

**2020 - 2021 OPERATING PLAN AND  
BUDGET**

**LFM BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Longmont, Boulder County, Colorado

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**2020 - 2021**  
**OPERATING PLAN FOR THE**  
**LFM BUSINESS IMPROVEMENT DISTRICT**

**1. PURPOSE AND SCOPE OF THIS DISTRICT**

**A. Requirement for this Operating Plan** The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the LFM Business Improvement District (the “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.

The District will operate under the authorities and powers allowed under the Business Improvement District Act, Section 31-25-1201, *et seq.*, Colorado Revised Statutes, as amended, as further described and limited by this Operating Plan.

**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.*, Colorado Revised Statutes, 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 to be issued by the District; and (5) such other information as the City may require.

This Operating Plan and any subsequent Operating Plans that are approved by the City will be incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

**C. Purposes** As may be further articulated in succeeding year’s Operating Plans, the ongoing and/or contemplated purposes of this District for 2020 - 2021 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

**D. Ownership of Property or Major Assets** The District will own public improvements as constructed if such improvements are not otherwise dedicated to other public entities for operation and maintenance.

**E. Contracts and Agreements** It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is not currently a party to any significant active contracts or agreements. The District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects.

## 2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

**A. Organization.** The LFM Business Improvement District is sought to be organized by the City of Longmont, Colorado as requested in the Petition for Organization for the District.

**B. Governance.** Pursuant to Section 31-25-1209(1)(d), the City hereby appoints the initial board of directors for the District, which shall have up to five members. Each member shall be an elector of the District. The City will appoint the initial board of directors for the District after which the positions on the board shall be elected.

**C. Current Board.** If approved by the City, the District will be managed by a Board of Directors consisting of five electors, all of whom shall be voting members. The proposed Board members are:

- 1) John Craig
- 2) Michael Cassutt
- 3) Jim Shipton
- 4) Tiffany Watson
- 5) Vacancy

Director and other pertinent contact information is provided in **Exhibit A**.

**D. Term Limits.** A ballot question will be included to eliminate term limits.

**E. Advisory Board.** The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

## 3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District is proposed to include approximately 16.648 acres with boundaries as depicted in **Exhibit B**. In 2020 - 2021 and subsequent years the District may receive inclusion requests for additional property as boundaries are established and additional property owners participate in the District.

## 4. PUBLIC IMPROVEMENTS

The District will be primarily concerned with the provision of public improvements and services within the boundaries of the District; however, there may be instances to provide improvement or services outside of the boundaries of the District as part of the project. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install, or cause to be constructed and installed include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, *et seq.*, C.R.S., lawfully be paid for by the District, including, without limitation, water services, safety protection devices, sanitation services, marketing, streetscape improvements, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping and storm and wastewater management facilities and associated land acquisition and remediation (the “Public Improvements”). The costs of such Public Improvements, including costs of design, acquisition, construction and financing, are referred to herein as the “Public Improvement Costs.”

The property owners of the District request that the City designate the territory within the District as a location for new business or commercial development under Section 31-25-1203(10), C.R.S.

## **5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE**

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector.

## **6. FINANCIAL PLAN AND BUDGET**

**A. 2020 – 2021 Budget.** The proposed 2020 - 2021 Budget for the District is attached as **Exhibit C**.

**B. Authorized Indebtedness.** It is anticipated that the District will hold an election for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution, and the Operating Plan. The initial maximum debt authorization for the District shall be \$12,000,000.

**C. Property Tax and Mill Levy Caps.** The District taxing ability shall be constrained to mill levy limitations of up to 50 mills for debt service, general operations and administrative expenses due to the on-going operations and maintenance to be undertaken by the District within its boundaries.

**D. District Revenues.** The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District may also be the beneficiary of revenues derived from a privately imposed public improvement fee.

**E. Existing Debt Obligations.** The District has no current debt.

**F. Future Debt Obligations.** The District may issue debt in 2021 to finance the construction of the Public Improvements.

**G. Other Financial Obligations.** The District may enter into agreements including reimbursement or similar agreements and leases; as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.

**H. Non-Default Provisions.** Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.

**I. No Obligation.** The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District

## **7. 2020 - 2021 ACTIVITIES, PROJECTS AND CHANGES**

**A. Activities** It is anticipated that the District will primarily be engaged in the initial organization activities for the area in 2020 and undertaking construction and financing of the public improvements in 2021.

**B. Projects and Public Improvements** The District will be undertaking any projects and public improvements as development needs require.

## **8. DISSOLUTION**

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate perpetual existence. If the District no longer has such obligations, the District will seek to dissolve pursuant to C.R.S. § 31-25-1225.

## **9. CONCLUSION**

It is submitted that this Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

**EXHIBIT A**  
**Director and Other Contact Information**

**Board of Directors**

John Craig  
4045 Pecos Street, Suite 210-4  
Denver, Colorado 80211

Michael Cassutt  
7563 South Salida Court  
Centennial, Colorado 80016

Jim Shipton  
8460 W. Ken Caryl Avenue #101  
Littleton, Colorado 80128  
jshipton@pnt-llc.com

Tiffany Watson  
8460 W. Ken Caryl Avenue #101  
Littleton, Colorado 80128  
twatson@pnt-llc.com

Vacancy

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**District Contact:**

Russell W. Dykstra  
Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203

**EXHIBIT B**  
**District Legal Description and Boundary Map**

A PARCEL OF LAND LOCATED IN THE NORTHEAST ONE-QUARTER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LONGMONT, COUNTY OF BOULDER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST ONE-SIXTEENTH CORNER OF SAID SECTION 8 AND CONSIDERING THE SOUTH LINE OF THE NORTHEAST ONE-QUARTER OF THE SAID NORTHEAST ONE-QUARTER OF SECTION 8 TO BEAR S89°28'24"E WITH ALL BEARINGS HEREIN RELATIVE THERETO;

THENCE ALONG THE WEST LINE OF THE SAID NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 8, N00°14'40"E, A DISTANCE OF 905.79 FEET;

THENCE S89°27'12"E, A DISTANCE OF 61.00 FEET;

THENCE S00°14'40"W, A DISTANCE OF 853.76 FEET;

THENCE S44°36'52"E, A DISTANCE OF 21.27 FEET;

THENCE S89°28'24"E, A DISTANCE OF 82.77 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 293.00 FEET THROUGH A CENTRAL ANGLE OF 28°28'39" AN ARC DISTANCE OF 145.63 FEET AND HAVING A CHORD THAT BEARS N76°17'17"E A CHORD DISTANCE OF 144.13 FEET;

THENCE N62°02'57"E, A DISTANCE OF 375.43 FEET;

THENCE N00°01'21"E, A DISTANCE OF 654.12 FEET;

THENCE S89°27'12"E, A DISTANCE OF 668.97 FEET TO A POINT ON THE WEST RIGHT-OF-WAY FOR SOUTH HOVER ROAD;

THENCE ALONG SAID WEST RIGHT-OF-WAY, S00°01'21"W, A DISTANCE OF 905.36 FEET TO A POINT ON THE SAID SOUTH LINE OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 8;

THENCE ALONG SAID SOUTH LINE, N89°28'24"W, A DISTANCE OF 1,299.48 FEET TO THE POINT OF BEGINNING.

CONTAINING 725,191 SQUARE FEET OR 16.648 ACRES, MORE OR LESS.

**EXHIBIT C**  
**2020 – 2021 BID Budget**  
**General Fund**

<u>Expense</u>	<u>Proposed</u> <u>2020</u>	<u>Actual</u> <u>2020</u>	<u>Proposed</u> <u>2021</u>	<u>Actual</u> <u>2021</u>
Beginning Funds Balance	\$ -	\$ -	\$ -	\$ -
<b>Revenue</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Specific Ownership Taxes	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -
Interest Income	\$ -	\$ -	\$ -	\$ -
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>
<b>Total Funds Available</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>
<b>Expenditures</b>				
Accounting / Audit	\$ 2,500.00	\$ -	\$ 2,500.00	\$ -
Election Expense	\$ -	\$ -	\$ -	\$ -
Engineering	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -
Insurance/SDA Dues	\$ 2,500.00	\$ -	\$ 2,500.00	\$ -
Legal	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -
Management	\$ 1,500.00	\$ -	\$ 1,500.00	\$ -
Contingency	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -
Misc. Expenses	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -
Treasurer's Fees	\$ -	\$ -	\$ -	\$ -
Repay Developer Advances	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 48,500.00</b>	<b>\$ -</b>	<b>\$ 48,500.00</b>	<b>\$ -</b>
<b>Emergency Reserve</b>	<b>\$ 1,500.00</b>	<b>\$ -</b>	<b>\$ 1,500.00</b>	<b>\$ -</b>
<b>Total Expenditures requiring appropriation</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>
<b>Ending Funds Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>