

SPENCER FANE
& GRIMSHAW_{LLP}
ATTORNEYS & COUNSELORS AT LAW

MARY L. CARTER, PARALEGAL
DIRECT DIAL: (303) 839-3871
mcarter@spencerfane.com

File No. 5115803-0012

September 27, 2013

VIA HAND DELIVERY

Deborah Johnson, City Clerk
City and County of Denver
201 W. Colfax Ave., Dept. 101
Denver, CO 80203

Re: Federal Boulevard Business Improvement District - 2014 Operating Plan and Budget 2012-402-0499-A

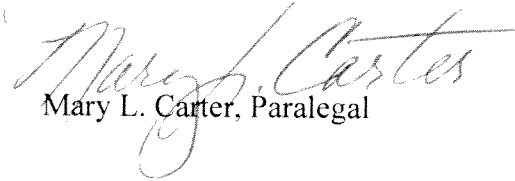
Dear Ms. Johnson:

Enclosed for formal filing with the City Clerk as provided in Section 31-25-1211, C.R.S. is the proposed 2014 Operating Plan and Budget for the Federal Boulevard Business Improvement District.

If you have any questions regarding this filing, kindly advise the undersigned.

Very truly yours,

SPENCER FANE & GRIMSHAW LLP


Mary L. Carter, Paralegal

MLC/

Enclosure

Cc: Nicole Moore (via e-mail)
Richard Sheehan, Department of Finance (w/encls.)
George Delaney, Manager of Public Works (w/encls.)

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1700 Lincoln Street, Suite 3800

Denver, Colorado 80203-4538

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(303) 839-3800 www.spencerfane.com Fax (303) 839-3838

2014 Operating Plan and Budget

FEDERAL
BOULEVARD
BUSINESS
IMPROVEMENT
DISTRICT

City and County of Denver, Colorado

Spencer Fane & Grimshaw LLP
9/30/2013

DN 927264.1

2014

OPERATING PLAN AND BUDGET

I. SUMMARY

The Federal Boulevard Business Improvement District (the “BID”) is a business improvement district organized pursuant to the Business Improvement District Act, Section 31-25-1201 *et seq.*, Colorado Revised Statutes. The main purpose of the BID is to improve the economic vitality and overall commercial appeal of Federal Boulevard and area bounded by West 22nd to West 27th Avenues, and east along Eliot Street between West 24th and West 26th Avenues.

Activities of the BID will be financed through an ad valorem property tax mill levy applied against the assessed value of taxable commercial property located within the boundaries of the BID. The BID will provide programming and benefits to business and commercial properties located within the proposed boundaries that will include economic development, physical improvements and advocacy.

This 2014 Operating Plan and Budget is being filed in accordance with Section 31-25-1211, C.R.S.

Name: Federal Boulevard Business Improvement District

Boundaries: The BID boundaries are as set forth in the map Exhibit A to the Organizing Ordinance.

BID Programs:

Economic Development

Economic development was rated highly as a program priority among BID stakeholders. Economic development initiatives can include business support, business attraction, investor and consumer marketing, special events, ratepayer communications and promotions.

Physical Improvements & District Identity

Physical improvements that enhance a sense of identity for the district also rated highly among stakeholders in the survey and could include a variety of improvements, including banners, planters, gateways, signage, public art and maintenance.

Advocacy on Behalf of Corridor Property and Businesses

Advocacy efforts to promote the BID and its businesses and services can include planning efforts, leveraging a variety of public investment opportunities, and advocacy for policies that positively affect the District.

It is anticipated BID programs will be implemented in collaboration with the Federal Boulevard Partnership.

Budget:

The estimated 2014 budget is anticipated to be approximately \$50,000. The budget is expected to be funded primarily through the an ad valorem property tax mill levy of up to ten (10) mills applied against the assessed value of the taxable commercial property within the BID.

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 an ad valorem property tax levied on taxable commercial property. The BID mill levy is expected to be collected beginning 2014.

Governance:

The BID is governed by a board of four members. There is one vacancy on the Board at this time. Upon organization in 2012, voting members of the board were made up of primarily rate payers. To the extent possible, board representation shall represent geographic diversity within the BID boundaries.

The current Board of Directors is:

Marshall Vanderburg
Federal Boulevard Partnership
2043 Grove St.
Denver, CO 80211

David K. Jensen
2925 West 25th Avenue
Denver, Colorado 80211

Luis Gilbert Vasquez
3425 West Scott Place
Denver, Colorado 80211

David L. Berton, AIA
2899 N. Speer Blvd., #102
Denver, Colorado 80211

City Services:

BID services will be in addition to any City services that are currently provided. BID services will not replace any existing City services. If appropriate and necessary, the BID and the City will enter into a *Base Level of Services Agreement* which outlines the frequency and type of current City services being provided within the BID.

Financial

Approval: In order to authorize the BID to collect and spend revenue generated by an ad valorem property tax mill levy of up to ten (10) mills in 2014 and future years, a majority of participating voters within the BID approved said taxing authority in an election held on November 6, 2012.

Term: The BID was organized to have a five year term. If the BID is deemed successful, the BID will request that the City Council renew the BID by ordinance after the initial five year period.

Dissolution: Under Colorado law, the BID may be dissolved following a public hearing if property owners representing at least 50% of acreage within the BID and at least 50% of total assessed value within the BID submit petitions for dissolution to City Council. City Council also retains discretion to initiate dissolution proceedings if the BID fails to submit an operating budget and budget for two successive years to the City.

II. REASONS SUPPORTING BID FORMATION

There are several reasons why property owners in the proposed BID boundaries support the formation of a BID:

- Enhanced Property Values, Sales, and Occupancies:** More than 1,000 BIDs have been formed throughout North America and are acknowledged as a critical ingredient in district revitalization. BIDs are proven to work by funding improvements and services that enhance the overall vitality of a business district. Success is measured by higher property values, sales and occupancies.
- Create a Reliable Source of Funding:** The BID will provide a reliable, multi-year source of funding from all benefiting commercial properties to ensure ratepayer-directed programs can continue to showcase and benefit the area. BID revenue will grow as new assessed value is added to the district.
- Strengthen Federal Boulevard, West 25th Avenue and Eliot Street's Competitiveness in the Regional Marketplace:** The BID supports a results-oriented set of programs that will produce both short-term and long-term tangible improvements. These improvements and services will help accelerate efforts to attract and retain new businesses and investment.
- Leverage the Positive Effects of Redevelopment in the Area:** The future promises several new developments in the proposed district. The BID will leverage the development that has occurred within and is adjacent to the district. The BID will help ensure that the benefits of new development, planning, and energy will be maximized to benefit all district businesses and properties.
- Create a Unified Voice:** A BID will provide a unified voice for all stakeholders to advocate for initiatives that will promote healthy planning and development to accelerate the overall economic vitality of the area.

- Broaden Private Sector Control and Accountability:** A board consisting of property and business owners will govern the BID. Annual BID work plans and budgets will be developed by the board, ensuring that the BID will be accountable to those who pay an assessment. New programs will be subject to private sector performance standards and controls.

III. BID PROGRAMS

The following narrative provides recommendations for BID programs for 2014. The Board of Directors may amend program activities within the general categories authorized by state law and in the approved annual operating plan and budget. Programs and budgets will be subject to the annual review and approval of the Board of Directors of the BID.

Physical Improvements to enhance the overall physical realm include the following recommendations:

- Planning and implementation strategy for wayfinding, gateways and directional signage throughout the proposed district.
- Initiating special projects such as public art displays and community activities.
- Planning and implementation strategies for landscaping, street furniture and other amenities.
- Providing maintenance.

Economic Development, District Identity, Advocacy & Communications recommendations include:

- Active involvement in the implementation of BID programming and events.
- Leveraging BID programs, budget and initiatives.
- Coordinated efforts to ensure the successful redevelopment of key sites.
- Researching issues and developing policies that will positively influence the proposed District in the near and mid-term.
- Seeking grants and other funding to leverage BID assessments for projects and improvements.
- Building upon relationships with the City, Colorado Department of Transportation and other agencies that have a vested interest in the area.
- Developing and implementing a district identity and marketing plan.
- Maintaining active communication among BID ratepayers so it is clear what activities the BID is pursuing and providing opportunities for feedback from BID ratepayers.

There are several ways in which the BID and its operations and programs can be managed and staffed including contracting with an existing organization focused on economic development and district development, and/or hiring staff to carry out BID programs. The BID board will determine the best oversight and planning opportunities for the BID once it is formed.

IV. BID BUDGET

The estimated 2014 budget is \$50,000. The majority of BID revenue in 2014 will be raised through an ad valorem property tax mill levy. It is anticipated that the annual budget will

increase as property values within the BID rise, or as new development or redevelopment occurs within the boundaries of the BID. A cap will be imposed so that BID property tax revenue will not be able to increase at a level greater than 5% from year-to-year.

Fees, Charges and Other Revenues: Although the 2014 budget does not contemplate imposing special rates, fees or charges for services furnished or performed, the BID shall be authorized to impose and collect reasonable rates, fees and charges for specific services as determined by the BID Board of Directors. At this time, the BID does not anticipate the need for imposing any special rates, fees, and charges. Any special assessments will be assessed and collected only following the notice and public hearing requirements set forth in Section 31-25-1219, C.R.S. The BID will be authorized to collect and spend revenues from other sources, including but not limited to revenues associated with grants, gifts, receipts from contracts and enterprises, specific ownership taxes, and interest earnings.

Assessment Methodology: Under Colorado law, 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 mill levy based upon the assessed value of commercial property located in the BID.

Raising BID annual operating revenue through an ad valorem property tax mill levy is intended to equitably address the intended benefits provided by the BID by improving the overall value of commercial property in the BID through enhanced identity and image, economic development initiatives and advocacy.

V. BID GOVERNANCE AND PROGRAM MANAGEMENT

The Board of Directors has the following responsibilities:

- Prepare and file the annual BID budget in accordance with state legal requirements and ensure compliance with other state laws.
- Develop and implement annual work program
- Provide direction and coordination in carrying out BID-funded improvements and services.
- Overseeing BID activities, personnel decisions and all other functions relating to BID oversight.

FEDERAL BOULEVARD
BUSINESS IMPROVEMENT DISTRICT
2014 BUDGET

Description	Actual Prior Year 2012	Estimated Current Year 2013	Proposed Budget Year 2014
Beginning Fund Balance	0	0	0
REVENUES:			
Grants			
Property Taxes	0	0	\$50,000
TOTAL REVENUES	0	0	\$50,000
EXPENDITURES:			
Office Expenses	0	0	720.00
Communication	0	0	8,780.00
Insurance	0	0	2,000.00
Facilities	0	0	3,000.00
Meetings/Events	0	0	2,000.00
Professional Services			
Executive Director	0	0	25,200.00
Accountant	0	0	750.00
Legal Fees	0	0	2,000.00
Other Direct Expenses			
Utilities	0	0	1,500
Special District Assn Dues	0	0	200.00
Software	0	0	180.00
Façade/Bldg Imprvmts	0	0	3,670.00
TOTAL EXPENSES			\$50,000.00
8/23/13 Assessed Value	\$4,222,430		
Estimated Mill Levy	1.184		
Property Tax Revenue	\$50,000		