

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

PURPOSE AND SCOPE OF THIS DOCUMENT

A. Why Approve the 2017 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 proposed 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, 2018.

SERVICES TO BE PROVIDED

Activities of the District in 2017 will include the following:

1. Maintenance. The District will continue to maintain flower and tree landscaping along the 15th Street corridor within the District. The District will also provide for regular maintenance activities along the corridor including but not limited to cleaning walks, graffiti removal, irrigation repairs, street improvements, signage repairs, and supplemental snow removal.

2. Landscaping. The District will replace dead and dying trees, and add hanging flower baskets and new signage along the 15th Street corridor within the District.

3. Historical Markers. The District may undertake a new project to place as many as three historical markers at significant historical sites within the District. The District plans to fund a study of at least the four proposed sites described below, and, in cooperation with the State Historical Society and the City, endeavor to select a number of sites and construct an historical marker at each.

a. *Confluence of Cherry Creek and the South Platte River.* Denver was born at the confluence of Cherry Creek and the South Platte River. This is where General Larimer waded across the South Platte River. Shortly after returning from visiting General Denver in Kansas City, he learned his land claims had been jumped and sold while he was away. So he went across the river to found the community of Highlands.

b. *Castle of Commerce.* In 1887, John Walker, builder of Red Rocks Amphitheater, also built a riverfront park from 15th to 19th Street. It contained a “Castle of Commerce,” a race track, band concerts, and baseball games, among other things. The castle burned down in 1951.

c. *River Front Park Showboat.* In 1887, another group built a dam on the South Platte River at 19th street and created a lake to go along with River Front Park. They put a showboat in this lake and produced operas.

d. *Moffat Station.* When the transcontinental railroad was built during the Civil War, the route bypassed Denver because of the difficulties going over the Continental Divide. David Moffat was the President of a local bank and watched the town dwindle to a fraction of its 30,000 inhabitants over the next couple of decades. He promoted the idea of building a railroad from Denver to Cheyenne and it saved Denver from extinction. His Moffat Station was built in 1907 at 2101 15th Street and was one of Denver’s first train stations.

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 District’s 2017 budget is as follows:

GENERAL OPERATING FUND

	2015 Actual	2016 Budget	2016 YTD	2016 Projected	2017 Budget
Balance at Beginning of Year	42,798	51,789	7,829	7,829	13,879
Projected Revenues:					
Ad Valorem Taxes*	15,000	15,000	14,137	15,000	15,000
Specific Ownership Taxes	1,222			1,200	1,200
Earned interest	27	0	5	10	10
TOTAL REVENUE	16,249	15,000	14,142	16,210	16,210
Projected Expenditures:					
Bank Fees			160	160	160
Operations, Maintenance	6,909	10,000		3,000	15,000
Administration	453	500	769	1,000	1,000
Legal	3,827	1,500	5,029	6,000	3,500
Historical Markers Project					15,000
TOTAL EXPENDITURES	11,189	13,000	5,958	10,160	34,660.00
Transfer from Special Project Fund					15,000
Transfers to Special Projects Fund	40,000				
Reserve Fund **					
Balance at Year End	7,858	53,789	16,013	13,879	10,429

*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. Includes specific ownership taxes in 2016 YTD.

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

SPECIAL PROJECTS FUND

	2015 Actual	2016 Budget	2016 YTD	2016 Projected	2017 Budget
Balance at Beginning of Year	16,096	56,096	56,096	56,096	56,096
Transfers to General Operating Account					15,000
Transfers from General Operating Account	40,000				
Balance at Year End	56,096	56,096	56,096	56,096	41,096

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 August 16, 2016, from Michael Kerrigan of the City's Department of Finance requested eleven specific items. The District's responses are reported below:

1. 2016 year-to-date "budget to actual" financial reports. *See above.*
2. Any material departures from the 2016 Operating Plan. *None.*
3. A copy of your Public Notice publication for the 2017 Budget. *Notice of the District's budget hearing will be posted in three places within the boundaries of the District, to include the designated posting location, and is not published (budget under \$50,000 per section 29-1-106, C.R.S.). The District will hold its annual budget hearing on October 28, 2016, on the proposed 2017 budget.*
4. The status of any planned or outstanding indebtedness. *None.*
5. The results of any audits conducted during the year, if not already submitted. *None.*
6. A copy of the By-laws, if any, in effect in 2016/2017. *None.*
7. A list of official board actions (motions) in the past year. *No meeting of the Board is expected until October 28, 2016, to approve the 2017 budget.*
8. Current list of all Board members including name, address, phone, fax and email as well as term appointment and expiration date. *See Exhibit A.*
9. Board members attendance records for the past year. *N/A*
10. A list of activities performed in 2016 and planned for in 2017. *See above.*
11. Please provide any documented tangible impacts and performance measures that your BID provides and tracks. For instance this could include 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. Any additional information would be beneficial for the City Council budget approval process. *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: 12/31/2018

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: 12/31/2018

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: 12/31/2018

dave@veldmanmorgan.com

Robert Grey

(w) 303-710-2574

1453 Delgany Street

(f) 202-675-3111

Denver, CO 80202

robertedmundgrey@gmail.com

Term expires: 12/31/2018

Vacant

Term expired: 12/31/2010

MANAGER:

CONSULTANT:

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