

STATE OF COLORADO  
COUNTY OF GILPIN  
CITY OF BLACK HAWK

COUNCIL BILL NUMBER: CB22

ORDINANCE NUMBER: 2016-22

**TITLE: AN ORDINANCE APPROVING THE 2017 OPERATING PLAN AND BUDGET OF THE BLACK HAWK BUSINESS IMPROVEMENT DISTRICT**

WHEREAS, the Black Hawk Business Improvement District has filed a proposed 2017 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 2017 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.

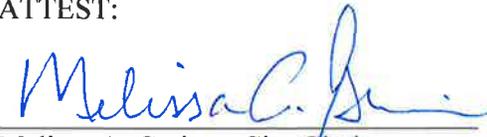
Section 3. Severability. If any clause, sentence, paragraph, or part of this Ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect application to other persons or circumstances.

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 14<sup>th</sup> day of September, 2016.

  
David D. Spellman, Mayor

ATTEST:

  
Melissa A. Greiner, City Clerk



**2017 OPERATING PLAN AND BUDGET**

**BLACK HAWK  
BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Black Hawk, Gilpin County, Colorado

Spencer Fane LLP and Lynnette Hailey, BID Manager

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**2017 OPERATING PLAN AND BUDGET FOR THE  
BLACK HAWK BUSINESS IMPROVEMENT DISTRICT**

**PURPOSE AND SCOPE OF THIS DOCUMENT**

**A. *Why Approve the 2017 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 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.

**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, and Amended 2006, 2007, 2008, 2009, 2010, 2011, Amended 2011, Operating Plans and Budgets for 2012, 2013, 2014, 2015, and 2016, 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  
Brian Watts, Secretary/Treasurer  
Brian Cloud, Assistant Secretary  
Shawn Harris, Assistant Secretary  
Edward E. Smith, Assistant Secretary  
Sean Demeule, Assistant Secretary

John Zimpel, Assistant Secretary  
Craig Pleva, Assistant Secretary  
Northscott Grounsell, 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 Creekside 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, and 2016 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. These efforts will continue into 2017.

- In 2016 (July 19, 2016), the BID and City of Black Hawk executed the First Amendment to the IGA concerning Marketing and Promotion of Black Hawk with the following obligations:

The BID shall so long as the IGA is in effect:

- (a) For property tax collection year 2017, certify its general operating mill levy at a rate of 3.0 mills for purposes of providing revenue for the Enhanced Marketing Program (the "Enhanced BID Contribution"); and

- (b) Commencing for property tax collection year 2018 and thereafter, set its mill levy at a rate of 4.07 mills for purposes of providing revenue for the Enhanced Marketing Program, and collect the same as an increased Enhanced BID Contribution; and

- (c) Utilize the City Contribution as defined in the Original Agreement if achieved, the BID Contribution as defined in the Original Agreement, and the Enhanced BID Contribution to fund the Enhanced Marketing Program (collectively, the "IGA Revenue"); and

- (d) Allocate the IGA Revenue in its entirety for the Enhanced Marketing Program, except that the BID is authorized to expend those amounts necessary for costs of property tax collection paid to Gilpin County and for the day to day administration and operations, including without limitation website maintenance and hosting of the BID and job fairs, such administration and operations to be in an amount not to exceed thirty percent (30%) in 2017; and twenty percent (20%) in 2018 and thereafter, provided, however, that expenditures of the TABOR Emergency Reserve and an emergency marketing fund created solely to allow for a response to catastrophic natural disasters such as rockslides, fire or flood, which fund shall be limited to a maximum fund amount of One Hundred Thousand Dollars (\$100,000.00), shall not be included in such percentages. Unless specifically agreed to by the City and the BID, the Enhanced Marketing Program shall only include those marketing activities promoting the City; and

- (e) Not lower its mill levy except as required by Article X, Section 20 of the Colorado Constitution.

The District will remain empowered to provide all of the services and improvements as listed in the previously approved operating plans.

## **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, Bullwacker'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.

There have been no other property inclusions or exclusions to the boundaries of the District since the 201 Selak Street 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*	222,568,654

\*as reported in the August, 2016 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.

## **OPERATION AND MAINTENANCE**

No change in this section of the previously approved operating plans is proposed.

BID revenues may be used for marketing activities as allowed by law and for furnishing public information concerning street and highway maintenance, construction and closures.

The BID has been monitoring the activities of CDOT, CDPHE, and the Silver Dollar Metropolitan District during their work in the Highway 119 and I-70 corridors.

## **FINANCIAL PLAN**

The draft 2017 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.

### 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 and currently the BID has no outstanding bonds.

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.

## Bond History

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, channelization 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.

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.

No other bond issues are authorized at this time.

The draft 2017 budget attached to this Operating Plan as **Exhibit II** shows the debt service fund and expenditures.

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.

#### Operations

Operations in 2017 are likely to include additional marketing and promotional activities allowed by the BID Act.

Certification of the mill levy shall be made by the Board of the BID on or before December 15, 2016. The exact amount of the operational mill levy will depend upon future decisions about the BID's operational and debt requirements, and is subject to Board approval, but in no event will the operational levy exceed the voter-approved authorization of 4.073 mills.

The draft 2017 budget attached as **Exhibit II** shows the expected mill levy, fees, and expenditures. The budget may be revised following the BID's formal budget hearing in November or December.

## **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.

## **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 2017 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 2016 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 refunded 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 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 2017 Operating Plan and Budget as submitted.

## EXHIBIT I

### BOARD OF DIRECTORS:

John East, President (w) 303-582-6300  
Black Hawk Gaming & Development Company (f) 303-582-6464  
PO Box 17432 (c) 303-918-1102  
Golden, CO 80402 jeast@bhwk.com  
Term: Appt. 9/12/07

Brian Watts, Secretary/Treasurer (w) 303-998-7710  
Isle of Capri (c) 720-670-8913  
PO Box 777 (f) 303-582-3427  
Black Hawk, CO 80422 brian.watts@islecorp.com  
Term: Appt. 12/1/10

Edward E. Smith, Assistant Secretary (w) 303-582-3412  
PO Box 513 (f) 303-582-3508  
Black Hawk, CO 80422 wildcardca@aol.com  
Term: Appt. 4/5/2000

John Zimpel, Assistant Secretary (w) 303-371-2500  
Z's Casino (f) 303-582-3281  
PO Box 49 (c) 303-210-0523  
Black Hawk, CO 80422 jz@zscasino.com  
Term: Appt. 7/24/13

Brian Cloud, Assistant Secretary (w) 303-582-2700  
Canyon Casino & Grand Plateau Casino bcloud@canyoncasino.com  
PO Box 30  
Black Hawk, CO 80422  
Term: Appt. 12/14/11

Shawn Harris, Assistant Secretary (w) 303-582-6101  
Saratoga Casino Black Hawk (f) 303-582-6170  
101 Main Street (c) 518-605-0264  
Black Hawk, CO 80422 sharris@saratogacasinobh.com  
Term: Appt. 8/12/15

Northscott Grounsell (w) 303-582-2600  
Mardi Gras-Golden Casino Group  
PO Box 47 ngrounsell@affinitygaming.com  
Black Hawk, CO 80422  
Term: Appt. 3/13/13

Sean Demeule (w) 720-946-4-10  
Ameristar Casinos, Inc. (c) 318-393-1090  
111 Richman Street, P. O. Box 45 sdemeule@pnkmail.com  
Black Hawk, CO 80422  
Term: Appt. 8/23/16

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

**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

**EXHIBIT II**  
**2017 Budget**

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**PRELIMINARY BUDGET DOCUMENT**  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	ACTUAL 2015	BUDGET 2016	ESTIMATE 2016	BUDGET 2017
BEGINNING FUND BALANCE	299,138	269,234	310,642	105,000
REVENUE:				
PROPERTY TAXES	145,600	333,853	333,853	667,706
REBATE OF DEVICE FEES *	0	210,000	196,800	200,000
CITY MARKETING CONTRIBUTION	0	0	100,000	0
INTEREST	931	500	1,000	500
SPECIFIC OWNERSHIP TAXES	9,762	6,000	12,000	12,000
TOTAL REVENUES	156,293	550,353	643,653	880,206
TOTAL REVENUE AND FUND BALANCE	455,431	819,587	954,295	985,206
EXPENDITURES:				
MARKETING	63,511			
MILES MEDIA ( colo vacation guide)			14,943	14,943
DENVER POST			14,135	0
PILGRIM		665,000	680,000	0
MARKETING ADMINISTRATION			0	150,000
MARKETING MEDIA			0	500,000
MARKETING EVENT: JOB FAIR ETC			1,446	0
MEDIA OTHER			4,571	0
EMERGENCY MARKETING			0	30,000
WEBSITE COSTS	22,200	54,000	54,000	54,000
ADMINISTRATIVE				
ACCOUNTING	5,737	8,000	8,000	8,000
AUDITING	4,200	0	4,200	4,200
INSURANCE	3,990	4,000	4,000	4,000
LEGAL	10,985	10,000	10,000	10,000
TREASURERS FEES	2,918	3,000	3,000	3,000
MANAGEMENT	4,000	30,000	30,000	30,000
MISCELLANEOUS	1,726	1,000	1,000	1,006
CONTINGENCY	25,522	25,000	20,000	26,000
TOTAL EXPENDITURES	144,789	800,000	849,295	835,149
ENDING FUND BALANCE	310,642	19,587	105,000	150,057
ASSESSED VALUATION		222,568,654		222,568,654
MILL LEVY		1.5		3
		333,853		667,706

**Note: The Bid can levy up 4.073 mills and keep all funds without any Tabor restrictions. Based on the current assessed valuation of 222,568,654 this amounts to total property tax revenue of \$906,522**

\* rebate depends on the number of devices as of 1-1-16

**ADMINISTRATIVE COSTS NOT TO EXCEED 30%**