

2023 OPERATING PLAN AND BUDGET

LFM BUSINESS IMPROVEMENT DISTRICT

City of Longmont, Boulder County, Colorado

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General Fund

2023
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 operates 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.

The District’s Original 2020-2021 Operating Plan and subsequent Operating Plans that the City approved are 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 prior year’s Operating Plans, the ongoing and/or contemplated purposes of the District for 2023 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 was organized by the City of Longmont, Colorado by Ordinance No. O-2020-38 on September 22, 2020.

B. *Governance.* The District is governed by an elected board of directors.

C. *Current Board.* The persons who currently serve as the Board of Directors 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.* The District's election on November 3, 2020 included a ballot question to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The question passed.

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's boundaries currently include approximately 16.648 acres, as depicted in **Exhibit B**. In 2023 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.

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. 2023 Budget. The proposed 2023 Budget for the District is attached as **Exhibit C**.

B. Authorized Indebtedness. The District held an election on November 3, 2020 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, provided, however, the mill levy cap set forth in this paragraph may be subject to upward or downward adjustments addressing any abatement or statutory, legislative, or constitutional changes that adjust or impact the assessed or actual valuation of property or the assessment ratio pursuant to which taxes are calculated occurring after, but not before, January 1, 2020. Such upward or downward adjustments are to be determined by the Board of Directors in good faith (such determination to be binding and final) so that to the extent possible, the actual revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2020, are neither diminished nor enhanced as a result of such changes.

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 anticipates issuing bonds in the amount of approximately \$12,000,000 in 2023 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. 2023 ACTIVITIES, PROJECTS AND CHANGES

A. *Activities* It is anticipated that the District will continue to be primarily engaged in early development activities in 2023.

B. *Projects and Public Improvements* The District will undertake any projects and public improvements as development needs require. The District may issue bonds to finance the construction of the Public Improvements depending on the progress of development in 2023.

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

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;

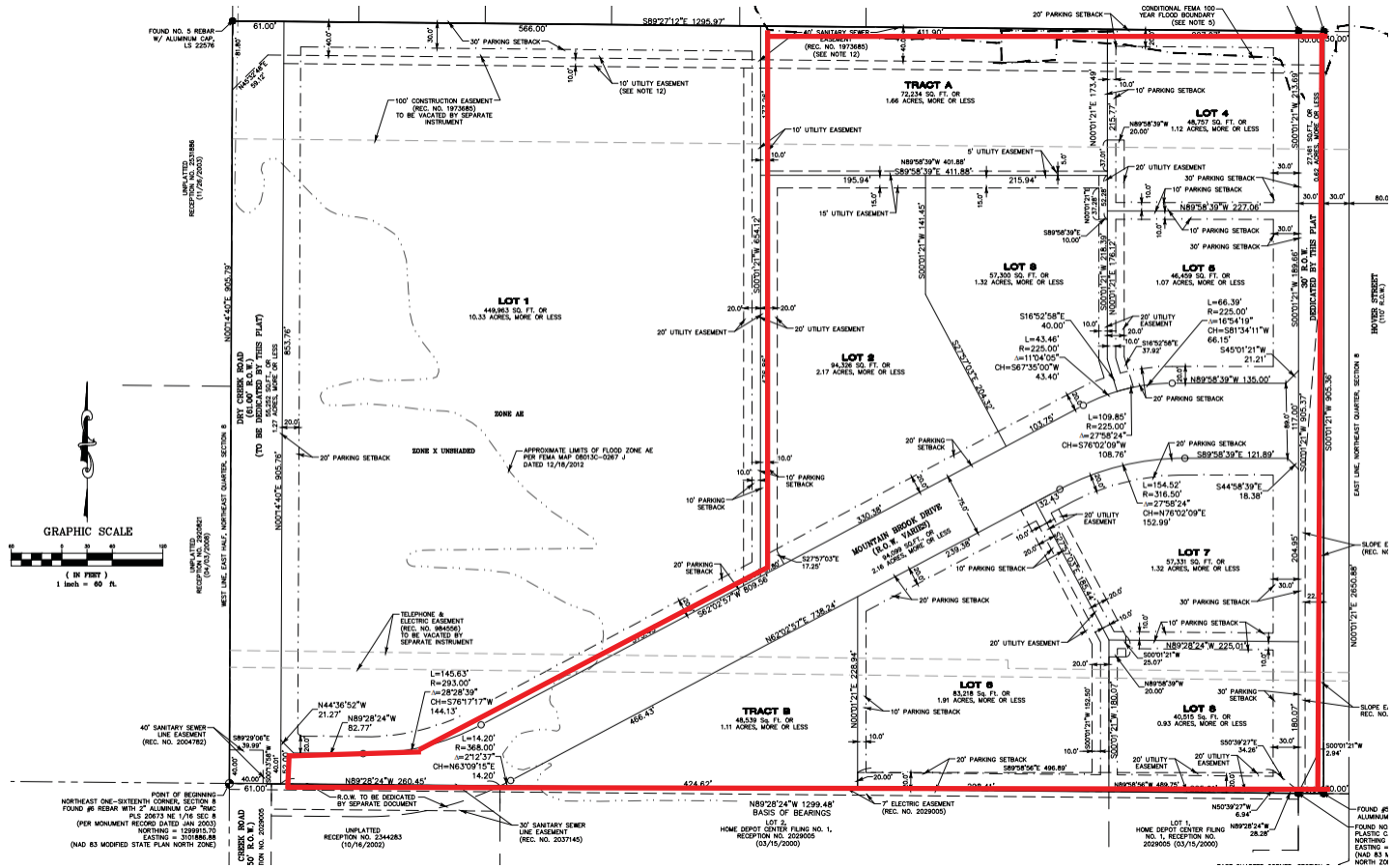
THENCE S89°27'12"E, A DISTANCE OF 668.97 FEET TO A POINT ON THE WEST RIGHT-OF-WAY FOR SOUTH HOVER ROAD;

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 A
Fairgrounds Marketplace
Longmont, CO



“Premises”

EXHIBIT C

BID 2023 Budget

LFM Business Improvement District
Proposed Budget
General Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Estimate <u>2022</u>	Proposed Budget <u>2023</u>
Beginning fund balance	\$ -	\$ 15,390	\$ 15,390	\$ 36,623
Revenues:				
Property taxes	31,292	36,830	36,830	36,916
Specific ownership taxes	2,067	2,455	2,455	2,584
PIF Fee	-	-	-	-
Developer Advance	-	15,000	-	15,000
Interest income	-	-	-	-
Total revenues	<u>33,359</u>	<u>54,285</u>	<u>39,285</u>	<u>54,500</u>
Total funds available	<u>33,359</u>	<u>69,675</u>	<u>54,675</u>	<u>91,123</u>
Expenditures:				
Accounting/Adm/Management	2,500	2,500	2,500	2,500
Legal	15,000	15,000	15,000	15,000
District Engineer	-	10,000	-	10,000
Insurance	-	2,500	-	2,500
Mangement	-	1,500	-	1,500
Treasurer's Fees	469	552	552	554
Miscellaneous Expense	-	2,000	-	2,000
Contingency	-	34,123	-	55,569
Emergency reserve (3%)	-	1,500	-	1,500
Total expenditures	<u>17,969</u>	<u>69,675</u>	<u>18,052</u>	<u>91,123</u>
Ending fund balance	<u>\$ 15,390</u>	<u>\$ -</u>	<u>\$ 36,623</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 736,600</u>		<u>\$ 738,321</u>
Mill Levy		<u>50.000</u>		<u>50.000</u>

LFM Business Improvement District
Proposed Budget
Capital Projects Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Estimate <u>2022</u>	Proposed Budget <u>2023</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenues:				
Developer advances	-	-	-	-
Bond proceeds	-	-	-	12,000,000
Interest income	-	-	-	-
Total revenues	-	-	-	12,000,000
Total funds available	-	-	-	12,000,000
Expenditures:				
Issuance costs	-	-	-	480,000
Organization costs	-	-	-	-
Accounting	-	-	-	-
Legal	-	-	-	-
Capital expenditures	-	-	-	9,360,000
Repay developer advances	-	-	-	-
Repay developer advances - intere	-	-	-	-
Transfer to Debt Service	-	-	-	2,160,000
Total expenditures	-	-	-	12,000,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -

LFM Business Improvement District
Proposed Budget
Debt Service Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Estimate <u>2022</u>	Proposed Budget <u>2023</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenues:				
Property taxes	-	-	-	-
Specific ownership taxes	-	-	-	-
PIF				
Transfer from Capital Project Fund	-	-	-	2,160,000
Interest income	-	-	-	-
Total revenues	-	-	-	2,160,000
Total funds available	-	-	-	2,160,000
Expenditures:				
Bond interest	-	-	-	600,000
Bond principal	-	-	-	-
Treasurer's fees	-	-	-	-
Trustee / paying agent fees	-	-	-	-
Total expenditures	-	-	-	600,000
Ending fund balance	\$ -	\$ -	\$ -	\$ 1,560,000
Assessed valuation		\$ 736,600		\$ 738,321
Mill Levy		-		-
Total Mill Levy		50.000		50.000