



SpencerFane

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File No. 5111574-0012

September 30, 2015

City Clerk, City and County of Denver
201 W. Colfax Avenue, Dept. 101
Denver, Colorado 80202

via e-mail: clerkandrecorder@denvergov.org

Re: Cherry Creek Subarea Business Improvement District - 2014 Operating Plan and Budget - Filing No. 92-228-_____

Dear Clerk:

Enclosed for formal filing with the City and County of Denver, as provided in Section 31-25-1211, C.R.S. is the proposed 2016 Operating Plan and Budget for the Cherry Creek Subarea Business Improvement District.

Please contact our office if you have any questions or comments. Thank you.

Very truly yours,

SPENCER FANE LLP

Leslie H. Larsen
Paralegal

Enclosure

cc: Michael Kerrigan (via e-mail: michael.kerrigan@denvergov.org)
Brendan Kelly (via e-mail: brendan.kelly@denvergov.org)

DN 1272787.1

2016 OPERATING PLAN AND BUDGET

**CHERRY CREEK
SUBAREA BUSINESS
IMPROVEMENT
DISTRICT**

City and County of Denver, Colorado

Spencer Fane LLP

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

PURPOSE AND SCOPE OF THIS DOCUMENT

A. Why Approve the 2016 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. We would appreciate it if the City could re-appoint the current Directors for an additional term.

SERVICES TO BE PROVIDED

Activities of the District in 2016 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 2016 budget is as follows:

GENERAL OPERATING FUND

	2014 Actual	2015 Budget	2015 YTD	2016 Projected	2016 Budget
Balance at Beginning of Year	36,544	42,725	44,725	45,264	51,789
Projected Revenues:					
Ad Valorem Taxes*	14,633	15,000	8,703	14,500	15,000
Earned interest	40		1	25	0
TOTAL REVENUE	14,673	15,000	8,704	14,525	15,000
Projected Expenditures:					
Operations, Maintenance	6,606	10,000	6,000	6,000	10,000.00
Administration	461	500	500	500	500.00
Legal	1,425	1,500	1,665	1,500	1,500.00
TOTAL EXPENDITURES	8,492	13,000	8,165	8,000	13,000.00
Reserve Fund **					
Balance at Year End	42,725	44,725	45,264	51,789	53,789

*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 August 20, 2015 from Michael Kerrigan of the City's Department of Finance requested eleven specific items. The District's responses are reported below:

1. 2015 year-to-date "budget to actual" financial reports. See above.
2. Any material departures from the 2015 Operating Plan. None.
3. A copy of your Public Notice publication for the 2016 Budget. Notice of the District's budget hearing is posted in three places within the boundaries of the District, to include the designated posting location and not published (budget under \$50,000 per Section 29-1-106, C.R.S.). The District holds the annual budget hearing in November or early December on the proposed 2016 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 2015/2016. None.
7. 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 2016 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 and planned for 2015 (and 2016); 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: 12/31/2015 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: 12/31/2010

MANAGER:

CONSULTANT:

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