

2024 OPERATING PLAN AND BUDGET

LA PUERTA BUSINESS IMPROVEMENT DISTRICT

City of Trinidad, Las Animas County, Colorado

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2024
OPERATING PLAN FOR LA PUERTA BUSINESS IMPROVEMENT DISTRICT

1. PURPOSE AND SCOPE OF THIS DISTRICT

A. Requirements for this Operating Plan:

The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that La Puerta Business Improvement District (the “District”) file an operating plan and budget with the City Clerk no later than September 30 of each year. This is the operating plan and budget for 2024 (the “Operating Plan”).

Under the statute, annually the City is to approve an operating plan and budget within 30 days of the submittal of all required information or in any case not later than December 5.

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 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.

C. Purposes

The ongoing and/or contemplated purposes of this District for 2024 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; the further goal of the District is to align with the aims of the City and the Trinidad Urban Renewal Authority (TURA), to reduce, eliminate and prevent the spread of blight within the City of Trinidad, specifically by supporting development of the “La Puerta de Colorado” project (collectively, the “Project”).

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. Organization

The La Puerta Business Improvement District was organized by the City of Trinidad, Colorado by Ordinance in 2018.

B. Governance

The District is governed by an appointed board of directors.

C. Board

The persons who have been appointed to serve as the Board of Directors include the following:

- 1) Timothy Lamb
- 2) Gina Cimino
- 3) Karl Gabrielson
- 4) Gary Fentiman
- 5) Gerald Cimino

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

D. 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.

3. AREA BOUNDARIES

The territory within the boundaries of the proposed District is legally described and depicted on the map in Exhibit C attached hereto (the "Property").

4. PUBLIC IMPROVEMENTS

A. Improvements and Services-Generally

The District is empowered to provide the 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, including "Improvements" as that term is defined in Section 31-25-1203(5), C.R.S., services as described in Section 31-25-1212(1)(f), C.R.S., and other powers granted to such districts under Section 31-25-1212, C.R.S.

Nearly all improvements furnished by the District shall be public improvements that will be owned or leased by the City, the District, or the State of Colorado and will be located on land that is owned in fee or through an easement or leased by the District, the City, or the State of Colorado. Some improvement to private property through the site's environmental rehabilitation and overlot grading has begun to occur as is authorized by the BID statutes.

B. Anticipated Construction of Improvements

Americana Road has been completed. All utilities were installed under Americana Road, and the road itself is currently fully operational and in use. It was completed in June 2023. The bridge from Commercial Street to Americana Road has also undergone improvements, which are currently ongoing and should be completed in late 2023.

C. Hotel Development

The construction of the Hilton Garden Inn Trinidad Downtown facility is finished. It recorded a Certificate of Occupancy in July 2023. The hotel has been open since mid-July 2023 and is fully operational.

D. Challenges to Development

The challenges addressed in prior Operating Plans and Budgets for the La Puerta Business Improvement District are almost completely resolved. There is still some accounting that needs to be done regarding the expenses that were incurred in the completion of Americana Road under the June 24, 2019, La Puerta Phase I Development Agreement. The old railroad trestle bridge, which crosses the Purgatoire River on the east side of the hotel to the Phil Long Toyota store, is almost completed as a pedestrian bridge. Approval of this Operating Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the financial efforts or intended activities of the District, nor the participation by the City in any of the same unless the same is expressly contained within the La Puerta Phase I Development Agreement, the Cost Share and Cooperation Agreement with the City and TURA, or another agreement between the City and the District and approved by City Council.

5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

A. 2018 Election

The District held an election on November 6, 2018, for the general purpose of authorizing debt, revenues and expenditures for all authorized uses of the District per the Business Improvement District Act and to allow the District to shift funds from one category of improvements to others.

B. Public Improvement Fee

The owner(s) of the Property intend to impose Add-On Public Improvement Fees (PIF) of up to 2% on all sales, services and lodging within the District for the benefit of the District, with the exception of sales at the Toyota dealership, where the PIF will be applied to the first \$500 of value for each transaction. The purpose of the PIF will be to pay for improvements and services provided to the Property, and the proceeds may be pledged to the District's bonded indebtedness when and as issued. Revenues generated by the PIF and pledged to the District will be used only for improvements and services which benefit the Property.

C. Administration

The District is not expected to have employees and all administrative functions are expected to be furnished by contract with private entities.

6. FINANCIAL PLAN AND BUDGET

A. 2024 Budget

The proposed 2024 Budget for the District is attached as Exhibit B.

B. Authorized Indebtedness

The amount of debt authority authorized by this Operating Plan for issuance in 2024 and after is \$15,000,000. Developer advances are expected to cover capital costs in 2023 through 2024. The principal amount of debt authority approved by the eligible electors of the District will be sufficient to

eventually yield approximately \$14,500,000 of proceeds to the District available for public improvement acquisition and construction purposes. Exhibit D (that was also Exhibit B to the CSA) outlines the categories of costs to be funded through the issuance of the District's debt or, if not funded by debt then through the operation of the CSA. Hard costs include site grading, curb and gutter, monitoring wells, storm water drainage and detention facilities, landscaping including irrigation improvements, sidewalks, trails and site lighting installments. All of these elements also include associated costs for survey, design, planning, engineering, land acquisition, construction contingencies, construction management and other capitalized costs (altogether, "Capital Costs"). Bond proceeds would also cover costs and expenses for financing the facilities, including, but not limited to, capitalized interest, bond issuance costs, bond reserve funds, credit enhancement costs, and District organizational costs.

C. Property Tax and Mill Levies

As approved by the District's voters, the District is authorized to levy a mill levy and to impose, collect and spend rates, tolls, charges, special assessments, and any and all fees and revenue from other sources available to the District pursuant to the Business Improvement District Act. This Operating Plan assumes a debt service mill levy of 40 mills and an operating mill levy of 10 mills. A portion of the proceeds of any mill levy is expected to be utilized in cooperative efforts with a business improvement district to be organized for the downtown historic area through a binding intergovernmental agreement.

D. District Revenues

See proposed Budget attached hereto as Exhibit B.

E. Urban Renewal Authority

The District has entered into the CSA with the City and TURA to allow the BID to collect (or receive from the TURA) (1) all of the District's mill levy revenue, including from incremental growth, (2) a City sales tax increment of 2.25%, and (3) 100% of the property tax increment from La Puerta and Toyota to support payment of BID operations, developer reimbursements and future bond issuances.

7. DISSOLUTION

The District may be dissolved under the conditions of Section 31-25-1225, C.R.S.

8. CONCLUSION

This Operating Plan meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. 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

Directors and Other Contact Information

- 1) Timothy Lamb
- 2) Gina Cimino
- 3) Karl Gabrielson
- 4) Gary Fentiman
- 5) Gerald Cimino

Counsel to District:

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EXHIBIT B
BID Budget 2024

**LA PUERTA
BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024**

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 793	\$ -	\$ -	\$ 813
REVENUES					
Property taxes	-	14,918	-	14,918	23,334
Specific ownership taxes	-	895	-	895	1,400
Developer advance	-	5,052,000	-	40,000	5,052,000
PIF revenue	-	50,000	-	-	50,000
Total revenues	-	5,117,813	-	55,813	5,126,734
Total funds available	-	5,118,606	-	55,813	5,127,547
EXPENDITURES					
General Fund	-	60,312	-	55,000	60,000
Capital Projects Fund	-	5,023,000	-	-	5,023,000
Total expenditures	-	5,083,312	-	55,000	5,083,000
Total expenditures and transfers out requiring appropriation	-	5,083,312	-	55,000	5,083,000
ENDING FUND BALANCES	\$ -	\$ 35,294	\$ -	\$ 813	\$ 44,547
EMERGENCY RESERVE	\$ -	\$ 500	\$ -	\$ 500	\$ 800
AVAILABLE FOR OPERATIONS	-	7,794	-	313	16,747
TOTAL RESERVE	\$ -	\$ 8,294	\$ -	\$ 813	\$ 17,547

No assurance provided. See summary of significant assumptions.

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION					
Commercial	-	1,491,820	1,491,820	1,491,820	2,333,380
	-	1,491,820	1,491,820	1,491,820	2,333,380
Certified Assessed Value	\$ -	\$ 1,491,820	\$ 1,491,820	\$ 1,491,820	\$ 2,333,380
MILL LEVY					
General	0.000	10.000	10.000	10.000	10.000
Total mill levy	0.000	10.000	10.000	10.000	10.000
PROPERTY TAXES					
General	\$ -	\$ 14,918	\$ 14,918	\$ 14,918	\$ 23,334
Levied property taxes	-	14,918	14,918	14,918	23,334
Adjustments to actual/rounding	-	-	(14,918)	-	-
Budgeted property taxes	\$ -	\$ 14,918	\$ -	\$ 14,918	\$ 23,334
BUDGETED PROPERTY TAXES					
General	\$ -	\$ 14,918	\$ -	\$ 14,918	\$ 23,334
	\$ -	\$ 14,918	\$ -	\$ 14,918	\$ 23,334

No assurance provided. See summary of significant assumptions.

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 793	\$ -	\$ -	\$ 813
REVENUES					
Property taxes	-	14,918	-	14,918	23,334
Specific ownership taxes	-	895	-	895	1,400
Developer advance	-	52,000	-	40,000	52,000
Total revenues	-	67,813	-	55,813	76,734
Total funds available	-	68,606	-	55,813	77,547
EXPENDITURES					
General and administrative					
Accounting	-	20,000	-	15,000	20,000
County Treasurer's fee	-	224	-	224	350
Dues and membership	-	1,000	-	1,000	1,000
Insurance	-	4,000	-	4,000	4,000
District management	-	15,000	-	14,000	15,000
Legal	-	15,000	-	15,000	15,000
Contingency	-	5,088	-	5,776	4,650
Operations and maintenance					
Total expenditures	-	60,312	-	55,000	60,000
Total expenditures and transfers out requiring appropriation	-	60,312	-	55,000	60,000
ENDING FUND BALANCES	\$ -	\$ 8,294	\$ -	\$ 813	\$ 17,547
EMERGENCY RESERVE	\$ -	\$ 500	\$ -	\$ 500	\$ 800
AVAILABLE FOR OPERATIONS	-	7,794	-	313	16,747
TOTAL RESERVE	\$ -	\$ 8,294	\$ -	\$ 813	\$ 17,547

No assurance provided. See summary of significant assumptions.

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Developer advance	-	5,000,000	-	-	5,000,000
PIF revenue	-	50,000	-	-	50,000
Total revenues	-	5,050,000	-	-	5,050,000
Total funds available	-	5,050,000	-	-	5,050,000
EXPENDITURES					
General and Administrative					
Accounting	-	5,000	-	-	5,000
PIF collection fees	-	8,000	-	-	8,000
Capital Projects					
Engineering	-	10,000	-	-	10,000
Capital outlay	-	5,000,000	-	-	5,000,000
Total expenditures	-	5,023,000	-	-	5,023,000
Total expenditures and transfers out requiring appropriation	-	5,023,000	-	-	5,023,000
ENDING FUND BALANCES	\$ -	\$ 27,000	\$ -	\$ -	\$ 27,000

No assurance provided. See summary of significant assumptions.

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide the 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. The further goal of the District is to align with the aims of the City and the Trinidad Urban Renewal Authority to reduce, eliminate and prevent the spread of blight within the City of Trinidad, specifically supporting development of the “La Puerta de Colorado” project. The District's service area is located entirely within the City of Trinidad, Las Animas County, Colorado.

The District was organized by the City of Trinidad, Colorado by Ordinance in 2018.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$15,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

The District has no employees and all administrative functions are contracted

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those difference may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes – (continued)

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2024, the assessment rate for single family residential property decreases to 6.765% from 6.95%. The rate for multifamily residential property, the newly created subclass, decreases to 6.765% from 6.80%. Agricultural and renewable energy production property remains at 26.4%. Producing oil and gas remains at 87.5%. All other nonresidential property decreases to 27.90% from 29%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6.00% of the property taxes collected.

Public Improvement Fee

The District charges public improvement fees (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods at a rate of up to 2.00%.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Expenditures

Administrative Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

The District has no debt, capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

District Boundary Legal Description and Map

