

2014 Bluebird Business Improvement District Operating Plan & Budget

2014 Operating Plan

I. Overview

The Bluebird Business Improvement District (the “District”) was formed by the City Council in and for the City and County of Denver (the “City”) pursuant to Ordinance No. 292, Series 2013, on June 24, 2013. The District boundaries are bordered by St. Paul St. on the West, Colorado Blvd. on the East, 14th Avenue on the South and 16th Avenue on the North (consisting of a total of 9 East Colfax blocks.) There are 27 individual property owners and 62 businesses within the 9-block District boundaries, a land area of 478,333 sq. ft. (consisting of approximately 11 acres) with a preliminary 2013 assessed valuation of \$6,179,390. Pending approval by the eligible electors at a TABOR election held on November 5, 2013 (the “TABOR Election”), it is anticipated that the District will impose a mill levy of 10 mills for collection in 2014 against all taxable commercial property located within its boundaries, resulting in 2014 property tax revenues of approximately \$61,794. Pending approval at the TABOR Election, the District’s operating and maintenance mill levy will be capped at 15 mills and the District will provide a 2014 mill levy certification to the City Assessor no later than December 15, 2013.

II. Bluebird Business Improvement District Operating Plan Statement

In general terms, the District’s operations will facilitate, promote and oversee activities and actions to:

- Enhance the appearance and attractiveness of the 9-block District for its customers, businesses, employees, neighbors and visitors.;
- Provide a safe and clean shopping environment;
- Attract new businesses and retain contributing existing businesses;
- Promote the District and customer traffic to its constituent businesses through marketing, advertising, public relations and/or special events;
- Provide transparent fiduciary oversight and management of the District’s operating and capital budgets to enhance relationships with the District’s property and business owners, and public sector agencies providing City and State services

District operations and performance will be evaluated based on quantitative and qualitative measurements, including on-going consumer, business and property owner and developer and real estate surveys, base retail sales data and year-end changes, additions of new businesses and expansion of existing businesses, website and social media responses and media coverage.

Administrative operations will include seeking additional District funding through grant applications, shared marketing services fees and special events income.

III. 2014 Bluebird Business Improvement District Operations

A. Maintenance & Public Safety

- The District will contract for maintenance services to repair and maintain existing pedestrian lights and assist property owners and merchants with on-going trash/litter pick-up, sidewalk power-washing and graffiti removal service.
- As its budget permits through additional revenue resources, the District will allocate funds for the acquisition of additional trash receptacles, bike racks, benches, flower pots, trees, news boxes and other public right-of-way improvements.
- The District will work with the Denver Office of Economic Development (the “OED”) to bundle façade improvement loans and set up a matching façade fund with business/property owners.
- In addition to the above-listed maintenance activities, the District will develop and maintain relationships with the reconfigured Denver Police Department/District 2 patrol command and line officers; Graffiti Control, Denver Public Works and Colorado Department of Transportation to enlist public sector support and assets for the District’s Safe & Clean Agenda.

B. MARKETING AND COMMUNICATIONS

- The District is committed to informing and updating all its constituents on a timely basis through its interactive website and email system, social media, public board meetings, news releases, newsletters, calendar of events and by reporting City and State projects and programs pertinent to the District. From time to time, the District also will survey its constituents for their opinions on necessary District physical improvements and retail and business services and community-related issues, (e.g. public safety, pedestrian safety, vehicular and bike traffic, etc.).
- The District’s marketing and advertising will feature a shared marketing program whereby participating businesses can join the shared marketing/advertising pool at various budget levels to leverage their advertising and promotional dollars.
- The District’s Market Analysis/Profile will be continually updated recounting retail sales by category, area demographics and employment statistics, new development projects, consumer buying power in the immediate trade area, etc.
- The District will publish an annual report recounting its 2014 work plan, accomplishments and financial information for property owners, Bluebird businesses, government officials, area neighborhood organizations and other interested parties.

- The District will support public events such as the Boo & Brew Halloween Party of Children and Adults and the annual Tasty Colfax restaurant crawl, as well as investigate adding other special events for community participation and fundraising purposes.

C. ECONOMIC AND BUSINESS DEVELOPMENT

- The District will emphasize retail and other business recruitment and retention by establishing a business support office to develop and maintain real estate for sale and lease property availabilities, establish on-going communications with District property owners, realtors and developers and serve its constituent businesses as a liaison for various public and private loan and business assistance programs.

D. ADMINISTRATIVE SERVICES

The District anticipates hiring a part-time executive director as an independent consultant on a contractual basis to manage District operations, programs and finances, to include but not limited to:

- Interface with District property and business owners and city/state/neighborhood agencies and organizations and real estate community
- Prepare periodic board meeting agendas, minutes, financial reports and external communications
- Coordinate all District programming and event activities
- Seek additional private and public funding resources

IV. 2014 Bluebird BID Budget

Revenue

10 mill tax levy	\$61,794
less 1% City service fee	(\$618)
Total 2014 Revenue	\$61,176

Operating Expenses

Maintenance

Repair pedestrian lights	\$7,000
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Maintenance contract	<u>\$9,000</u>
Maintenance sub-total	\$16,000

Marketing

Website upgrade/maintenance	\$2,000
Advertising	<u>\$5,000</u>
Marketing sub-total	\$7,000

Administration

Exec. Dir. -- contract services	\$24,000
Legal & Accounting	\$4,000
Office expenses	\$500
Insurance	\$1,500
Annual Special District Fees	<u>\$3,000</u>
Administration sub-total	\$33,000

2014 Total BID Op. Expenses **\$56,000**

3% TABOR op. expenses reserve	\$1,835
COTH reimbursements	\$2,341
Capital Fund Reserve	\$1,000

Addendum & Exhibits 1-8

1. 2013 budget and budget-to-actual projections

Preface: 2013 Operations

2013 District Operating Plan & Budget

Work on the District formation in 2013 consisted of two segmented operations:

A. Preparation and submittals of District formation documents to the City to secure City Council's vote to create the District by June 24, 2013 in conformance with the following anticipated schedule:

May 15, 2013	Petition Filing
May 20, 2013	Ordinance Request
May 23, 2013	Resolution Filing
May 29, 2013	Business, Workforce & Sustainability Comm. Mtg.
June 4, 2013	Mayor/Council
June 6, 2013	Ordinance Filed
June 10, 2013	1st Ordinance Reading
June 17, 2013	2nd Ordinance Reading and Public Hearing
June 17, 2013	Publication Date-Ordinance Effective
June 28, 2013	Organizational meeting of the District Board of Directors
July 1, 2013	Deadline by City Assessor to enable imposition of 2014 mill levy by District

All of the above tasks were successfully completed in accordance with the expected timeline.

B. Prepare all necessary governance documents, conduct organizational meeting of District, ratify 2013 budget, conduct TABOR Election, and prepare and submit 2014 District operating plan and budget to City. **(See item #6 below for District Board of Directors actions since District was organized on June 24, 2013)**

2013 District Formation Operating Budget

Acquired funding: \$50,000

Grant from Denver Office of Economic Development	\$25,000
Colfax on the Hill services, materials and in-kind services	\$25,000

<u>Total Expenditures</u>	\$48,500	
	<u>3/1/2013</u>	<u>9/30 Adj.</u>
	<u>Budget</u>	<u>Budget</u>
<u>Contracted Services:</u>		
Project management and operating plans & budgeting	\$10,000	\$ 6,750
Phase VI, LLC, I-T services and co-project mgt.	\$10,000	\$ 5,000
Grant administration & bookkeeping	\$ 1,250	\$ 350
Database and district mapping	\$ 1,250	0
B.I.D. power point presentation	\$ 750	\$ 750
Professional Services – Legal	\$17,000	\$32,000
Office expenses, supplies and equipment	\$ 1,000	0
Facilities for business & property owner meetings	\$ 1,000	0
T & E	\$ 1,000	0
Insurance	\$ 550	\$ 550
Electronic communications - website design & mgt.	\$ 2,000	\$ 2,000
Collateral materials	\$ 1,200	\$ 500
Contingency fund	<u>\$ 1,500</u>	<u>\$ 600</u>
Total expenses:	\$ 48,500	\$48,500

Other Financing Sources and Uses

TABOR 3% reserve	\$ 1,500	\$ 1,500
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2. There were no material departures from the 2013 operating plan and budget (please see above item 1. for details)

3. Status of any planned or outstanding indebtedness

Colfax on the Hill, Inc. ("COTH") is providing the District formation and start-up work and expenses throughout 2013. The District approved an advance and reimbursement agreement with COTH at its organizational meeting held on June 28, 2013 to establish the terms and conditions upon which the District will reimburse COTH for COTH's associated costs and expenses incurred in funding the District's organization and operations activities. The COTH invoices will be submitted to the District on or after January 1, 2014, which are estimated to total \$25,000, net of COTH's receipt of a \$25,000 OED grant to help fund the District's formation.

4. The District's 2013 revenues and expenses will be under \$100,000, so the District will apply for a 2013 audit exemption that will be timely filed in 2014.

5. The District's Board of Directors has adopted the following bylaws at its meeting held on September 17, 2013, subject to further revision and amendment by the District:

BLUEBIRD BUSINESS IMPROVEMENT DISTRICT BY-LAWS

These By-Laws of the Bluebird Business Improvement District are adopted by the Board of Directors of the District pursuant to Title 31, Article 25, Part 12, Colorado Revised Statutes and Ordinance No. CB13-0292, City and County of Denver. In the event of a conflict between these By-Laws and either the State Statute or City Ordinance, the Statute and/or Ordinance shall govern.

ARTICLE I THE DISTRICT

Section 1. Name of the District. The name of the District shall be the "Bluebird Business Improvement District" (the "District").

Section 2. Office of the District. The office of the District shall be located within the boundaries of the District at such place as the Board of Directors from time to time, shall by resolution, determine.

Section 3. Boundaries of the District. The Service Area boundaries of the District are East 16th Avenue on the north, East 14th Avenue on the south, Colorado Blvd. on the east and St. Paul Street on the west. The boundaries of the District include any taxable real and personal property located within the Service Area, which is not classified for tax purposes as either residential or agricultural. Such residential and agricultural property located within the Service Area is not located within the District until such time as such property changes classification to commercial. A map of the Service Area boundaries and the approximate District boundaries is maintained in the office of the District.

ARTICLE II OFFICERS

Section 1. Election of Officers and Terms. The officers of the District shall be a President, Secretary and Treasurer who shall be elected from among the members of the Board at the first regular meeting of the fiscal year. The office of Secretary and Treasurer may be filled by one person. One or more assistant Secretary(ies) may be elected to assist the Secretary in carrying out the duties of Secretary. Officers shall serve for a term of one year or until their successors are duly elected. The Board shall serve at the pleasure of the governing municipality.

Section 2. President. The President of the District shall preside at all meetings of the District;

shall have such other duties as the Board may direct; and, shall have general supervision over the business and affairs of the District, as well as be responsible for day to operations. The President shall provide direction to personnel/contract staff for the District, and be available to such persons as needed for guidance and approval of operational activities. The President can assign varies duties as she/he see fit to hired consultants/employee's of the District to help with the day-to-day functions of the District.

Section 3. Secretary. The Secretary shall act as Secretary of the meetings of the District, shall record all votes, keep a record of the proceedings of the District, maintain a record of all resolutions adopted by the District, and perform all duties incident of this office. The Secretary shall keep in safe custody the seal of the District and shall have the power to affix such seal to all contracts and instruments authorized to be executed by the District. The Secretary shall preside over all meetings of the District in the absence of the President or in any event of his/her inability or refusal to act and shall have the powers and perform the duties of the President in the event the office of President is vacant or in the temporary absence of the President.

Section 4. Treasurer. The Treasurer shall take care and have custody of the funds and financial records of the District, and shall deposit District funds in such bank or banks as the District may select. The Board may also, as they see fit, engage the services of an accountant to assist with the financial duties of the District.

Section 5. Assistant Secretary. The Assistant Secretary(ies) shall act as Secretary of the meetings of the District, shall record all votes, keep a record of the proceedings of the District, maintain a record of all resolutions adopted by the District, and perform duties incident of the Secretary's office in the absence of the Secretary or in any event of his/her inability or refusal to act. The Assistant Secretary(ies) shall have the powers and perform the duties of the Secretary in the event that the office of Secretary is vacant or in the temporary absence of the Secretary.

Section 6. Additional Duties. The officers shall, from time to time, perform additional duties as assigned by resolution or the President of the Board. The primary function of the Board, with the exception of the duties assigned in these By-Laws, is to determine policy for the District. The Board can assign varies duties as they see fit to hired consultants/employee's of the District to help with the day-to-day functions of the District.

Section 7. Vacancies. Should any officer position become vacant, such vacancy shall be filled, for the remainder of the unexpired term, by a qualified candidate who has been appointed by the Mayor of the City and County of Denver and confirmed by ordinance.

Section 8. Expenses. Members shall receive no compensation for services but may be reimbursed for expensed incurred on behalf of the District pursuant to authorization by the President.

Section 9. Staffing. The District may employ personnel, or contract personnel, as necessary to perform the functions of the District. Such persons shall be appointed by the Board, and serve at the pleasure of the Board. Selection and compensation shall be determined by the Board. A committee may be formed to interview and make recommendations regarding the hiring of personnel if the Board desires.

**ARTICLE III
MEETINGS AND
CONDUCT**

Section 1. Meetings. At the first meeting of the fiscal year, the Board shall determine the schedule for the regular meetings for the remainder of the year, including the time and location of the meetings and the posting place for such meetings. Special meetings can be called as deemed necessary and by the provisions in these By-Laws and in accordance with applicable State statute.

Section 2. Special Meetings. The President, or any two members of the Board, may call a special meeting when determined necessary or expedient. At least seventy-two hours prior notice must be given for a special meeting.

Section 3. Quorum. At all meetings of the Board, a quorum must be present for the Board to take District action and set policy. A quorum is comprised of four members, if all Board seats are filled. If vacancies on the Board exist, a majority of the then-appointed Board constitutes a quorum, but must be no less than three members at any time. When a quorum is in attendance, action may be taken by the District upon affirmative vote of the majority of the Directors present. Directors may be in attendance in person or by telephone for the purposes of achieving a quorum and for voting on any particular agenda item.

Section 4. Manner of Voting. Voting shall be called for after a motion has been made and seconded, and any desired discussion taken place. All nay votes and abstentions shall be recorded by Director name in the minutes. All Directors counting toward the quorum are entitled to vote, including the Board President. Unless the President is the only Board member remaining on the Board due to vacancies the President may not make a motion for any Board action, but may provide for a second. Voting by proxy is not permitted.

Section 5. Conflict of Interest. Board members are required to disclose any potential conflicts of interest in any transaction before the Board. In the case where Board action will promote financial gain of individual Board Members, Board members shall disclose their financial involvement and abstain from voting on such motion or attempting to include any of the contracting parties in such transaction.

Section 6. Open Meetings. All meetings of the Board of Directors shall be open to the public, pursuant to C.R.S. Section 24-6-402, as may be amended. The Board may go into executive session, as permitted under C.R.S. Section 24-6-402, as may be amended, by a vote of two-thirds of the quorum of the Board members in attendance.

The Board shall take no action during an executive session, and will only conduct such executive sessions pursuant to the criteria listed in C.R.S. Section 24-6-402, as may be amended.

Section 7. Resolutions. The Board shall act pursuant to either resolution or motion. Resolutions shall be used for all actions of a general or permanent nature. Motions may be used for acts of a temporary character or statements of general policy. All resolutions shall be in writing, recorded and authenticated by the signature of the Secretary, and shall be kept on file in the District offices. All motions shall be set forth in the minutes of the District. Resolutions and motions shall be effective immediately unless otherwise stated.

**ARTICLE IV
FISCAL MATTERS**

Section 1. Fiscal Year. The fiscal year of the District shall be the same as a calendar year.

Section 2. Checks. District checks in excess of \$1,000 shall require two Board member signatures. All checks of lesser amounts can be signed by one authorized Board member.

Section 3. Execution of Instruments. The Board of Directors may authorize an officer, employee, or any other agent of the District to enter into any contract or execute and deliver any instrument in the name of and on behalf of the District. Any such authorization shall specify the particular contract or instrument, or the category of contracts of instruments, authorized to be so executed.

The Treasurer, or the Treasurer's designee, shall have the care and custody of all funds of the District and shall deposit same in the name of the District in such bank or banks as the District may select.

Section 4. Loans. No loan or advance shall be contracted on behalf of the District, and no note, bond or other evidence of indebtedness shall be executed or delivered in its name, except as may be authorized by the Board of Directors pursuant to applicable law.

**ARTICLE V
AMENDMENTS**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the District at any regular meeting or special meeting of the District by affirmative vote of the majority of Directors constituting a quorum in attendance.

**ARTICLE VI
INDEMNIFICATION**

Section 1. Indemnification. The District shall indemnify any Director, officer, employee or former Director, officer or employee of the District, against any expenses actually and reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, or for any loss or claim resulting from any such action, suit or proceeding, in which he or she is made a party by reason of being or having been a Director, officer, or employee including any matter as to which he or she is adjudged in

such action, suit or proceeding, to be liable for negligence in the performance of his or her duty to the District, so long as such Director, officer or employee (past or present) conducted himself or herself in good faith and either in the best interest of the District or at least not opposed to the District's best interest. Such indemnification shall not extend to criminal acts that the Director, officer or employee knows or should have known were illegal. The indemnifications contained within this Article VI, Section 1 shall be memorialized in a duly-adopted resolution of the District and shall be subject to annual appropriation.

Section 2. Insurance. The District is authorized to obtain such policy or policies of insurance for the purpose of providing such indemnification of the Directors, officers, and employees of the District and for other purposes as needs may arise.

Section 3. No Waiver. The indemnification provided for under this article does not constitute a waiver, either partial, or complete, or any immunities or limitations on judgments applicable to the District or any of its Directors, officers, or employees and provided for by law or otherwise.

ARTICLE VII RULES OF ORDER/PROCEDURES

In the absence of rules governing points of procedure of the meetings and actions of the Board of Directors of the District, the latest revised edition of "Roberts Rules of Order" shall govern the actions of the Board.

Adopted on September 17, 2013

6. List of official board actions in the past year

A. June 28, 2013 Bluebird Improvement District Board of Directors Meeting

Board actions:

Potential conflicts of interest statement documents submitted by all seven directors

Director Oaths of Office recited by each director and witnessed by notary public.

Board unanimously approved 2013 annual administrative resolution

Board unanimously approved filing Notice of Intent to Impose Mill Levy with City Assessor by July 1, 2013

Board unanimously authorized its legal counsel to obtain FEIN, PDPA and State Tax Exemption Numbers

Board indemnification resolution unanimously approved

Board Directors' and Treasurer Bonds obtained and filed

Board ratified 2013 budget and operating plan as previously approved by the City as part of the District formation requirements.

Public officials' insurance and general liability insurance approved through T. Charles Wilson for SDA Pool Insurance

Appointed Miller & Associates Law Offices, LLC as District legal counsel

Approved an advance and reimbursement agreement with COTH to establish the term and conditions upon which the District will reimburse COTH for incurring costs and expenses on the District's behalf for the District's operations and formation

Board approved resolution authorizing District to conduct TABOR Election

B. August 26, 2013 Bluebird Business Improvement Board of Directors Meeting

Board actions:

1st draft of the 2014 Bluebird BID operating plan and budget presented with projected \$62,000 revenue from the 10-mill levy commercial real and personal property tax.

Board approved formation of committees to research: a) a streetscape plan for future installation/construction of public improvements; b) an executive director search; c) a Request for Proposal to be released for contracted maintenance services.

Board unanimously approved 2013 audit exemption resolution and 2014 annual administrative resolution

Board unanimously approved Restated TABOR Election resolution, authorizing TABOR Election to be a coordinated election with the City, as well as ratified intergovernmental agreement with City for City Clerk to coordinate TABOR Election

Board unanimously approved minutes from June 28, 2013 organizational meeting

The Board authorized a public hearing on the District's 2014 budget and operating plan be held Tuesday, September 17, 2013 at 9:00 a.m. at Groundswell Gallery, 3121 E. Colfax Avenue.

September 17, 2013 Bluebird Business Improvement Board of Directors Meeting

Board Actions:

Board unanimously approved minutes from August 26, 2013 meeting

Board approved 2014 budget and operating plan

Board approved Bylaws for District

7. Current Bluebird BID District Board of Directors & Officers

Don Novak, President
3121 East Colfax Avenue
Denver, CO 80206
720-326-6246
don@propagandalabs.com
Term Expires : May 2016

Tom Secrist, Secretary/Treasurer
1532 Milwaukee Street
Denver, CO 80206
303-523-9681
secristproperties@gmail.com
Term Expires: May 2016

Sean Mandel, Assistant Secretary
1478 Birch Street
Denver, CO 80220
303-520-7154
seanmandel@gmail.com
Term Expires: May 2016

Tyler Carlson, Assistant Secretary
12460 1st Street
P.O. Box 247
Eastlake, CO 80614
303-552-6160
tcarlson@evgre.com
Term Expires: May 2014

Master Sung Hwan "Tiger" Kim, Assistant Secretary
1480 Steele Street
Denver, CO 80206
303-388-1408
mastertigerkim@gmail.com
Term Expires: May 2014

Richard "Buzz" Geller, Assistant Secretary
1430 Larimer Square, #304
Denver, CO 80202
303-399-0508
buzzgeller@paradiselandco.com
Term Expires: May 2014

Drew Gottlieb, Assistant Secretary
1515 Madison Street
Denver, CO 80206
303-870-0268
grewgottliebpc@gmail.com
Term Expires: May 2016

8. 2013 District Board Attendance

<u>Director</u>	<u>28-Jun-13</u>	<u>26-Aug-13</u>	<u>17-Sep-13</u>
Don Novak	Yes	Yes	Yes
Tom Secrist	Yes	Yes	Yes
Sean Mandel	Yes	Yes	Yes
Tyler Carlson	Yes	Yes	No
Master Sung Hwan "Tiger" Kim	Yes	Yes	Yes
Richard "Buzz" Geller	Yes	Yes	Yes
Drew Gottlieb	Yes	Yes	Yes