

2024 OPERATING PLAN AND BUDGET

**GOLD HILL NORTH
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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2024
OPERATING PLAN FOR THE
GOLD HILL NORTH 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 Gold Hill North 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 2021-2022 Operating Plan is 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 the 2021-2022 Operating Plan, the ongoing and/or contemplated purposes of the District for 2024 include financing, acquisition, construction, completion, installation, replacement, and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts.

D. Ownership of Property or Major Assets. The District will own public improvements as constructed 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 and AIPA Colorado Investments, LLC entered into a Reimbursement Agreement (Operations) on December 16, 2021. The District and AIPA Colorado Investment, LLC entered into a Facilities Funding and Acquisition Agreement on December 16, 2021. The District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects.

At the end of 2024, it is anticipated that the District will have an outstanding developer advance obligation in the amount of \$141,573 in principal and \$9,721 in interest. Interest accrues at a rate of 7% for operating advances and 8% for capital expenses.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. Organization. The Gold Hill North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 21-62 on August 21, 2021.

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) Barry Brinton
- 2) John Olson
- 3) Luanne Ducett
- 4) Stephanie Edwards

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

D. Term Limits. The District's election on November 2, 2021 included a ballot question to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The question passed.

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 52.346 acres with boundaries as depicted in Exhibit D. In the coming years, the District anticipates inclusion requests as development within the District occurs.

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 existential 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 and storm and wastewater management facilities and associated land acquisition and remediation (the “Public Improvements”).

The property owners of the District request that the City designate the territory within the District as a location for new business or commercial development under Section 31-25-1203(10), C.R.S.

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

The District shall provide for 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 anticipate having any employees.

6. FINANCIAL PLAN AND BUDGET

- A. 2024 Budget.** The 2024 Budget for the District is attached as Exhibit B.
- B. Authorized Indebtedness.** The District held an election on November 2, 2021 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. The initial maximum debt authorization for the District shall be \$90,000,000. The initial maximum debt authorization amount is the aggregate debt authorization for the District and the Gold Hill North Metropolitan District Nos. 1 & 2, which were formed in conjunction with the District. The District shall not issue debt in excess of the initial maximum debt authorization amount without the City’s express prior approval. The initial maximum debt authorization will provide the District with sufficient debt capacity to finance the proposed Public Improvements for the entire project. The total amount of the cost of the proposed Public Improvements for the project will be allocated between the District and the Gold Hill North Metropolitan District Nos. 1 & 2 as appropriate and as development occurs.
- C. Maximum Debt and Operating Mill Levies.** The Maximum Debt Mill Levy and Maximum Operating Mill Levy in the original Operating Plan remain unchanged. The mill levy caps 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 of Directors 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.*** The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District also anticipates relying on public improvement fees to support public improvement construction and future bonds for that purpose. See 2024 Budget attached hereto as **EXHIBIT B.**
- E. *Existing Debt Obligations.*** The District has no current Debt.
- F. *Future Debt Obligations.*** The District anticipates issuing Debt in 2024.
- G. *Developer Funding Agreements.*** As noted above, The District and AIPA Colorado Investments, LLC entered into a Reimbursement Agreement (Operations) on December 16, 2021. The District and AIPA Colorado Investment, LLC entered into a Facilities Funding and Acquisition Agreement on December 16, 2021. The District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects. At the end of 2023, it is anticipated that the District will have an outstanding developer advance obligation in the amount of \$141,573 in principal and \$9,721 in interest. Interest accrues at a rate of 8% for operating advances and for capital expenses.
- Any Developer Funding Agreements entered into by the 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 new Developer Funding Agreements entered into 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. It is anticipated that the District will enter into a developer reimbursement agreement to help fund the District's initial administrative and operational expenses.
- 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 by 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 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 anticipates utilizing revenues from a public improvement fee. This District will not utilize any revenues from a new, increased or

expanded public improvement fee (PIF) unless specifically authorized in this or a subsequent operating plan and budget, or separately approved by City Council. The imposition of a PIF and any provisions for adjustment of a PIF that have been previously approved by City Council shall not be subject to this restriction.

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 a 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 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 currently a party to any intergovernmental agreements.

I. Overlapping Districts. There aren't currently any overlapping districts.

8. 2024 ACTIVITIES, PROJECTS AND CHANGES

A. Activities. It is anticipated that the District will primarily be engaged in improvements planning and possibly infrastructure work in 2024.

B. Projects and Public Improvements. The District will continue to be engaged in improvements planning in 2024. Infrastructure work may start in the last quarter of 2024.

C. Summary of 2024 Activities.

Boundary changes: The District anticipates that it may receive an exclusion request in 2024 for property that will be classified as residential. The District anticipates inclusion requests in the coming years as development within the District occurs.

Changes to board or governance structure: The Board of Directors may consider appointing a new member to the Board of Directors in order to fill the vacancy.

Mill levy changes: None anticipated.

New, refinanced or fully discharged debt: The District intends to issue bonds in 2024 supported by future mill levies, URA TIF and PIF revenues. The District will seek an amendment to the Operating Plan prior to issuing any bonds.

Elections: There is not a regular election scheduled in 2024. The next regular election is scheduled for May 6, 2025.

Major changes in development activity or valuation: Preliminary construction and improvements are anticipated to begin in anticipation of development

Ability to meet current financial obligations: The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes and public improvement fees. The District may enter into agreements and leases for ongoing services for general operations and maintenance of the District.

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 website address for the District is goldhillnorthbid.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 C.R.S. § 31-25-1225.

11. CONCLUSION

It is submitted that this 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 & ADDRESS	POSITION	TERM	PHONE #/E-MAIL
Stephanie Edwards 120 E. Del Norte Street Colorado Springs, CO 80907	President	(2023-2027)	Stephanie@goldhillmesa.com
Luanne Ducett, 721 S. 23rd Street Colorado Springs, Colorado 80904	Treasurer	(2023-2027)	L@tnesinc.com
John Olson, Secretary 1784 Portland Gold Drive Colorado Springs, Colorado 80905	Secretary	(2022-2025)	jolson0023@yahoo.com
Barry Brinton, Assistant Secretary 1853 Queens Canyon Court Colorado Springs, Colorado 80921	Assistant Secretary	(2022-2025)	bbrinton@comcast.net
VACANCY		(2023-2027)	

DISTRICT MANAGER:

CliftonLarsonAllen LLP
 8390 East Crescent Parkway, Suite 600
 Greenwood Village, CO 80111
 (w) 303-779-5710
 (f) 303-779-0348

ACCOUNTANT:

Carrie Bartow, CPA
 CliftonLarsonAllen LLP
 102 South Tejon, Suite 350
 Colorado Springs, CO 80903
 (w) 719-635-0300 x 77839
 (f) 719-473-3630
carrie.bartow@claconnect.com

INSURANCE AND BONDS:

T. Charles Wilson Insurance Service
 384 Inverness Parkway
 Centennial, CO 80112
 303-368-5757
 Director's Bonds- RLI Insurance Company.

STAFF:

N/A

DISTRICT CONTACT:

Russell Dykstra
 Spencer Fane LLP
 1700 Lincoln Street, Suite 2000
 Denver, Colorado 80203
rdykstra@spencerfane.com

AUDITOR: None at this time.

EXHIBIT B
2024 BID Budget

GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

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

8/31/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ (22,524)	\$ (22,524)	\$ 226
REVENUES					
Property taxes	-	532	542	542	323
Specific ownership taxes	-	53	30	60	32
Developer advance	11,573	49,000	47,279	70,000	60,000
Other revenue	-	-	1	1	-
Bond issuance proceeds	-	70,000,000	-	-	70,000,000
Intergovernmental revenues - District No. 1	-	468	463	486	714
Intergovernmental revenues - District No. 2	-	255	249	261	155
Total revenues	11,573	70,050,308	48,564	71,350	70,061,224
TRANSFERS IN	-	15,500,000	-	-	15,500,000
Total funds available	11,573	85,550,308	26,040	48,826	85,561,450
EXPENDITURES					
General Fund	34,097	50,000	28,130	48,600	60,000
Debt Service Fund	-	2,455,000	-	-	2,455,000
Capital Projects Fund	-	54,500,000	-	-	54,500,000
Total expenditures	34,097	57,005,000	28,130	48,600	57,015,000
TRANSFERS OUT	-	15,500,000	-	-	15,500,000
Total expenditures and transfers out requiring appropriation	34,097	72,505,000	28,130	48,600	72,515,000
ENDING FUND BALANCES	\$ (22,524)	\$ 13,045,308	\$ (2,090)	\$ 226	\$ 13,046,450
EMERGENCY RESERVE	\$ -	\$ 50	\$ 50	\$ 50	\$ 50
DEBT SERVICE RESERVE FUND	-	7,000,000	-	-	7,000,000
CAPITALIZED INTEREST FUND	-	6,045,000	-	-	6,045,000
TOTAL RESERVE	\$ -	\$ 13,045,050	\$ 50	\$ 50	\$ 13,045,050

No assurance provided. See summary of significant assumptions.

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

8/31/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION					
Vacant land	-	59,310	59,310	59,310	57,090
	-	59,310	59,310	59,310	57,090
Adjustments (TIF)	-	(6,090)	(6,090)	(6,090)	(24,760)
Certified Assessed Value	\$ -	\$ 53,220	\$ 53,220	\$ 53,220	\$ 32,330
MILL LEVY					
General	0.000	10.000	10.000	10.000	10.000
Debt Service	0.000	0.000	0.000	0.000	0.000
Total mill levy	0.000	10.000	10.000	10.000	10.000
PROPERTY TAXES					
General	\$ -	\$ 532	\$ 532	\$ 532	\$ 323
Debt Service	-	-	-	-	-
Budgeted property taxes	\$ -	\$ 532	\$ 532	\$ 532	\$ 323
BUDGETED PROPERTY TAXES					
General	\$ -	\$ 532	\$ 532	\$ 532	\$ 323
Debt Service	-	-	-	-	-
	\$ -	\$ 532	\$ 532	\$ 532	\$ 323

No assurance provided. See summary of significant assumptions.

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

8/31/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ (22,524)	\$ (22,524)	\$ 226
REVENUES					
Property taxes	-	532	542	542	323
Specific ownership taxes	-	53	30	60	32
Developer advance	11,573	49,000	47,279	70,000	60,000
Other revenue	-	-	1	1	-
Intergovernmental revenues - District No. 1	-	468	463	486	714
Intergovernmental revenues - District No. 2	-	255	249	261	155
Total revenues	<u>11,573</u>	<u>50,308</u>	<u>48,564</u>	<u>71,350</u>	<u>61,224</u>
TRANSFERS IN					
Total funds available	<u>11,573</u>	<u>50,308</u>	<u>26,040</u>	<u>48,826</u>	<u>61,450</u>
EXPENDITURES					
General and administrative					
Accounting	7,399	20,000	7,190	15,000	20,000
County Treasurer's fee	-	8	8	8	5
Dues and membership	-	-	753	753	1,500
Insurance	1,400	500	-	500	500
Legal	19,430	10,000	18,314	25,000	30,000
Miscellaneous	-	2,500	-	2,500	2,500
Election	3,868	5,000	1,865	1,865	-
Contingency	-	9,992	-	974	5,495
Operations and maintenance					
Engineering	2,000	2,000	-	2,000	-
Total expenditures	<u>34,097</u>	<u>50,000</u>	<u>28,130</u>	<u>48,600</u>	<u>60,000</u>
TRANSFERS OUT					
Total expenditures and transfers out requiring appropriation	<u>34,097</u>	<u>50,000</u>	<u>28,130</u>	<u>48,600</u>	<u>60,000</u>
ENDING FUND BALANCES	<u>\$ (22,524)</u>	<u>\$ 308</u>	<u>\$ (2,090)</u>	<u>\$ 226</u>	<u>\$ 1,450</u>
EMERGENCY RESERVE	\$ -	\$ 50	\$ 50	\$ 50	\$ 50
AVAILABLE FOR OPERATIONS	(22,524)	258	(2,140)	176	1,400
TOTAL RESERVE	<u>\$ (22,524)</u>	<u>\$ 308</u>	<u>\$ (2,090)</u>	<u>\$ 226</u>	<u>\$ 1,450</u>

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

8/31/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Total revenues	-	-	-	-	-
TRANSFERS IN					
Transfers from other funds	-	15,500,000	-	-	15,500,000
Total funds available	-	15,500,000	-	-	15,500,000
EXPENDITURES					
General and administrative					
Paying agent fees	-	5,000	-	-	5,000
Debt Service					
Bond interest	-	2,450,000	-	-	2,450,000
Total expenditures	-	2,455,000	-	-	2,455,000
TRANSFERS OUT					
Total expenditures and transfers out requiring appropriation	-	2,455,000	-	-	2,455,000
ENDING FUND BALANCES	\$ -	\$ 13,045,000	\$ -	\$ -	\$ 13,045,000
DEBT SERVICE RESERVE FUND	\$ -	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000
CAPITALIZED INTEREST FUND	-	6,045,000	-	-	6,045,000
TOTAL RESERVE	\$ -	\$ 13,045,000	\$ -	\$ -	\$ 13,045,000

No assurance provided. See summary of significant assumptions.

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

8/31/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Bond issuance proceeds	-	70,000,000	-	-	70,000,000
Total revenues	<u>-</u>	<u>70,000,000</u>	<u>-</u>	<u>-</u>	<u>70,000,000</u>
TRANSFERS IN					
Total funds available	<u>-</u>	<u>70,000,000</u>	<u>-</u>	<u>-</u>	<u>70,000,000</u>
EXPENDITURES					
General and Administrative					
Bond issue costs	-	3,500,000	-	-	3,500,000
Contingency	-	16,500,000	-	-	16,500,000
Capital Projects					
Capital outlay	-	34,500,000	-	-	34,500,000
Total expenditures	<u>-</u>	<u>54,500,000</u>	<u>-</u>	<u>-</u>	<u>54,500,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>15,500,000</u>	<u>-</u>	<u>-</u>	<u>15,500,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>70,000,000</u>	<u>-</u>	<u>-</u>	<u>70,000,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include water services, traffic and safety protection, sanitation services, street improvements, parks and recreation, transportation, television relay and translation, mosquito control, security, fire protection and emergency medical. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District was organized by Ordinance of the City of Colorado Springs on August 21, 2021. Pursuant to the District's Operating Plan filed annually with the City, the maximum debt mill levy is 50 mills, and the maximum operating mill levy of 10 mills for the payment of administrative, operations and maintenance expenses. The maximum debt authorization for the District is \$90,000,000.

The District has no employees and all administrative functions are contracted.

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

Revenues

Developer Advance

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

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (Continued)

Property Taxes

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

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

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

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the total property taxes collected.

Intergovernmental Revenue

Property taxes generated from the 10.000 mills levied by Gold Hill North Metropolitan District No. 1 and No. 2 for operations and maintenance, net of fees, are expected to be transferred to the District, which pays all administrative expenditures of Gold Hill North Metropolitan District No. 1 and No. 2.

Bond Issuance

The District expects to issue Series 2024 bonds during the year.

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

Capital Outlay

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

Debt Service

Principal and interest payments in 2024 are provided based on the anticipated debt issuance.

Debt and Leases

The District anticipates issuing bonds in 2024.

The District has no outstanding debt, nor operating or capital leases. Anticipated activity is as follows:

	Balance at December 31, 2022	Additions*	Reductions	Balance at December 31, 2023*
Developer Advances	\$ 11,573	\$ 70,000	\$ -	\$ 81,573
Accrued Interest:				
Developer Advances	280	3,778	-	4,058
Total	<u>\$ 11,853</u>	<u>\$ 73,778</u>	<u>\$ -</u>	<u>\$ 85,631</u>

	Balance at December 31, 2023*	Additions*	Reductions	Balance at December 31, 2024*
Developer Advances	\$ 81,573	\$ 60,000	\$ -	\$ 141,573
Accrued Interest:				
Developer Advances	4,058	5,663	-	9,721
Total	<u>\$ 85,631</u>	<u>\$ 65,663</u>	<u>\$ -</u>	<u>\$ 151,294</u>

*Estimate

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Debt Service Reserves

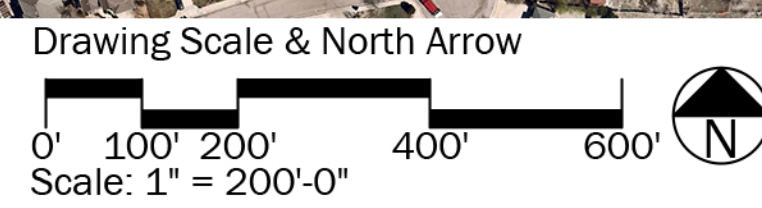
The District anticipates a Debt Service Reserve related to the anticipated Series 2024 bonds.

Emergency Reserve

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

This information is an integral part of the accompanying budget.

EXHIBIT C
Boundary Map

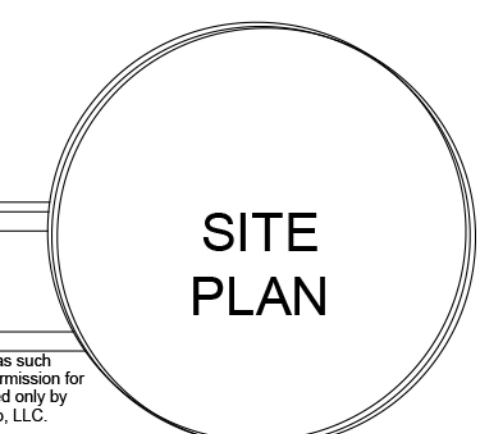


GOLD HILL MESA

METRO DISTRICT PLAN

COLORADO SPRINGS, COLORADO

DATE: 3.10.21



CIVIC DESIGN PARTNERSHIP, LLC
142 S. RAVEN WINE, SUITE 100
COLORADO SPRINGS, CO 80905
719.600.8366

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NOT FOR CONSTRUCTION

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 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 terms.
- 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 Gold Hill North 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 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 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 that 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.