forth their intent to cooperate to assure that the Cherry Creek Subarea BID Incremental Property Tax Revenues are made available to the Cherry Creek Subarea BID for purposes of operating the Cherry Creek Subarea BID in accordance with its Organizational Ordinance and Operating Plan. Said Agreement states in part as follows:

“In consideration of the Cherry Creek Subarea BID providing future services within its boundaries, subject to annual budget and appropriations, the DDA agrees to remit or cause to be remitted to the Cherry Creek Subarea BID the Cherry Creek Subarea BID Incremental Property Tax Revenues on a monthly basis. The parties anticipate that, in accordance with a Resolution of the DDA instructing the City Treasurer to do so, the remittance to the Cherry Creek Subarea BID of the Cherry Creek Subarea BID Incremental Property Tax Revenues will be made directly to the Cherry Creek Subarea BID by the City Treasurer and that there will be no material change from the procedure by which

the Cherry Creek Subarea BID has historically received Property Tax revenues. The DDA will use its best efforts to ensure that the DUS Plan and City/DDA Cooperation Agreement are not modified to affect or change, and the DDA shall not take any action which affects or changes, the payment of the Cherry Creek Subarea BID Incremental Property Tax Revenues directly to the Cherry Creek Subarea BID by the City Treasurer, or the amount thereof.

Every year in which the DDA collects the Cherry Creek BID Incremental Property Tax Revenues, the DDA shall cause its staff or consultants to include sufficient revenues to pay the Cherry Creek Subarea BID Incremental Property Tax Revenues to the Cherry Creek Subarea BID to be included in the proposed annual budget and appropriations resolutions or measures of the DDA for presentation to the DDA governing body. Nothing herein shall impair the power of the DDA governing body to modify or eliminate such budget and appropriations for any given year by resolution. Any amounts of the Cherry Creek Subarea BID Incremental Property Tax Revenues that are unpaid in any year shall be included in the DDA's proposed annual budget and appropriations for possible payment in the subsequent fiscal year."

Payments have been made as provided in the Agreement.

REPORT

A letter dated September 2, 2014 from Richard Sheehan of the City's Department of Special Districts & Conduit Debt requested nine specific items. The District's responses are reported below:

1. 2014 year-to-date "budget to actual" financial reports. See above.
2. Any material departures from the 2014 Operating Plan. See above.
3. The status of any planned or outstanding indebtedness. None.
4. The results of any audits conducted during the year. None.
5. A copy of the By-laws, if any, in effect in 2013/2014. None.
6. A list of official board actions (motions) in the past year. No meeting of the Board is expected until later in the year to approve the 2015 budget.
7. Current list of all Board members including name, address, phone, fax and email as well as term appointment and expiration date. **See Exhibit A.**
8. Board members attendance records for the past year. N/A
9. A list of activities performed and planned for 2014 (and 2015); and if tracked by your BID, any documented tangible impacts, as well as any statistical performance measures your BID may track 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. See above. No tracking is performed.

CONCLUSION

The District Board appreciates the opportunity to continue to work with the City to help maintain our part of Denver.

EXHIBIT A

CHERRY CREEK SUBAREA BUSINESS IMPROVEMENT DISTRICT

City and County of Denver, Colorado

Date Formed:

April 27, 1992 (by ordinance)

BOARD OF DIRECTORS:

Paul Stann, President (w) 303-575-9130
1444 Wazee Street (f) 303-575-9175
Denver, CO 80202 (c) 303-888-0196
Term expires: 12/31/2015 s2stann@aol.com

Dan Reagan, Secretary/Treasurer (w) 303-592-7672
1800 15th Street, Suite 203 (f) 303-592-7855
Denver, CO 80202 (c) 303-588-3819
(general partner of Delgany Depot Development LLLP) dsreagan@reaganpartnership.com
Term expires: 12/31/2015

David P. Veldman, Assistant VP/Secretary (w) 970-223-5555 x 4
760 Whaler's Way #A-200 (f) 970-225-1100
Fort Collins, CO 80525 (c) 970-567-8130
Term expires: 12/31/2015 dave@veldmanmorgan.com

Vacant
Term expired: 12/31/2013

Vacant
Term expired: 12/31/10

MANAGER:

Mary L. Carter, Board Secretary (w) 303-839-3871
Spencer Fane Britt & Browne LLP (f) 303-839-3838
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