

2020 OPERATING PLAN AND BUDGET FOR THE CHERRY CREEK SUBAREA BUSINESS IMPROVEMENT DISTRICT

PURPOSE AND SCOPE OF THIS DOCUMENT

A. Why Approve the 2020 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, 2021.

SERVICES TO BE PROVIDED

Activities of the District in 2020 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.

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 2020 budget is as follows:

GENERAL OPERATING FUND

| | 2019 Budget | 2019 Amended Budget | 2019 YTD | 2020 Projected |
|---|----------------|---------------------------|---------------|-------------------|
| Balance at Beginning of Year | 16,967 | 16,967 | 26,041 | 3,237 |
| Projected Revenues: | | | | |
| Ad Valorem Taxes and Specific Ownership Taxes * | 15,000 | 15,000 | 15,265 | 15,000 |
| Earned interest | 10 | 10 | 326 | 10 |
| TOTAL REVENUE | 15,010 | 15,010 | 15,592 | 15,010 |
| Projected Expenditures: | | | | |
| Bank Fees | 240 | 240 | 0 | 240 |
| Operations, Maintenance | 8,000 | 46,000 | 0 | 8,000 |
| Administration | 1,000 | 2,500 | 1,584 | 2,500 |
| Legal | 5,000 | 5,000 | 2,778 | 5,000 |
| Historical Markers Project | 7,875 | - | - | - |
| TOTAL EXPENDITURES | 22,115 | 53,740 | 4,363 | 15,740 |
| Transfer from Special Project Fund | - | 25,000 | - | - |
| Transfers to Special Projects Fund | - | - | - | - |
| Reserve Fund ** | | | | |
| Balance at Year End | 9,862 | 3,237 | 37,270 | 2,507 |

*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, if any.

**emergency reserves = at least 3% of fiscal year spending, in 2020, \$473, of the Balance at End of Year is designated as the emergency reserve.

SPECIAL PROJECTS FUND

| | 2019 Budget | 2019 Amended Budget | 2019 YTD | 2020 Projected |
|--|------------------------|------------------------------------|---------------------|---------------------------|
| Balance at Beginning of Year | 41,096 | 41,096 | 41,096 | 16,096 |
| Transfers to General Operating Account | - | 25,000 | - | - |
| Transfers from General Operating Account | - | - | - | - |
| Balance at Year End | 41,096 | 16,096 | 41,096 | 16,096 |

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.

ANNUAL REPORT

1. 2019 year-to-date “budget to actual” financial reports, including projected 2020 year-end budget. *See above.*
2. Any material departures from the 2019 Operating Plan, and an explanation. *Despite diligent efforts by the District and its consultant, the previously planned Historical Markers Project was not completed in 2019, and the Board has decided not to pursue the project any further. The District will utilize the funds allocated for the Historical Markers Project as well as a portion of its Special Projects Fund to complete street and landscaping repairs and enhancements near the intersection of 14th Street and Wewatta Street in coordination with the City in the fourth quarter of 2019.*
3. A copy of your Public Notice publication for the 2020 Budget. *Notice of the District’s budget hearing was 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 held its annual budget hearing on September 26, 2019, and adopted its 2020 budget. A copy of the Public Notice will be submitted to the City.*
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 2019/2020. *None.*
7. A list of official board actions (motions) in the past year, which may be copies of Board meeting minutes. Minutes from the Board’s September 27, 2018, meeting will be submitted to the City.
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. *The District’s only meeting was held on September 26, 2019. All Board Members were in attendance.*
10. A list of activities performed in 2019 and planned for in 2020. *See above.*
11. Please provide any readily available documentation of 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. *See above; no tracking is performed.*
12. Any additional information that may be beneficial for the City Council budget approval process. *None.*

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

1444 Wazee Street

Denver, CO 80202

Term expires: 12/31/2021

(w) 303-575-9130

(f) 303-575-9175

(c) 303-888-0196

s2stann@aol.com

Dan Reagan, Secretary/Treasurer

1800 15th Street, Suite 203

Denver, CO 80202

(general partner of Delgany Depot Development LLLP)

Term expires: 12/31/2021

(w) 303-592-7672

(f) 303-592-7855

(c) 303-588-3819

dsreagan@reaganpartnership.com

David P. Veldman, Assistant VP/Secretary

760 Whaler's Way #A-200

Fort Collins, CO 80525

Term expires: 12/31/2021

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Vacant

Vacant

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