

**2025 AMENDED OPERATING PLAN AND
BUDGET**

**MW RETAIL
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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2025
AMENDED OPERATING PLAN FOR THE
MW RETAIL BUSINESS IMPROVEMENT DISTRICT

1. PURPOSE AND SCOPE OF THIS DISTRICT

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

Under the statute, the City is to approve the operating plan and budget within 30 days of the submittal of all required information.

The District operates under the authorities and powers allowed under the Business Improvement District Act, Section 31-25-1201, *et seq.*, C.R.S., as amended, as further described and limited by this Operating Plan.

B. What Must Be Included in the Operating Plan? Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, *et seq.*, 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 to be issued by the District; and (5) such other information as the City may require.

The District’s original 2019-2020 Operating Plan and subsequent Operating Plans, 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.

C. Purposes. As may be further articulated in prior years’ Operating Plans, 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.

D. Ownership of Property or Major Assets. The District does not currently own any real property or public improvements. The District may own public improvements as constructed, including landscape tracts, if such improvements are not otherwise dedicated to other public entities for operation and maintenance.

E. Contracts and Agreements. It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is not currently a party to any significant active contracts or agreements.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. Organization. The MW Retail Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 19-62 on September 24, 2019.

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

C. Current Board. The persons who currently serve as the Board of Directors are:

- 1) Christopher Poe
- 2) Megan Poe
- 3) Steven Wood
- 4) Anne Wood
- 5) Martin Klaiber

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

D. Term Limits. The District held a regular election on November 5, 2019, at which time a ballot question was presented to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The ballot question passed eliminating term limits.

E. Advisory Board. The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District currently includes approximately 18.6 acres, with boundaries as depicted in **Exhibit C**. The District does not anticipate any inclusions or exclusions in 2025.

4. PUBLIC IMPROVEMENTS

The District will primarily be concerned with the provision of public improvements and services within the boundaries of the District; however, there may be instances to provide improvements or services outside of the boundaries of the District as part of the project. The District shall have the authority to provide these improvements and services, but the revenue-raising powers of the District to recoup the costs of extraterritorial improvements and services shall be as limited by state law.

The public improvements that the District anticipates it will construct, install or cause to be constructed and installed, include those public improvements the costs of which may, in accordance with the Business Improvement District Act, Section 31-25-1201, *et seq.*, C.R.S., lawfully be paid for by the District, including, without limitation, water services, safety protection

devices, sanitation services, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping, parks and recreation, storm and wastewater management facilities and associated land acquisition and remediation.

5. ADMINISTRATION, OPERATIONS, SERVICES, PROPERTY OWNERSHIP, AND MAINTENANCE

The District shall provide for the ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector. The District does not currently own any property.

The District does not anticipate having any employees and contracts for all services.

6. FINANCIAL PLAN AND BUDGET

A. 2025 Budget. The 2025 Budget for the District is attached as **Exhibit B**.

B. Authorized Indebtedness. The District held an election on November 5, 2019 for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Art. X, Sec. 20 of the Colorado Constitution, and the Operating Plan. As authorized by the City Council in the District's 2019-2020 Operating Plan, the initial maximum debt authorization for the District shall be \$10,000,000. This maximum debt authorization amount shall not be exceeded without express prior approval by the City.

C. Maximum Debt and Operating Mill Levies. The Maximum Operating Mill Levy is ten (10) mills, the revenue from which will support the District's operations and maintenance obligations. The mill levy cap set forth in this paragraph may be subject to upward or downward adjustments addressing any Mill Levy Adjustment or any abatement occurring after, but not before January 1, 2006. Such upward or downward adjustments are to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes.

D. District Revenues. See the 2025 Budget for the District attached as **Exhibit B**.

E. Existing Debt Obligations. The District issued Special Revenue Bonds, Series 2024 in the PAR amount of \$4,190,000 on October 31, 2024. The District anticipates issuing additional bonds in 2025.

F. Future Debt Obligations. Depending on development activity and market conditions, the District anticipates issuing bonds in 2025 or 2026 for the purpose of financing additional Public Improvements. The issuance of debt will be in general conformity with the Financial Plan attached as Exhibit E. A portion of the revenues the District receives from the public improvement fees are anticipated to be pledged to the repayment of such debt.

G. *Developer Funding Agreements.* The District entered into a Facilities Funding and Acquisition Agreement (8% interest rate) with MW Colorado Springs, LLC on January 1, 2022, which was assigned to PKW Capital, LLC on October 23, 2023. The District entered into a Reimbursement Agreement (8% interest rate) with Thompson Investments, LLC on December 10, 2019, which was assigned to PKW Capital, LLC on October 23, 2023. It is anticipated that at the end of 2024, the District will have total developer advances of \$1,349,248, including principal and interest.

Developer Funding Agreements entered into by this District after January 1, 2023 shall be limited to a term of no greater than twenty (20) years, from the time of the first such agreement, after which time any remaining balances must be either converted to Debt or shall no longer be considered an obligation of the District. The Interest Rate on any Agreements initially entered into, or with additional costs added to after January 1, 2023, shall not exceed the Index Rate plus 400 basis points, and interest shall only accrue on the principal balance.

H. *Other Financial Obligations.* The District may enter into agreements including reimbursement or similar agreements and leases, as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.

I. *City Charter Limitations.* In accordance with 7-100 of the City Charter, the District shall not issue any Debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth in 7-100 of the City Charter, the total Debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.

J. *Limited-Default Provisions.* Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.

K. *Privately Placed Debt and Related Party Privately Placed Debt.* Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the Debt. The Interest Rate for Related Party Privately Placed Debt shall not exceed the Index Rate more than 400 basis points. Related Party Privately Placed Debt shall not be issued with an optional call date of greater than five (5) years from the date of issuance.

L. *End User Fee Limitation.* The District shall not impose an End User Fee for the purpose of servicing District Debt without prior approval of the City Council.

M. *Debt Not an Obligation of the City.* The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District.

N. *Land Development Entitlements.* The District shall not issue Debt, enter into any other Long Term Financial Obligation, or certify a Debt Mill Levy unless a Land Development Entitlement has been approved for the Property.

7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

A. *Audit.* The District agrees to submit an annual audit to the City Finance Department no later than March 1st of each year which is performed by an independent certified public accounting firm. Even if the State of Colorado grants an audit exemption, the District must submit an annual audit as specified above.

B. *SID Formation.* The District affirms that it will provide an Amended Operating Plan and seek prior approval of City Council prior to formation of any Special Improvement District or Authority within its boundaries in the future.

C. *City Authorization Prior to Debt Issuance.* In accordance with the City's Special District Policy, and notwithstanding any statements of intent in the Budget and Operating Plan, this District shall request and obtain approval of City Council prior to issuance of any debt in accordance with the financing plan for the District as previously approved. The standards for City approval shall generally be consistency with the City's Special District Policy as it may be amended along with the most recently approved operating plan and budget and any requirements or limitations contained therein to the extent that they are consistent with the financing plans for the District.

D. *Public Improvement Fees.* This District will utilize revenues from a new, increased or expanded public improvement fee.

E. *Condemnation.* The Colorado Revised Statutes do not authorize BIDs to use powers of eminent domain. The exercise of eminent domain authority by any City-authorized district is also specifically prohibited without express prior City Council approval.

F. *Concealed Carry Prohibition.* The District shall not adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying concealed handgun in a building or specific area under the direct control or management of the District as provided in C.R.S. § 18-12-214.

G. *Eligible Expenses or Costs for Reimbursement.* In addition to any limits or prohibitions contained in the Colorado Revised Statutes, the District shall not issue debt for or otherwise fund any costs or expenses not allowed for by the Special District Policy.

H. *Intergovernmental Agreements.* The District is not party to any intergovernmental agreements.

I. *Overlapping Districts.* The boundaries of Woodmen Heights Metropolitan District No. 3 overlap the District's boundaries. Woodmen Heights Metropolitan District No. 3 currently imposes 34.6 mills.

8. 2025 ACTIVITIES, PROJECTS AND CHANGES

A. Activities. It is anticipated that the District will continue to be engaged in development activities in 2025 and will perform services such as landscaping and snow removal. The District intends to issue bonds at the end of 2024 or in 2025 and, if issued, will acquire or construct Public Improvements with the bond proceeds.

B. Projects and Public Improvements. The District anticipates undertaking projects and construction of Public Improvements in 2025 and will maintain and operate existing Public Improvements.

C. Summary of 2025 Activities and Changes from Prior Year

Boundary changes: The District does not anticipate boundary changes in 2025.

Changes to board or governance structure: A regular election was held on May 6, 2025.

Mill levy changes: None.

New, refinanced or fully discharged debt: The District issued Special Revenue Bonds, Series 2024 in the PAR amount of \$4,190,000 on October 31, 2024. The District anticipates issuing additional bonds in 2025 or 2026 for the purpose of financing Public Improvements. Such bond issuance will be in general conformity with the financial plan provided in **Exhibit E** to this Amended Operating Plan and Budget. .

Elections: A regular election was held on May 6, 2025.

Major changes in development activity or valuation: The District anticipates that it will undertake projects and construction of Public Improvements in 2025.

Ability to meet current financial obligations: See the 2025 Budget attached as **Exhibit B**.

9. DISCLOSURE AND COMMUNICATION

The District shall maintain a website that includes content similar to that required for metropolitan districts by Colorado Revised Statutes § 32-1-104.5 and as required by Section K of the Special District Policy, to the extent this content is applicable to BIDs. The District's website is <https://www.mwretailbid.com>.

10. DISSOLUTION

The District is anticipated to have ongoing operations and maintenance obligations that will necessitate perpetual existence. If the District no longer has such obligations, the District will seek to dissolve pursuant to Section 31-25-1225, C.R.S.

11. CONCLUSION

It is submitted that this Amended Operating Plan and Budget for the District meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

EXHIBIT A
Director and Other Contact Information

BOARD OF DIRECTORS:

Name	Office	Term	Contact Information
Christopher Poe	President	2023-2027	chris@4ways.com
Megan Poe	Secretary	2025-2029	meby001@gmail.com
Steven Wood	Treasurer	2025-2029	mr.stevemwood@gmail.com
Anne Wood	Assistant Secretary	2025-2029	woodsofcolorado@yahoo.com
Martin Klaiber	Assistant Secretary	2023-2027	marty.klaiber@gmail.com

DISTRICT MANAGER: (None at this time)

DISTRICT CONTACT:

David S. O’Leary
Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, Colorado 80203
doleary@spencerfane.com

INSURANCE AND DIRECTORS’ BONDS:

T. Charles Wilson Insurance Service
384 Inverness Parkway
Centennial, CO 80112
303-368-5757

ACCOUNTANT:

Seef Le Roux, CPA
CliftonLarsonAllen LLP
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AUDITOR:

Chris Jorgensen
BiggsKofford, P.C.
630 Southpointe Ct, Suite 200
Colorado Springs, CO 80906

STAFF: (None at this time)

EXHIBIT B

2025 BID Budget

EXHIBIT C

District Boundary Map

EXHIBIT D

Terms and Definitions

The following terms and definitions from the City of Colorado Springs Special District Policy are specifically incorporated for use in this Amended Operating Plan and Budget.

- a. **Authority-** An entity with separate legal powers or authorities, created by intergovernmental agreement (IGA) between or among Districts, or between or among one or more Districts, and another governmental entity.
- b. **City-** The City of Colorado Springs, acting legislatively through its City Council or administratively through its mayor or chief of staff consistent with Colorado Revised Statutes and the City Charter.
- c. **Combination of Districts-** Any combination of Metropolitan Districts, BIDs and/or GIDs that overlay each other that are organized by petition of a property developer that are specific to property within a single development project and do not serve any property outside of that project such as regional service district or non-developer controlled existing district.
- d. **C.R.S.-** Colorado Revised Statutes.
- e. **Debt-** Any bond, note debenture, contract or other multiple year financial obligation of a District which is payable in whole or in part from, or which constitutes an encumbrance on, the proceeds of ad valorem property tax or End User Debt Service Fee imposed by the District, or pledged for the purposes of meeting the obligation.
- f. **Debt Mill Levy-** For the purpose of this Policy and its associated plans, the Debt Mill Levy is that portion of the overall mill levy of the District, pledged, dedicated or otherwise used to repay formally issued Debt or long term obligations.
- g. **Developer Funding Agreements-** Short or long-term obligations of Districts entered into between Districts and developers related to advancement of reimbursement of Public Improvements or operations and maintenance costs. Such agreements may or may not accrue interest, but do not qualify as formally issued Debt as defined under this Policy or under TABOR.
- h. **District –** This MW Retail Business Improvement District.
- i. **End User-** A property owner anticipated to be have long term, multi-year responsibility for the tax and/or fee obligations of a District. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. A master property developer or business entity that constructs homes or commercial structures for occupancy or ownership primarily by third parties, is not an End User.
- j. **End User Debt Service Fees-** Any fees, rates, tolls or charges assessed or pledged or otherwise obligated to End Users by a District for the payment of Debt. End User Debt Service Fees are not intended to include public improvement fees (PIFs) if authorized by this Amended Operating Plan and Budget.
- k. **External Financial Advisor-** A consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities;

(2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place (also known as the Redbook); and (3) is not an officer of the Districts.

- l. Index Interest Rate-** The AAA 30-year MMD (Municipal Market Data) index interest rate.
- m. Interest Rate-** The annual rate of charge applied to Debt or other District financial obligations
- n. Land Development Entitlement** – A City-approved master plan, concept plan or other more detailed land use plan, zoning or combinations thereof, applicable to a substantial proportion of the property to be included in the District and sufficient to support the need for the District along with relevant public improvements financing assumptions and proposed limits.
- o. Maximum Debt Mill Levy-** The maximum mill levy a District or Combination of Districts is permitted to impose for the payment of Debt. For the purpose of this Policy, a mill levy certified for contractual obligations is part of the Maximum Debt Mill Levy.
- p. Maximum Operating Mill Levy-** The maximum mill levy a District or Combination of Districts is permitted to impose for operating and maintenance expenses.
- q. Mill Levy Adjustment-** Any statutory, legislative or constitutional changes that adjust or impact the assessed or actual valuation of property or the assessment ratio pursuant to which taxes are calculated.
- r. Model BID Operating Plan and Budget-** The most recent version of the template for BID Operating Plans and Budgets adopted in accordance with this Policy.
- s. Planning and Community Development Department Director-** The Director of the Colorado Springs Planning and Community Development Department or other position which may be established for the purpose of administering this Policy, or their designee.
- t. Policy or Special District Policy -**The City's adopted Special District Policy as may be amended from time to time.
- u. Privately Placed Debt-** Debt that is not marketed to multiple independent accredited investors as defined in Rule 501(a) promulgated under the Securities Act of 1933 by a registered bond underwriter or placed directly with a chartered lending institution or credit union.
- v. Public Improvements** – Any capital or site improvements, (or directly related planning or engineering costs) legally determined to be eligible for ownership, maintenance and/or financing by a District in accordance with the applicable State statutes.
- w. Related Party Privately Placed Debt -** Privately Placed Debt that is or will be placed with and directly held by a party related to the issuing District.

EXHIBIT E
Financial Plan