

**STATE OF COLORADO  
COUNTY OF GILPIN  
CITY OF BLACK HAWK**

**COUNCIL BILL NUMBER: CB18**

**ORDINANCE NUMBER: 2019-18**

**TITLE: AN ORDINANCE APPROVING THE 2020 OPERATING PLAN AND BUDGET OF THE BLACK HAWK BUSINESS IMPROVEMENT DISTRICT**

WHEREAS, the Black Hawk Business Improvement District has filed a proposed 2020 Operating Plan and Budget as required by Section 31-25-1211, C.R.S. (“Operating Plan and Budget”); and

WHEREAS, the City has reviewed the Operating Plan and Budget, provided notice of a public hearing held before the Board of Aldermen concerning the Amended Operating Plan and Budget in the manner stated in the Amended 2001 Operating Plan and Budget, and has held the public hearing; and

WHEREAS, the City of Black Hawk has found and does hereby find that the Operating Plan and Budget should be approved.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BLACK HAWK, GILPIN COUNTY:

Section 1. Plan Approval. The City of Black Hawk hereby approves the 2020 Operating Plan and Budget, a copy of which is attached hereto and incorporated herein by reference. The services, improvements, and financial arrangements of the District shall conform so far as practicable to the Operating Plan and Budget.

Section 2. Safety Clause. The Board of Aldermen hereby finds, determines, and declares that this Ordinance is promulgated under the general police power of the City of Black Hawk, that it is promulgated for the health, safety, and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The Board of Aldermen further determines that the Ordinance bears a rational relation to the proper legislative object sought to be attained.

Section 3. Severability. If any clause, sentence, paragraph, or part of this Ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect application to other persons or circumstances.

Section 4. Effective Date. The City Clerk is directed to post the Ordinance as required by the Charter. This Ordinance shall become effective upon posting by the City Clerk.

READ, PASSED AND ORDERED POSTED this 28<sup>th</sup> day of August, 2019.

  
David D. Spellman, Mayor

ATTEST:

  
Melissa A. Greiner, CMC, City Clerk



RECEIVED

AUG 20 2019

City of Black Hawk  
Clerk's Office

Black Hawk Business Improvement District  
Office of the District Manager  
P. O. Box 663  
Black Hawk, CO 80422  
303-582-3165  
lhailey@centurylink.net

August 20, 2019

Melissa Greiner, City Clerk  
City of Black Hawk  
P. O. Box  
Black Hawk, CO 80422

HAND DELIVERED

RE: Black Hawk Business Improvement District ("BID") 2020 Operating Plan

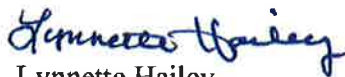
Dear Melissa:

Enclosed is the BID's 2020 Operating Plan approved by the Board at our meeting this morning.

Please note that the BID is suspending a vast majority of their services, transferring those to the SDMD. The Board will stay in place but will only meet once or twice a year to approve future budgets. This Plan is being submitted for City Council consideration.

If you have any questions or need additional information, please do not hesitate to contact me.

Thank you,



Lynnette Hailey  
District Manager

Enclosure

CC: Riek Kron, Esq. via email

**2020 OPERATING PLAN AND BUDGET**

**BLACK HAWK  
BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Black Hawk, Gilpin County, Colorado

Spencer Fane LLP and Lynnette Hailey, BID Manager

**TABLE OF CONTENTS**

PURPOSE AND SCOPE OF THIS DOCUMENT ..... 2

A. *Why Approve the 2020 Operating Plan and Budget Now?* ..... 2

B. *What Must Be Included in the Operating Plan?* ..... 2

COMPOSITION OF THE BOARD OF DIRECTORS ..... 2

DESCRIPTION OF IMPROVEMENTS AND SERVICES ..... 3

INCLUSION POLICY ..... 5

POPULATION PROJECTIONS ..... 6

DISTRICT BOUNDARIES ..... 6

ASSESSED VALUATION ..... 6

INTERGOVERNMENTAL AGREEMENTS ..... 7

OPERATION AND MAINTENANCE ..... 8

FINANCIAL PLAN ..... 8

PROCEDURE FOR OBTAINING A CITY APPROVAL OF MODIFICATIONS OF  
THE OPERATING PLAN ..... 12

CITY OVERSIGHT OF DISTRICT ACTIVITIES ..... 12

CONCLUSION ..... 13

**2020 OPERATING PLAN AND BUDGET FOR THE  
BLACK HAWK BUSINESS IMPROVEMENT DISTRICT**

**PURPOSE AND SCOPE OF THIS DOCUMENT**

**A. *Why Approve the 2020 Operating Plan and Budget Now?***

The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Black Hawk Business Improvement District file an operating plan and budget with the City Clerk no later than September 30th 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.

The District's 1995-1996, 1997, Amended 1997 and 1998, Amended 1998 and 1999, 1999 Amended and 2000, Amended 1999 and Amended 2000, 2000 Amended and 2001, 2002, 2003 and Amended 2003, 2004, 2005, Amended 2005, 2006, Amended 2006, 2007, 2008, 2009, 2010, 2011, Amended 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 Operating Plans and Budgets previously approved by the City are incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

**COMPOSITION OF THE BOARD OF DIRECTORS**

The Black Hawk Business Improvement District was organized by Councilman's Bill Number 26, Ordinance Number 95-8 of the City of Black Hawk on July 26, 1995. Under that Ordinance and subsequent enactments, the Board of Directors of the District has been appointed by the City Council. All Board members must, by law, be electors of the District. The Amended 1999 and Amended 2000 Operating Plan and Budget that was approved by the City increased the number of directors from five to seven. The Amended 2011 Operating Plan increased the number of directors from seven to nine. The current members of the Board of Directors are:

- John East, President
- Craig Pleva, Secretary/Treasurer
- Shawn Harris, Assistant Secretary
- Edward E. Smith, Assistant Secretary
- Sean Demeule, Assistant Secretary

John Zimpel, Assistant Secretary  
Brandon Lenssen, Assistant Secretary  
Rodney Turlan, Assistant Secretary

The Director Sheet attached as **Exhibit I** provides more detailed information.

Future appointments shall be made by the City in accordance with the previously approved operating plans.

## **DESCRIPTION OF IMPROVEMENTS AND SERVICES**

To date, the District has:

- Financed the acquisition of property by the City for the Colorado 279/119 intersection improvements;
- Financed, completed, and furnished to the City, the Main Street Project;
- Entered into an Intergovernmental Agreement with the City to organize the Black Hawk Transportation Authority which operated the shuttle bus system until its dissolution in 2011;
- Issued and has fully paid, as authorized by the Amended 1997 and 1998 Operating Plan and Budget, the Special Improvement District 1997-1 Special Assessment Bonds for additional public improvements to South Main Street (Isle of Capri-Riviera) according to the City-approved plans and has paid for the public improvements;
- Issued and has fully paid, as authorized by the Amended 1998 and 1999 Operating Plan and Budget, the Special Improvement District No. 1998-1, Special Assessment Bonds for additional public improvements to Main Street, Richman Street, limited drainage and appurtenances for the Creek side project (Black Hawk Brewery - KMM - Mardi Gras) according to the City-approved plans and paid for such public improvements;
- Issued and has fully paid, as authorized by the 1997 Operating Plan and Budget, the Special Improvement District No. 1997-2, Special Assessment Bonds for the Richman/Main SID (Lodge) and paid for public improvements to Richman Street (including the bridge), Colorado 119, Main Street, and related items according to the City-approved plans and has paid for such public improvements;
- Issued and has fully paid, as authorized by the 2000 Amended and 2001 Operating Plan and Budget, the Special Improvement District No. 1998-2 Special Assessment Bonds for the Richman/119 SID (Windsor-Hyatt) and has paid for the public improvements;
- Financed, retained Deloitte & Touche, and completed a market feasibility study of alternative access - specifically considering the proposed tunnel and related improvements;

- Successfully assisted in the organization of the Silver Dollar Metropolitan District for the Highway 119 lighting project and alternate access project (and, if feasible, alternate access construction project);

- Using the authority approved by the City in the Amended 1999 and 2000 Operating Plan and BID voters, issued the BID's General Obligation Bonds, Series 2000-1 in the aggregate principal amount of \$7 million for highway lighting improvements for Colorado 119 and continued work on the alternate access project. These projects have been assigned, for consideration, to the Silver Dollar Metropolitan District and the BID's General Obligation Bonds, Series 2000-1 have been defeased;

- Designed, and assigned to Silver Dollar Metropolitan District to implement, highway lighting improvements to Colorado 119 from the City of Black Hawk to US 6;

- Began engineering, design, negotiation, and related efforts with DMJM Harris, Weaver General Construction, and other contractors toward development of alternate access from Highway 119 to I-70/US 6 and assigned the project to Silver Dollar Metropolitan District;

- Worked with the City and the four property owners at the corner of Highway 119 and Richman Street concerning a proposed pedestrian bridge project;

- Developed a marketing and promotional program and funded a \$500,000 marketing effort in 2004 and additional marketing in 2005, particularly related to access after the slide on US 6. Marketing is ongoing and included a 2006 effort primarily relating to CDOT maintenance efforts on US 6 and additional work in 2007 and 2008. In 2009 and 2010, the District assisted with marketing efforts after the approval of expanded hours, games, and limits;

- As authorized by the 2003 Amended Operating Plan and Budget, organized and held an election for the Special Improvement District No. 2003-1 (Isle of Capri-Colorado Central Station) for additional public improvements to South Main Street, including a connection to Highway 119 and pedestrian bridges according to City-approved plans for the public improvements;

- Assisted with discussions of matters of interest to the Business Improvement District constituency, such as excavation, historic preservation, and environmental issues;

- In December, 2004, the District advance refunded and defeased its outstanding General Obligation Bonds, Series 1995, in the aggregate principal amount of \$2,125,000, in order to reduce interest costs;

- As authorized by the 2005 Amended Operating Plan and Budget, refunded the SID 1997-1 Bonds, the SID 1998-1 Bonds, the SID 1997-2 Bonds and the SID 1998-2 Bonds, thereby reducing the total interest payable over the life of the obligations by issuing bonds at a lower net interest cost and lower net effective interest rate;

- The District was an organizing and funding supporter of the Black Hawk-Central City Visitors and Convention Bureau until 2011 when it was dissolved;



- In 2012 the BID paid off its bonds and previously paid its SID bonds as planned; and

- In 2011, 2012 and 2013 the BID and the City jointly marketed the City, including the 2011 gold promotion.

- In 2014, 2015, 2016, 2017, 2018 and 2019 the BID continued city promotional/marketing efforts with District Manager Hailey as the lead; funded support of the City shuttle service; and, actively participated in Hwy 119 improvement studies.

In 2019, a majority of the Board decided to suspend all activities, and all tax and device collections of the District in calendar year 2020, to retain the Board members in order to hold at least one meeting per year to adopt the District's annual budget and to meet other statutory and legal requirements, and to authorize only minimal expenditures in 2020 as necessary for basic administration and legal compliance of the District.

Thus, in 2020, the District will suspend all services and improvements as listed in its previously approved operating plans except those necessary for basic administration and legal compliance of the District.

Further, the District intends to terminate that certain Intergovernmental Agreement Concerning Marketing and Promotion of Black Hawk entered into between the District and the City dated December 9, 2015, as amended, pursuant to the terms thereof, and will provide separate notice to the City related thereto.

## **INCLUSION POLICY**

The District and the City hereby reaffirm the inclusion policy stated in the previously approved operating plans:

The owner of any property who, hereafter, (1) seeks a permit from the City to construct or operate a casino or gaming-related customer parking lot on any parcel not included within the District but located within the boundaries of the gaming district along Main Street, or (2) seeks a change in land use from residential to any commercial classification within the gaming district pursuant to the terms of the City zoning ordinance, or (3) seeks an expansion of an existing non-residential land use within the Main Street area of the gaming district by more than 20% as defined by the City zoning ordinance, or (4) seeks to develop a vacant parcel to a non-residential use within the Main Street area of the gaming district; shall receive substantial benefits for the particular parcel of property from the existence and improvements of the District in rough proportionality to the costs associated with inclusion into the District. As a condition of receiving such City permit, the property shall be included into the District. The City intends to enforce this requirement by appropriate ordinances and resolutions.

The City shall assist the BID in the BID's efforts to include other casino and gaming-related customer parking properties into the District.

## POPULATION PROJECTIONS

No change in the population projection stated in the previously approved operating plans is anticipated.

## DISTRICT BOUNDARIES

On March 19, 2009, by Ordinance No. 2009-9, Bullwhacker's Casino was included into the boundaries of the District following a petition by the landowner.

On September 14, 2011, by Ordinance No. 2011-15, Sasquatch Casino was included into the boundaries of the District following a petition by the landowner.

On August 27, 2014, by Ordinance No. 2014-15, the property at 201 Selak Street was included into the boundaries of the District following a petition by the landowner.

In early 2017 Inclusion documents were provided to both The Lodge for the Dakota property; and Saratoga. It is anticipated that Saratoga will submit its documentation to the BID District Manager for transmittal to the City for review and possible approval in late 2017.

On June 13, 2018, by Ordinance No. 2018-11, the "Dakota property" owned by JIJE, LLC (Lodge Casino) was included into the boundaries of the BID.

On August 8, 2018, by Ordinance No. 2018-13, the "Parking Lot property" owned by Kings, Queens and Jacks (Saratoga) was included into the boundaries of the BID.

There have been no other property inclusions or exclusions to the boundaries of the District since the parking lot property owned by Kings, Queens and Jacks inclusion.

## ASSESSED VALUATION

The assessed valuation as reported by the Gilpin County Assessor was:

Year	Assessed Value
1996	\$ 28,332,070
1997	38,312,860
1998	44,753,460
1999	61,228,770
2000	87,064,580
2001	114,309,460
2002	145,844,030
2003	152,001,390
2004	154,968,800
2005	165,472,540
2006	178,738,050
2007	187,733,540

2008	194,262,080
2009	234,439,337
2010	233,846,480
2011	209,859,439
2012	207,835,604
2013	201,301,927
2014	203,633,883
2015	222,568,546
2016	225,333,704
2017	225,327,394
2018	230,748,807
2019	234,372,512 *

\*as reported in the July 2019 preliminary figures from the Gilpin County Assessor

## **INTERGOVERNMENTAL AGREEMENTS**

Main Street. The District entered into several intergovernmental agreements with the City concerning the Main Street Project.

Black Hawk Transportation Authority. The District entered into an IGA with the City to organize the Black Hawk Transportation Authority.

Medill Barnes was appointed by the BID Board to the Board of Directors of the Transportation Authority.

By motion adopted on September 21, 2010, the Board approved termination of the Black Hawk Transportation Authority Contract, effective December 31, 2010.

In 2011, the Black Hawk Transportation Authority was dissolved and the City of Black Hawk took over the transportation services previously provided, with the exclusion of service to the City of Central City.

IGA with Silver Dollar Metropolitan District. The BID and Silver Dollar Metropolitan District entered into a contract wherein the (then) new Silver Dollar District undertook the lighting and alternate access projects and reimbursed the BID for those projects.

IGA with CDOT. The BID entered an IGA with CDOT concerning lighting of Highway 119. This agreement was assigned to Silver Dollar Metropolitan District.

IGA with the Cities of Black Hawk and Central City to form the Black Hawk/Central City Visitors and Convention Bureau. Medill Barnes was appointed by the BID Board to the Board of Directors of the Bureau. The Bureau was dissolved in 2011.

IGA with the City of Black Hawk. IGA concerning marketing and promotion of Black Hawk. Lynnette Hailey was appointed by the BID Board as the point of contact in regards to the IGA. It is anticipated the District and City will terminate this IGA in 2019.

IGA with Silver Dollar Metropolitan District (anticipated). IGA concerning the undertaking by SDMD of certain activities and the transfer of funds from the District to SDMD to fund the same. It is anticipated this IGA will be finalized prior to January 2020.

## **OPERATION AND MAINTENANCE**

The District will suspend all activity, except for basic administration necessary to meet statutory and other legal requirements of the District, effective December 31, 2019.

## **FINANCIAL PLAN**

The proposed 2020 budget is attached as **Exhibit II**. Final adoption by the BID Board will occur after notice and public hearing as required by the Colorado Local Government Budget Law, and the budget may change following such hearing and prior to adoption.

## **CURRENT BONDS**

Currently, the BID has no outstanding bonds.

### Prior Debt and Bonds

The report concerning the General Obligation Bonds Series 1995-1 and Special Improvement District Series 1995-1 Special Assessment Bonds made in the 1998 Operating Plan remains unchanged. The GO Bonds, Series 1995 were refunded and defeased in December, 2004. These bonds were fully paid in 2012.

The BID was very successful in collecting its special assessments and retiring the 1995 SID bonds ahead of schedule. The 1995 SID bonds were fully paid in 2005. Bond repayment costs for the bonds issued for the Main Street Project will be as provided in the amortization schedules for the bonds as listed in the schedules in the official statements.

The SID 1997-1 Bonds, the SID 1998-1 Bonds, the SID 1997-2 Bonds and the SID 1998-2 Bonds are now defeased and were refunded in early 2005, reducing the interest payable over the life of the obligations. The refunding bonds were fully repaid in 2010 from available reserves; therefore, no special assessments for these bonds were imposed in 2011 or thereafter.

In August, 1998, the BID issued its Special Improvement District 1997-1 Special Assessment Bonds in the principal amount of \$2,940,000 for surface, underground and utility improvements for (a) Main Street from Mill Street to the Black Hawk - Central City Sanitation District wastewater treatment plant, (b) widening and improvements to the Mill Street Bridge, (c) signalization at Mill Street and State Highway 119 and Main Street, (d) drainage facilities, and (e) various appurtenances. Details concerning this bond issue were provided in the Official Statement supplied to the City Attorney under separate cover. For various reasons, the City and the landowners in the SID determined that a number of the improvements to the Mill Street Bridge and Colorado 119 should be delayed until CDOT's plans for 119 become more clear. As a result, part of the SID 1997-1 project was cancelled and a portion of the bond proceeds were used to retire part of the SID bonds. The SID 1997-1 improvements (other than the ones abandoned) are complete and the refunding bond debt service was paid as expected.

In December, 1998, the BID issued its Special Improvement District No. 1998-1 Special Assessment Bonds in the principal amount of \$3,000,000 to finance public surface, underground and utility improvements for Main Street widening, a trail along Clear Creek and Creek improvements, Richman/Main intersection widening, traffic signalization improvements and street lights, and various appurtenances adjacent to the site of the proposed Black Hawk Brewery and Casino (now Mardi Gras) and KMM Parking, LLC. Details concerning this bond issue were provided in the Official Statement previously supplied to the City Attorney. The improvements are complete and the refunding bond debt service was paid as expected.

In March, 1999, the BID issued its Special Improvement District No. 1997-2 Special Assessment Bonds Series 1999A in the principal amount of \$2,000,000 and Series 1999B in the principal amount of \$4,000,000 for street and drainage improvements to and along portions of Main Street and Richman Street, including the construction and installation of traffic islands, curbs, gutters, landscaping, sidewalks, signalization, lighting and utility extensions, and associated paving and striping; street and drainage improvements to and along portions of Colorado Highway 119, including the construction and installation of curbs, gutters, drainage structures, a retaining wall, guard rails, signalization, lighting and associated paving and striping; and the construction of a bridge, canalization improvements to and a segment of a pedestrian path along North Clear Creek. Details concerning this bond issue were provided in the Official Statement previously supplied to the City Attorney. The improvements are complete and the refunding bond debt service was paid as expected. The IRS has concluded an investigation of the tax-exemption for some of the bonds issued for the project. An agreement between the BID and the IRS concluded the matter and settled outstanding issues. The matter is now closed. Costs arising from the SID have been paid by the SID and landowner under indemnification provisions of the SID petition and associated landowner agreements.

In June, 2001, the BID issued its \$3,000,000 Special Improvement District 1998-2 Special Assessment Bonds for the Richman/119 project (Windsor-Hyatt SID) for various road, drainage, lighting, water, sewer and other public improvements. Work on the improvements is complete and debt service is being paid as expected. The bankruptcy filing previously affecting the property in this SID has not resulted in any interruption of the assessment payments. During 2006, Ameristar, as the current owner of the property in SID 1998-2, requested and received information about the SID and procedures for early retirement of the bonds.

The District obtained voted authority from its electors in November, 1999 for \$4 million for lighting of Colorado 119 and US Highway 6 and \$3 million for alternate access studies and related items. The BID issued its Series 2000-1 General Obligation Bonds in the aggregate principal amount of \$7 million. Work on the project began. With the organization of the Silver Dollar Metropolitan District, the Silver Dollar District acquired the projects from the BID for a payment that, together with unused bond proceeds held by the BID, was sufficient to purchase federal securities to defease the BID's Series 2000-1 General Obligation Bonds. As a result, the Series 2000-1 Bonds are no longer considered to be outstanding debt of the BID. As provided in the escrow documents, the debt service shall be paid as provided in the Official Statement previously supplied to the City Attorney.

#### November 2000 Election Results

The electors of the BID approved two ballot issues that were on the BID ballot for a mail ballot election in November, 2000. The first question deBruced ad valorem tax revenues generally (with no increase in the mill levy) and protected against the possible negative effects of the failed Tax Cut 2000 initiative. The second question increased the revenue and spending limit of the BID by \$8 million annually which allowed the BID to accept reimbursements by the Silver Dollar Metropolitan District of the BID's costs of the lighting, alternate access, organization of the Silver Dollar District, and general expenses. The BID used this authority to accept amounts received from the Silver Dollar District (plus other funds) to defease the BID's \$7 million General Obligation Bonds, Series 2000-1.

The Board also approved a resolution to place a ballot issue on the November, 2000 ballot to approve SID bonds for the Jackpot Springs public improvements to Colorado 119 and appurtenances, subject to City approval and completion of the necessary documentation; however, this question did not appear on the ballot due to the Jackpot Springs landowner's decision not to include the property into the BID at this time.

#### Bond Refundings to Produce Savings

Pursuant to the 2004 Operating Plan, the District's General Obligation Bonds, Series 1995 were refunded and defeased in order to reduce interest costs.

Pursuant to the Amended 2005 Operating Plan, the SID 1997-1 Bonds, the SID 1998-1 Bonds, the SID 1997-2 Bonds and the SID 1998-2 Bonds were refunded by issuance of Special Assessment Refunding Bonds Series 2005A, 2005B and 2005C, thereby reducing the total interest payable over the life of the obligations by issuing bonds at a lower net interest cost and lower net effective interest rate. The refunding bonds have been fully paid and so are no longer outstanding.

#### Proposed Debt and Bonds

Pursuant to the Amended 2003 Operating Plan, issuance of up to \$21,000,000 of special assessment bonds to complete the South Main Extension Project was requested by the newly created Special Improvement District No. 2003-1 at the November 4, 2003 election; however, on the advice of the landowners in the SID (Isle of Capri, its garage, and Colorado Central Station

[now Lady Luck] Casinos), the election question allowed up to \$23,000,000, but the amount over \$21,000,000 may only be used if approved by the City in the future by an amendment to this Operating Plan.

It is not known at this time whether the Richman/119 SID will progress to an additional bond issue (if hotel rooms are provided).

#### SID 2006-1

Riviera Black Hawk, Inc., as owner of the Riviera Casino, filed a petition with the District requesting the organization of SID 2006-1, with bond authority for up to \$5 million for street, lighting, signalization and bridge improvements for the South Main Street extension and Colorado 119. The BID created the SID and scheduled an election for this SID to be held on November 7, 2006. The City's approval of the Amended 2006 and 2007 Operating Plan and Budget included the ratification of the BID's prior actions on SID 2006-1, the election, and authority to proceed with issuing up to \$5 million of bonds for SID 2006-1 and taking such other actions relating to SID 2006-1 as the BID Board of Directors deems necessary or convenient. This 2016 Operating Plan and Budget continues this authority.

#### Device Tax Bond Proceeds

Previously, the City issued approximately \$2,250,000 in device tax bonds to assist in the completion of the Main Street Project. The BID worked to expend as little of the proceeds of these bonds as was reasonably possible while completing a high quality project. The City agreed to use the remaining proceeds for retirement of the device tax bonds.

A number of years ago, the District and the Black Hawk - Central City Sanitation District settled the dispute concerning the financing of the replacement sanitary sewer line in Main Street and the proceeds of the settlement were provided to the City for payment of a part of the device tax bonds issued to support the Main Street Project.

In 2010 SID 1998-1, SID 1997-2, Series A and B and SID 1998-2 were fully defeased. The District's General Obligation Bonds, Series 1995 were paid in 2012 and no other bonds are outstanding.

Because of the timing of the issuance of the Silver Dollar District's 2001 bond issue that was used to acquire the Highway 119 lighting and alternate access projects from the BID, (the issuance came after December 15), the debt service levy certified for the BID's 2000-1 General Obligation Bonds was unavoidably collected in 2001, but the payments were refunded to the taxpayers as the tax receipts were received by the BID.

No other bond issues are authorized at this time.

#### Operations

The draft 2020 budget attached to this Operating Plan as **Exhibit II** shows the District's proposed General Fund revenues and expenditures.

Operations in 2020 will include only basic administration necessary to meet statutory and other legal requirements of the District.

Pursuant to the proposed agreement with SDMD, it is anticipated the District will impose a mill levy of 4.073 mills and transfer the revenues derived therefrom to SDMD. The District's maximum potential operational mill levy is 4.073 mills without a TABOR election.

The draft 2020 budget attached as **Exhibit II** shows the expected mill levy, fees, and expenditures of the District in 2020. The budget may be revised following the BID's formal budget hearing scheduled during or before the last quarter of 2019.

### **PROCEDURE FOR OBTAINING A CITY APPROVAL OF MODIFICATIONS OF THE OPERATING PLAN**

The 1995 Operating Plan for the District included a cumbersome method for the amendment of the Operating Plan. To simplify the procedures, the Section of the 1995 Operating Plan entitled "PROCEDURE FOR OBTAINING A CITY APPROVAL OF MODIFICATIONS OF THE OPERATING PLAN" was superseded and replaced by the 1999 Operating Plan, and that revision was superseded and replaced by a procedure listed in the 1999 Amended and 2000 Operating Plan by making minor revisions as requested by the City. No change is proposed in the current procedure, which is:

A. In such detail as may be reasonably requested by the City, the District shall set forth a written proposal for the modification of the Operating Plan ("Amendment").

B. The District shall file the Amendment with the City Manager and the City Attorney.

C. The City Clerk shall cause to be scheduled, and shall inform the District of, the date, time, and place for a public hearing by the City Council on the Amendment.

D. The City shall provide posted public notice of the date, time, place and purpose of the public hearing on the Amendment. Such notice may be combined in the notice of any other agenda item that may come before the Council and shall be posted at the time, in the location, and in the manner, as is provided by City ordinance for the posting of notice for regular meetings of the Council. Failure of the notice to specify that a public hearing shall be conducted concerning the Amendment shall not affect the validity of the notice.

E. The Council shall hold a public hearing on the Amendment in accordance with its regular procedures for public hearings.

F. The Council shall, within 30 days of the conclusion of the public hearing, adopt an ordinance approving, conditionally approving, or disapproving the Amendment as appropriate under the circumstances.



## **CITY OVERSIGHT OF DISTRICT ACTIVITIES**

The District hereby submits the 2020 annual Operating Plan and Budget, including a brief report of District activities for the past year. In addition, the following is submitted:

- (1) District Name: Black Hawk Business Improvement District.
- (2) District Contact Person, address, telephone number, and fax number. (see attached **Exhibit I**).
- (3) Board of Director names, addresses, telephone numbers, fax numbers where applicable. (see attached **Exhibit I**).
- (4) Current Budget. (see attached **Exhibit II**).
- (5) Most recent Audit or Audit Exemption Application. (The District's 2019 audit may be included as a component unit of the City's audit).
- (6) Copy of any filing required by or for the State Securities Commissioner. (none required).
- (7) A list of all intergovernmental agreements of the District. (All intergovernmental agreements are listed above, no other such agreements exist).
- (8) Any alteration or revision to the debt service schedules provided in the operating plan. There are no currently outstanding debts. (A copy of the debt service schedules from the official statements for the prior bond issues were previously provided to the City. The South Main SID, Creekside SID, Richman SID and Richman/119 SID bond Official Statements were previously provided. For the General Obligation Bonds, Series 2000-1, for lighting and/or the alternate access study, the amortization schedules and documents for those bonds were previously provided to the City.)
- (9) A list of all lease-purchase agreements and a summary of their terms. (none).
- (10) A description of activities performed in the last budget year. (see above).
- (11) An Operating Plan description of activities to be performed in the next budget year (similar to this plan, although shortened) and a Budget for that year. (see above).

## **CONCLUSION**

It is submitted that this Operating Plan and Budget consisting of the discussion of operational and debt service costs above for the Black Hawk Business Improvement District meets the requirements of the Business Improvement District Act. The Board of Directors respectfully requests City approval of the 2020 Operating Plan and Budget as submitted.

## EXHIBIT I

### BOARD OF DIRECTORS:

John East, President  
Black Hawk Gaming & Development Company  
PO Box 17432  
Golden, CO 80402  
Term: Appt. 9/12/07

(w) 303-582-6300  
(f) 303-582-6464  
(c) 303-918-1102  
[jeast@bhwk.com](mailto:jeast@bhwk.com)

Brandon Lenssen, Secretary/Treasurer  
Affinity Gaming  
Mardi Gras  
PO Box 777  
Black Hawk, CO 80422  
Term: Appt.

(w) 303-998-7710  
(c) 720-480-3738  
(f) 303-582-3427  
[blenssen@affinitygaming.com](mailto:blenssen@affinitygaming.com)

Edward E. Smith, Assistant Secretary  
PO Box 513  
Black Hawk, CO 80422  
Term: Appt. 4/5/2000

(w) 303-582-3412  
(f) 303-582-3508  
[wildcardca@aol.com](mailto:wildcardca@aol.com)

John Zimpel, Assistant Secretary  
Z Casino  
PO Box 49  
Black Hawk, CO 80422  
Term: Appt. 7/24/13

(w) 303-371-2500  
(f) 303-582-3281  
(c) 303-210-0523  
[jz@zscasino.com](mailto:jz@zscasino.com)

Shawn Harris, Assistant Secretary  
Saratoga Casino Black Hawk  
101 Main Street  
Black Hawk, CO 80422  
Term: Appt. 8/12/15

(w) 303-582-6101  
(f) 303-582-6170  
(c) 518-605-0264  
[sharris@saratogacasinobh.com](mailto:sharris@saratogacasinobh.com)

Rodney Turlan, Assistant Secretary  
Eldorado Isle Casino Black Hawk  
PO Box 777  
Black Hawk, CO 80422  
Term: Appt.

(w) 303-998-7710  
(c) 775-772-1109  
[Rodney.Turlan@islccorp.com](mailto:Rodney.Turlan@islccorp.com)

Sean Demeule  
Ameristar Casinos, Inc.  
111 Richman Street, P. O. Box 45  
Black Hawk, CO 80422  
Term: Appt. 8/23/16

(w) 720-946-4-10  
(c) 318-393-1090  
[sdemeule@pnkmail.com](mailto:sdemeule@pnkmail.com)

Craig Pleva  
Monarch Black Hawk  
444 Main Street  
Black Hawk, CO 80422  
Term: Appt. 8/28/14

(w) 720-406-3754  
(c) 720-219-8136  
[cpleva@monarchblackhawk.com](mailto:cpleva@monarchblackhawk.com)

**DISTRICT MANAGER/CONTACT PERSON**

Lynnette Hailey  
PO Box 663  
Black Hawk, CO 80422

Deliveries:  
100 Marchant Street  
Black Hawk, CO 80422

303-582-3165  
(c) 303-585-1726  
[lhailey@centurylink.net](mailto:lhailey@centurylink.net)

**EXHIBIT II**  
**2020 Proposed Budget**

BLACK HAWK BUSINESS IMPROVEMENT DISTRICT  
**PRELIMINARY BUDGET DOCUMENT**  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

8/19/2019

	ACTUAL 2018	BUDGET 2019	PER August ACTUAL FINANCIALS	ESTIMATE TO YEAR END 2019	BUDGET 2020
BEGINNING FUND BALANCE	186,024	76,718	212,372	212,372	230,708
REVENUE:					
PROPERTY TAXES	936,146	954,599	952,534	954,599	954,599
REBATE OF DEVICE FEES *	199,100	182,500	195,200	195,200	
REIMBURSEMENT	275	0	0	0	
INTEREST	6,187	3,000	6,027	6,000	
SPECIFIC OWNERSHIP TAXES	67,577	60,000	51,788	75,000	75,000
TOTAL REVENUES	1,209,285	1,200,099	1,205,549	1,230,799	1,029,599
TOTAL REVENUE AND FUND BALANCE	1,395,309	1,276,817	1,417,921	1,443,171	1,260,307
EXPENDITURES:					
MARKETING					
MILES MEDIA ( colo vacation guide)					
MARKETING ADMINISTRATION	217,775	300,000	200,000	334,675	
MARKETING MEDIA	782,225	700,000	467,450	715,725	
WEBSITE COSTS	59,100	50,400	41,150	61,716	
subtotal Marketing	1,059,100	1,050,400	708,600	1,112,116	0
ADMINISTRATIVE					
ACCOUNTING	5,824	8,000	3,915	8,000	4,000
AUDITING	4,200	4,200	0	4,200	4,200
INSURANCE	5,751	5,256	5,347	5,347	400
LEGAL	5,646	10,000	3,149	10,000	2,000
TREASURERS FEES	18,723	19,092	28,585	29,000	19,092
MANAGEMENT FEES	36,300	38,115	25,410	36,300	0
EXPENSES	1,147	2,000	1,181	1,000	0
MISCELLANEOUS	2,046	2,600	1,180	2,500	0
TRANSFER TO SILVER DOLLAR METRO DISTRICT					1,029,599
CONTINGENCY/MARKETING RESEARCH	44,200	26,000	4,712	4,000	1,016
subtotal administrative	123,837	115,263	73,479	100,347	1,060,307
TOTAL EXPENDITURES	1,182,937	1,165,663	782,079	1,212,463	1,060,307
ENDING FUND BALANCE	212,372	111,154	635,842	230,708	200,000
ASSESSED VALUATION		234,372,512			234,372,512
MILL LEVY		4.073			4.073
		954,599			954,599

**ASSUMES TRANSFER OF ALL TAX REVENUE RECEIVED IN 2020 TO SILVER DOLLAR**