

2025 OPERATING PLAN AND BUDGET

LA PUERTA BUSINESS IMPROVEMENT DISTRICT

City of Trinidad, Las Animas County, Colorado

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2025
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 2025 (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 2025 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) Vacant

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.

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 was 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. 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 have imposed 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. 2025 Budget

The proposed 2025 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 2025 and after is \$15,000,000. Developer advances are expected to cover capital costs in 2024 through 2025. 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 2024/25 debt service mill levy of 0 mills and an operating mill levy of 10 mills.

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) Vacant

Counsel to District:

Spencer Fane LLP
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EXHIBIT B
BID Budget 2025

**LA PUERTA
BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025**

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ 2,941	\$ -	\$ 2,941	\$ 28,164
REVENUES					
Property taxes	14,918	24,253	-	24,253	24,253
Specific ownership taxes	-	970	-	970	1,213
Developer advance	-	5,052,777	-	-	5,050,000
PIF Revenue	-	50,000	-	-	50,000
Total revenues	14,918	5,128,000	-	25,223	5,125,466
Total funds available	14,918	5,130,941	-	28,164	5,153,630
EXPENDITURES					
General Fund	11,977	63,000	-	-	60,364
Capital Projects Fund	-	5,025,300	-	-	5,025,500
Total expenditures	11,977	5,088,300	-	-	5,085,864
Total expenditures and transfers out requiring appropriation	11,977	5,088,300	-	-	5,085,864
ENDING FUND BALANCES	\$ 2,941	\$ 42,641	\$ -	\$ 28,164	\$ 67,766
EMERGENCY RESERVE	\$ 500	\$ 800	\$ -	\$ 800	\$ 800
AVAILABLE FOR OPERATIONS	2,441	17,141	-	27,364	42,466
TOTAL RESERVE	\$ 2,941	\$ 17,941	\$ -	\$ 28,164	\$ 43,266

No assurance provided. See summary of significant assumptions.

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION					
Commercial	1,491,820	2,333,380	2,333,380	2,333,380	2,333,380
	1,491,820	2,333,380	2,333,380	2,333,380	2,333,380
Certified Assessed Value	<u>\$ 1,491,820</u>	<u>\$ 2,333,380</u>	<u>\$ 2,333,380</u>	<u>\$ 2,333,380</u>	<u>\$ 2,333,380</u>
MILL LEVY					
General	10.000	10.394	10.394	10.394	10.394
Total mill levy	<u>10.000</u>	<u>10.394</u>	<u>10.394</u>	<u>10.394</u>	<u>10.394</u>
PROPERTY TAXES					
General	\$ 14,918	\$ 24,253	\$ 24,253	\$ 24,253	\$ 24,253
Levied property taxes	14,918	24,253	24,253	24,253	24,253
Budgeted property taxes	<u>\$ 14,918</u>	<u>\$ 24,253</u>	<u>\$ 24,253</u>	<u>\$ 24,253</u>	<u>\$ 24,253</u>
BUDGETED PROPERTY TAXES					
General	<u>\$ 14,918</u>	<u>\$ 24,253</u>	<u>\$ 24,253</u>	<u>\$ 24,253</u>	<u>\$ 24,253</u>
	<u>\$ 14,918</u>	<u>\$ 24,253</u>	<u>\$ 24,253</u>	<u>\$ 24,253</u>	<u>\$ 24,253</u>

LA PUERTA BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ 2,941	\$ -	\$ 2,941	\$ 28,164
REVENUES					
Property taxes	14,918	24,253	-	24,253	24,253
Specific ownership taxes	-	970	-	970	1,213
Developer advance	-	52,777	-	-	50,000
Total revenues	14,918	78,000	-	25,223	75,466
Total funds available	14,918	80,941	-	28,164	103,630
EXPENDITURES					
General and administrative					
Accounting	11,753	22,000	-	-	22,000
County Treasurer's Fee	224	364	-	-	364
Dues and Membership	-	1,000	-	-	1,000
Insurance	-	4,000	-	-	4,000
District management	-	15,000	-	-	15,000
Legal	-	15,000	-	-	15,000
Contingency	-	5,636	-	-	3,000
Total expenditures	11,977	63,000	-	-	60,364
Total expenditures and transfers out requiring appropriation	11,977	63,000	-	-	60,364
ENDING FUND BALANCES	\$ 2,941	\$ 17,941	\$ -	\$ 28,164	\$ 43,266
EMERGENCY RESERVE	\$ 500	\$ 800	\$ -	\$ 800	\$ 800
AVAILABLE FOR OPERATIONS	2,441	17,141	-	27,364	42,466
TOTAL RESERVE	\$ 2,941	\$ 17,941	\$ -	\$ 28,164	\$ 43,266

No assurance provided. See summary of significant assumptions.

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
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	-	5,500	-	-	5,500
PIF Collection Fees	-	8,800	-	-	9,000
Capital Projects					
Engineering	-	11,000	-	-	11,000
Capital outlay	-	5,000,000	-	-	5,000,000
Total expenditures	-	5,025,300	-	-	5,025,500
Total expenditures and transfers out requiring appropriation	-	5,025,300	-	-	5,025,500
ENDING FUND BALANCES	\$ -	\$ 24,700	\$ -	\$ -	\$ 24,500

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
2025 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
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes – (continued)

For property tax collection year 2025, SB22-238, SB23B-001, SB 24-233 and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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.

**LA PUERTA BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

County Treasurer's Fees

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

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

