

2025 OPERATING PLAN AND BUDGET

**FIRST AND MAIN
BUSINESS
IMPROVEMENT
DISTRICT NO. 2**

City of Colorado Springs, El Paso County, Colorado

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2025
OPERATING PLAN FOR THE
FIRST AND MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2

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 First and Main Business Improvement District No. 2 (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 2009 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. Specific improvements and services provided by the District include water, sanitation, street, storm, park and recreation, and the operation and maintenance of the District consistent with prior years’ activities.

D. Ownership of Property or Major Assets. The District owns certain street and landscaping improvements.

E. Contracts and Agreements. Intergovernmental Agreement for Cost Sharing of Certain Public Improvements (January 28, 2009) between First & Main Business Improvement District and First & Main Business Improvement District No. 2; Intergovernmental Agreement for Operational Cost Sharing (January 1, 2014) between First and Main Business Improvement District and First and Main Business Improvement District No. 2, whereby First and Main

Business Improvement District transfers revenue from its operational mill levy to the District, which is responsible for paying all operations and maintenance costs of the two Districts.

Intergovernmental Agreement for Cost Sharing of Certain Public Improvements (effective January 1, 2024) between First and Main North Business Improvement District and First and Main Business Improvement District No. 2, whereby First and Main North Business Improvement District transfers certain revenues to the District and the District provides administrative and operational services on behalf of First and Main North Business Improvement District.

The District entered into an Intergovernmental Agreement Regarding First and Main Public Improvement Fee with Barnes & Powers North Business Improvement District on September 4, 2024.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. *Organization.* The First and Main Business Improvement District No. 2 was organized by the City of Colorado Springs, Colorado by Ordinance No. 08-144 on September 23, 2008.

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:

Timothy Seibert, President
Christopher S. Jenkins, Vice-President
David D. Jenkins, Secretary
Delroy L. Johnson, Assistant Secretary
Gregory Barbuto, Treasurer

Director and other pertinent contact information are provided in **EXHIBIT A**.

D. *Term Limits.* The electors of the District voted to eliminate term limits in the May 2020 regular election.

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 to date.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District map is depicted in **EXHIBIT C**. The District does not anticipate inclusion or exclusion requests in the coming year.

4. PUBLIC IMPROVEMENTS

The District will be primarily 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. 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, marketing, streetscape improvements, 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.

5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

The District provides 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.

6. FINANCIAL PLAN AND BUDGET

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

B. Authorized Indebtedness. At an election held on November 4, 2008, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$5,000,000 for water, \$20,000,000 for streets, \$5,000,000 for sanitation, \$5,000,000 for park and recreation, and \$20,000,000 for refunding of debt. The voters also approved an annual increase in taxes of \$150,000 annually, at a mill levy rate not to exceed one mill for operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. As set forth in the District's 2009 Operating Plan, the City has limited the amount of debt to be issued to a total of \$20,000,000 in the authorized voted categories. This maximum debt authorization amount shall not be exceeded without express prior approval by the City.

C. Maximum Debt and Operating Mill Levies. The mill levy limitations in the original Operating Plan remain unchanged. The Maximum Debt Mill Levy is fifty (50) mills. The Maximum Operating Mill Levy is one (1) mill. 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, 2008. 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, 2008, are neither diminished nor enhanced as a result of such changes.

D. District Revenues. See 2025 Budget attached hereto as **EXHIBIT B**.

E. Existing Debt Obligations. In 2009, the District issued the \$2,400,000 First and Main Business Improvement District No. 2 Limited Tax General Obligation Bonds, Series 2009

with an interest rate of 8.5% (the “Series 2009 Bonds”). The Series 2009 Bonds are subject to optional redemption beginning December 1, 2012. The Series 2009 Bonds were issued pursuant to an authorizing resolution adopted by the Board of Directors of the District at a meeting held on January 28, 2009. As required by the District's 2009 Operating Plan, the issuance of the Series 2009 Bonds was approved by Resolution 53-09 of the City Council.

In early 2011, the District issued the \$2,000,000 First and Main Business Improvement District No. 2 Public Improvement Fee Revenue Bond, Series 2011 with an interest rate of 8.5% (the “Series 2011 Bonds”). The Series 2011 Bonds are subject to optional redemption beginning December 1, 2012. The Series 2011 Bonds were issued pursuant to an authorizing resolution originally adopted by the Board of Directors of the District at a meeting held on August 25, 2010, and re-adopted at a meeting of the Board of Directors of the District held on December 1, 2010, as supplemented by a Sale Certificate executed and delivered by the President of the District. As required by the District’s 2010 Operating Plan, the issuance of the Series 2011 Bonds was approved by Resolution 186-10 of the City Council.

In 2015, the District issued the \$1,750,000 First and Main Business Improvement District No. 2 Limited Tax General Obligation Bond, Series 2015 with an interest rate of 6.75% (the “Series 2015 GO Bonds”). The Series 2015 GO Bonds were issued pursuant to an authorizing resolution originally adopted by the Board of Directors of the District at a meeting held on December 3, 2014, and Certification of Resolution adopted on April 22, 2015, as supplemented by a Sale Certificate executed and delivered by the President of the District. As required by the District’s 2015 Operating Plan, the issuance of the Series 2015 Bonds was approved by Resolution 35-15 of the City Council.

In 2015, the District issued the \$1,725,000 First and Main Business Improvement District No. 2 Public Improvement Fee Revenue Bond, Series 2015 with an interest rate of 6.75% (the “Series 2015 PIF Bonds”). The Series 2015 PIF Bonds were issued pursuant to an authorizing resolution originally adopted by the Board of Directors of the District at a meeting held on December 3, 2014, and Certification of Resolution adopted on December 3, 2014, as supplemented by a Sale Certificate executed and delivered by the President of the District. As required by the District’s 2015 Operating Plan, the issuance of the Series 2015 PIF Bonds was approved by Resolution 35-15 of the City Council.

In 2022, the District issued its Series 2022 Public Improvement Fee Revenue Bond in the principal amount of \$6,700,000 with an interest rate of 6.5% and its Series 2022 Limited Tax General Obligation Bond in the principal amount of \$3,941,000 with an interest rate of 6.5%, which issuances were approved by Resolution No. 160-22 of the City Council.

The District will annually review the interest rate on its bonds regarding market interest rate and evaluate possibilities to refund such bonds to the extent allowed pursuant to the bond documents.

F. *Future Debt Obligations.* The District does not intend to issue bonds in 2025, but anticipates pledging revenue to bonds anticipated to be issued by First and Main Business Improvement District in 2025.

G. *Developer Funding Agreements.* The District and Barnes & First & Main, LLC entered into a Reimbursement Agreement, effective February 22, 2017 (the “Reimbursement Agreement”). Under the Reimbursement Agreement, simple interest accrues at a rate of 8% per annum. The District does not have an outstanding developer advance obligation under the Reimbursement Agreement.

The District and Barnes & First & Main, LLC entered into a Facilities Funding and Reimbursement Agreement, effective February 22, 2017. Simple interest accrues at a rate of 8% per annum from the date of expenditure through the date of repayment. It is anticipated that at the end of 2024 the District will have a total outstanding developer advance in the amount of \$9,978,415.

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 entered into an Intergovernmental Agreement in 2014 with First and Main Business Improvement District. The intergovernmental revenue represents transfers from First and Main Business Improvement District to provide funding for the overall administrative and operating costs for both Districts.

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 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 31st of each year which is performed by an independent certified public accounting firm. Notwithstanding the foregoing, the District may submit a completed audit exemption application to the City Finance Department in lieu of an annual audit if the District qualifies for an audit exemption.

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 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 consistent 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.* The use of a public improvement fee ("PIF") is in place to provide necessary funding revenues for the improvements financed by the District. The District will utilize revenues from the PIF for such purposes.

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.* Intergovernmental Agreement for Cost Sharing of Certain Public Improvements (January 28, 2009) between First & Main Business Improvement District and First & Main Business Improvement District No. 2; Intergovernmental Agreement for Operational Cost Sharing (January 1, 2014) between First and Main Business Improvement District and First and Main Business Improvement District No. 2, whereby First and Main Business Improvement District transfers revenue from its operational mill levy to the District, which is responsible for paying all operations and maintenance costs of the two Districts; and Intergovernmental Agreement for Operational Cost Sharing (effective January 1, 2024) between First and Main North Business Improvement District and First and Main Business Improvement District No. 2 whereby First and Main North Business Improvement District will be required to transfer revenue from its operational mill levy to the District, which is responsible for paying all operations and maintenance costs of the two Districts.

I. *Overlapping Districts.* None at this time.

8. 2025 ACTIVITIES, PROJECTS AND CHANGES

A. *Activities.* The District does not anticipate activity for commercial development in 2025 beyond ordinary capital replacement projects. The District provides maintenance and operation services on behalf of First and Main Business Improvement District.

B. *Projects and Public Improvements.* The District does not presently anticipate funding the design, installation or acquisition of additional public improvements during 2025 beyond ordinary capital replacement projects.

C. *Summary of 2025 Activities and Changes from Prior Year.* The District's activities will primarily focus on district administration, operation of improvements, and payment of its bonds.

Boundary changes: Not anticipated for the upcoming year.

Changes to board or governance structure: Not anticipated for the upcoming year.

Mill levy changes: In 2024 the mill levy imposed for operations and maintenance expenses was 1.049 and the debt service mill levy was 52.482 mills. In 2025, the District anticipates imposing a mill levy of 1.049 mills for operations and maintenance expenses and a debt service mill levy of 52.483 mills.

New, refinanced or fully discharged debt: Not anticipated for the upcoming year.

Elections: May 6, 2025.

Major changes in development activity or valuation: Not anticipated for the upcoming year.

Ability to meet current financial obligations: See 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 address is <https://www.firstandmainbid.com/>, which is a website that it shares with First and Main Business Improvement District and First and Main North Business Improvement District.

10. DISSOLUTION

The District may be dissolved under the conditions of Section 31-25-1225, C.R.S. Perpetual existence is not contemplated at this time.

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
 First and Main Business Improvement District No. 2

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM	PHONE #/E-MAIL
Timothy Seibert Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2022-2025	(w) 719-593-2600 (f) 719-633-0545 tseibert@nor-wood.com
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	2022-2025	(w) 719-593-2600 (f) 719-633-0545 chrisjenkins@nor-wood.com
David D. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Secretary	2022-2025	(w) 719-593-2600 (f) 719-633-0545 ddj@nor-wood.com
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2023-2027	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com
Gregory Barbuto Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Treasurer	2023-2027	(w) 719-593-2600 (f) 719-633-0545 gbarbuto@nor-wood.com

DISTRICT CONTACT:

DISTRICT MANAGER:

Delroy L. Johnson, Assistant Secretary Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903 (w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com	Josh Miller CliftonLarsonAllen LLP 121 South Tejon Street, Suite 1100 Colorado Springs, CO 80903 (w) 719-284-7226 (f) 719-635-0330 josh.miller@claconnect.com
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ACCOUNTANT:

AUDITOR:

Carrie Bartow, CPA CliftonLarsonAllen LLP 121 South Tejon, Suite 1100 Colorado Springs, CO 80903 (w) 719-635-0300 x 77839 (f) 719-473-3630 carrie.bartow@claconnect.com	BiggsKofford, PC 630 Southpointe Court, Suite 200 Colorado Springs, CO 80906 719-579-9090 (f) 719-576-0126
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INSURANCE AND BONDS:

STAFF:

T. Charles Wilson Insurance Service 384 Inverness Parkway Centennial, CO 80112 303-368-5757	N/A
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EXHIBIT B
2025 BID Budget

FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

PRELIMINARY DRAFT - SUBJECT TO REVISION

**FIRST & MAIN BID NO. 2
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 3,137,065	\$ 3,273,219	\$ 3,362,315	\$ 3,362,315	\$ 2,868,243
REVENUES					
Property taxes	679,295	775,075	769,008	769,783	773,347
Specific ownership taxes	70,660	77,508	35,208	77,508	77,335
Interest income	207,644	137,000	97,825	198,000	149,500
Other revenue	-	-	467	467	-
Intergovernmental revenues	20,179	46,176	19,167	58,262	3,287,640
PIF Revenue	789,454	787,500	379,308	775,500	775,500
Total revenues	<u>1,767,232</u>	<u>1,823,259</u>	<u>1,300,983</u>	<u>1,879,520</u>	<u>5,063,322</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>825,398</u>	<u>825,398</u>	<u>-</u>
Total funds available	<u>4,904,297</u>	<u>5,096,478</u>	<u>5,488,696</u>	<u>6,067,233</u>	<u>7,931,565</u>
EXPENDITURES					
General Fund	100,060	155,000	74,526	138,954	164,000
Debt Service Fund	1,441,922	1,414,000	11,394	1,409,638	1,606,976
Capital Projects Fund	-	-	825,000	825,000	3,244,184
Total expenditures	<u>1,541,982</u>	<u>1,569,000</u>	<u>910,920</u>	<u>2,373,592</u>	<u>5,015,160</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>825,398</u>	<u>825,398</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,541,982</u>	<u>1,569,000</u>	<u>1,736,318</u>	<u>3,198,990</u>	<u>5,015,160</u>
ENDING FUND BALANCES	<u>\$ 3,362,315</u>	<u>\$ 3,527,478</u>	<u>\$ 3,752,378</u>	<u>\$ 2,868,243</u>	<u>\$ 2,916,405</u>
EMERGENCY RESERVE	\$ 3,500	\$ 4,600	\$ 2,300	\$ 5,000	\$ 4,500
AVAILABLE FOR OPERATIONS	253,792	225,268	257,004	277,660	263,605
TOTAL RESERVE	<u>\$ 257,292</u>	<u>\$ 229,868</u>	<u>\$ 259,304</u>	<u>\$ 282,660</u>	<u>\$ 268,105</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

FIRST & MAIN BID NO. 2
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION					
Commercial	\$ 13,147,830	\$ 14,395,730	\$ 14,395,730	\$ 14,395,730	\$ 14,361,550
State assessed	72,360	72,770	72,770	72,770	74,400
Vacant land	9,710	10,500	10,500	10,500	10,500
Certified Assessed Value	<u>\$ 13,229,900</u>	<u>\$ 14,479,000</u>	<u>\$ 14,479,000</u>	<u>\$ 14,479,000</u>	<u>\$ 14,446,450</u>
MILL LEVY					
General	1.000	1.049	1.049	1.049	1.049
Debt Service	50.000	52.482	52.482	52.482	52.483
Total mill levy	<u>51.000</u>	<u>53.531</u>	<u>53.531</u>	<u>53.531</u>	<u>53.532</u>
PROPERTY TAXES					
General	\$ 13,230	\$ 15,188	\$ 15,188	\$ 15,188	\$ 15,154
Debt Service	661,495	759,887	759,887	759,887	758,193
Levied property taxes	674,725	775,075	775,075	775,075	773,347
Adjustments to actual/rounding	4,570	-	(775)	-	-
Refunds and abatements	-	-	(5,292)	(5,292)	-
Budgeted property taxes	<u>\$ 679,295</u>	<u>\$ 775,075</u>	<u>\$ 769,008</u>	<u>\$ 769,783</u>	<u>\$ 773,347</u>
BUDGETED PROPERTY TAXES					
General	\$ 13,314	\$ 15,188	\$ 15,073	\$ 15,085	\$ 15,154
Debt Service	665,981	759,887	753,935	754,698	758,193
	<u>\$ 679,295</u>	<u>\$ 775,075</u>	<u>\$ 769,008</u>	<u>\$ 769,783</u>	<u>\$ 773,347</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BID NO. 2
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 241,224	\$ 233,996	\$ 257,292	\$ 257,292	\$ 282,660
REVENUES					
Property taxes	13,314	15,188	15,073	15,085	15,154
Specific ownership taxes	70,660	77,508	35,208	77,508	77,335
Interest income	11,975	12,000	6,623	13,000	13,500
Other revenue	-	-	467	467	-
Intergovernmental revenues - F&M	20,179	46,176	14,451	46,176	24,564
Intergovernmental revenues - F&MN	-	-	4,716	12,086	18,892
Total revenues	<u>116,128</u>	<u>150,872</u>	<u>76,538</u>	<u>164,322</u>	<u>149,445</u>
Total funds available	<u>357,352</u>	<u>384,868</u>	<u>333,830</u>	<u>421,614</u>	<u>432,104</u>
EXPENDITURES					
General and administrative					
Accounting	34,510	58,950	33,851	60,000	61,898
Auditing	8,673	14,105	14,850	14,850	14,850
County Treasurer's Fee	200	228	228	228	227
Dues and membership	446	1,408	853	853	1,000
Insurance	3,864	6,950	4,323	4,323	6,500
District management	14,374	18,700	6,596	18,700	19,635
Legal	20,946	22,000	3,328	15,000	23,100
Miscellaneous	-	2,148	-	-	-
PIF Services	13,816	25,000	10,497	25,000	26,250
Ground Lease	-	200	-	-	200
Election	3,231	-	-	-	4,000
Contingency	-	5,311	-	-	6,340
Total expenditures	<u>100,060</u>	<u>155,000</u>	<u>74,526</u>	<u>138,954</u>	<u>164,000</u>
Total expenditures and transfers out requiring appropriation	<u>100,060</u>	<u>155,000</u>	<u>74,526</u>	<u>138,954</u>	<u>164,000</u>
ENDING FUND BALANCES	<u>\$ 257,292</u>	<u>\$ 229,868</u>	<u>\$ 259,304</u>	<u>\$ 282,660</u>	<u>\$ 268,105</u>
EMERGENCY RESERVE	\$ 3,500	\$ 4,600	\$ 2,300	\$ 5,000	\$ 4,500
AVAILABLE FOR OPERATIONS	<u>253,792</u>	<u>225,268</u>	<u>257,004</u>	<u>277,660</u>	<u>263,605</u>
TOTAL RESERVE	<u>\$ 257,292</u>	<u>\$ 229,868</u>	<u>\$ 259,303</u>	<u>\$ 282,660</u>	<u>\$ 268,105</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BID NO. 2
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 2,895,443	\$ 3,039,223	\$ 3,104,625	\$ 3,104,625	\$ 2,585,583
REVENUES					
Property taxes	665,981	759,887	753,935	754,698	758,193
PIF revenue (includes B&PN)	789,454	787,500	379,308	775,500	775,500
Interest income	195,669	125,000	91,202	185,000	136,000
Intergovernmental revenues	-	-	-	-	-
Total revenues	<u>1,651,104</u>	<u>1,672,387</u>	<u>1,224,445</u>	<u>1,715,198</u>	<u>1,669,693</u>
TRANSFERS IN					
Transfers from other funds	-	-	398	398	-
Total funds available	<u>4,546,547</u>	<u>4,711,610</u>	<u>4,329,468</u>	<u>4,820,221</u>	<u>4,255,276</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	9,996	11,398	11,394	11,398	11,373
Intergovernmental expenditure - B&PN	-	-	-	-	50,000
Intergovernmental expenditure - F&M	-	-	-	-	150,000
Contingency	-	4,362	-	-	-
Debt Service					
Series 2009 Bond interest (GO)	165,325	160,225	-	160,225	154,700
Series 2011 Bond interest (PIF)	127,500	121,550	-	121,550	115,175
Series 2015 Bond interest (GO)	104,963	102,600	-	102,600	100,238
Series 2015 Bond interest (PIF)	100,575	97,200	-	97,200	93,825
Series 2022 Bond interest (GO)	266,127	256,165	-	256,165	256,165
Series 2022 Bond interest (PIF)	452,436	435,500	-	435,500	435,500
Series 2009 Bond principal (GO)	60,000	65,000	-	65,000	70,000
Series 2011 Bond principal (PIF)	70,000	75,000	-	75,000	80,000
Series 2015 Bond principal (GO)	35,000	35,000	-	35,000	35,000
Series 2015 Bond principal (PIF)	50,000	50,000	-	50,000	55,000
Total expenditures	<u>1,441,922</u>	<u>1,414,000</u>	<u>11,394</u>	<u>1,409,638</u>	<u>1,606,976</u>
TRANSFERS OUT					
Transfers to other fund	-	-	825,000	825,000	-
Total expenditures and transfers out requiring appropriation	<u>1,441,922</u>	<u>1,414,000</u>	<u>836,394</u>	<u>2,234,638</u>	<u>1,606,976</u>
ENDING FUND BALANCES	<u>\$ 3,104,625</u>	<u>\$ 3,297,610</u>	<u>\$ 3,493,074</u>	<u>\$ 2,585,583</u>	<u>\$ 2,648,300</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BID NO. 2
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 398	\$ -	\$ 398	\$ 398	\$ -
Intergovernmental Revenues	-	-	-	-	3,244,184
Total revenues	-	-	-	-	3,244,184
TRANSFERS IN					
Transfers from other funds	-	-	825,000	825,000	-
Total funds available	398	-	825,398	825,398	3,244,184
EXPENDITURES					
Repay developer advance - capital	-	-	825,000	825,000	3,244,184
Total expenditures	-	-	825,000	825,000	3,244,184
TRANSFERS OUT					
Transfers to other fund	-	-	398	398	-
Total expenditures and transfers out requiring appropriation	-	-	825,398	825,398	3,244,184
ENDING FUND BALANCES	\$ 398	\$ -	\$ -	\$ -	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized by Ordinance of the City of Colorado Springs on September 23, 2008, 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, sanitation, street, storm, park and recreation, and the operation and maintenance of the District. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

On November 4, 2008, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$5,000,000 for water, \$20,000,000 for streets, \$5,000,000 for sanitation, \$5,000,000 for park and recreation, and \$20,000,000 for refunding of debt. The voters also approved an annual increase in taxes of \$150,000 annually, at a mill levy rate not to exceed one mill for operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained within Article X, Section 20 of the Colorado constitution. As set forth in the District's 2009 operating plan, the City has limited the amount of debt to be issued to a total of \$20,000,000 in the authorized voted categories, without further approval by the City.

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

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

Revenues (continued)

Property Taxes (continued)

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.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2025, SB22-238, SB23B-001, SB24-233 and HB24B-1001 set the assessment rates and actual value reductions as follows:

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

The calculation of the taxes levied is displayed on page 3 of the Budget at the total adopted mill levy of 53.532 mills.

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 property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

Intergovernmental Revenue

Pursuant to Intergovernmental Agreements entered into during 2014 and 2023 with First & Main Business Improvement District and First & Main North Business Improvement District, respectively, the intergovernmental revenue represents transfers from First & Main Business Improvement District and First & Main North Business Improvement District to provide funding for the overall administrative and operating costs for the Districts.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Public Improvement Fees

The District anticipates receiving \$775,500 in Public Improvement Fees (PIF) during 2025. Pursuant to the PIF Covenant, these fees are pledged revenue to be used toward the repayment of the Series 2011, Series 2015, and Series 2022 Public Improvement Fee Revenue Bonds, less the amount collected on behalf of Barnes and Powers North Business Improvement District.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, election, accounting, insurance, and other administrative expenses.

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Intergovernmental Expenditures

The District anticipates entering into an Intergovernmental Agreement with Barnes and Powers North Business Improvement District, for the collection of public improvement fees on behalf of Barnes and Powers North Business Improvement District.

The District anticipates entering into a Pledge Agreement with First & Main Business Improvement District, for the purpose of funding costs related to capital improvements and repaying outstanding capital advance obligations.

Debt Service

Principal and interest payments in 2025 are provided based on the debt amortization schedules from the General Obligation Bond Series 2009, the Public Improvement Fee Revenue Bond Series 2011, the Limited Tax General Obligation Bond Series 2015, the Public Improvement Fee Revenue Bond Series 2015, the Limited Tax General Obligation Bond Series 2022, and the Public Improvement Fee Revenue Bond Series 2022.

Debt and Leases

On January 28, 2009, the District issued \$2,400,000 in General Obligation Bonds Series 2009 (Series 2009 Bonds). The Series 2009 Bonds are due December 1, 2038, and bear an interest rate of 8.5% paid annually on December 1. The proceeds from the Series 2009 Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On January 12, 2011, the District issued \$2,000,000 in Public Improvement Fee Revenue Bonds (Series 2011 Bonds). The Series 2011 Bonds are due December 1, 2035, and bear an interest rate of 8.5% paid annually on December 1. The Series 2011 Bonds are subject to redemption prior to maturity

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

on or after December 1, 2012. The Series 2011 Bonds will be repaid by pledged revenues consisting of public improvement fee revenues and payable to the District pursuant to the Public Improvement Fee Covenant. The proceeds from the Series 2011 Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On April 22, 2015, the District issued \$1,750,000 in Limited Tax General Obligation Bonds (Series 2015 GO Bonds). The Series 2015 GO Bonds are due December 1, 2044, and bear an interest rate of 6.75% paid annually on December 1, in addition to mandatory sinking fund redemptions. The Series 2015 GO Bonds are subject to redemption prior to maturity on or after December 1, 2024. The proceeds from the Series 2015 GO Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On April 22, 2015, the District issued \$1,725,000 in Public Improvement Fee Revenue Bonds (Series 2015 PIF Bonds). The Series 2015 PIF Bonds are due December 1, 2039, and bear an interest rate of 6.75% paid annually on December 1. The Series 2015 PIF Bonds are subject to redemption prior to maturity on or after December 1, 2024. The Series 2015 PIF Bonds will be repaid by pledged revenues consisting of public improvement fee revenues and payable to the District pursuant to the Public Improvement Fee Covenant. The proceeds from the Series 2015 PIF Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On November 17, 2022, the District issued \$6,700,000 in Public Improvement Fee Revenue Bonds (Series 2022 PIF Bonds). The Series 2022 PIF Bonds are due December 1, 2051, and bear an interest rate of 6.50% paid annually on December 1. The Series 2022 PIF Bonds will be repaid by pledged revenues consisting of public improvement fee revenues and payable to the District pursuant to the Public Improvement Fee Covenant. The proceeds from the Series 2022 PIF Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On November 17, 2022, the District issued \$3,941,000 in Limited Tax General Obligation Bonds (Series 2022 GO Bonds). The Series 2022 GO Bonds are due December 1, 2051, and bear an interest rate of 6.50% paid annually on December 1. The proceeds from the Series 2022 GO Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

The District has no capital or operating leases.

Developer Advances

The District has outstanding developer advances. The anticipated developer advances are as follows:

	Balance at December 31, 2022	Additions	Retirements	Balance at December 31, 2023*	Additions	Retirements	Balance at December 31, 2024*
Interest on Developer Advances	\$10,803,415	\$-	\$825,000	\$9,978,415	\$-	\$3,244,184	\$6,734,231
Total	\$10,803,415	\$-	\$825,000	\$9,978,415	\$-	\$3,244,184	\$6,734,231

* - Estimated

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2025, as defined under TABOR.

This information is an integral part of the accompanying budget.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending <u>December 31,</u>	\$2,400,000 General Obligation Bonds Series 2009 Dated January 28, 2009 Interest Rate of 8.5% Interest and Principal Payable December 1			\$2,000,000 Public Improvement Fee Revenue Bonds Series 2011 Dated January 12, 2011 Interest Rate of 8.5% Interest and Principal Payable December 1		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 70,000	\$ 154,700	\$ 224,700	\$ 80,000	\$ 115,175	\$ 195,175
2026	80,000	148,750	228,750	85,000	108,375	193,375
2027	85,000	141,950	226,950	95,000	101,150	196,150
2028	90,000	134,725	224,725	100,000	93,075	193,075
2029	100,000	127,075	227,075	110,000	84,575	194,575
2030	110,000	118,575	228,575	120,000	75,225	195,225
2031	120,000	109,225	229,225	130,000	65,025	195,025
2032	130,000	99,025	229,025	140,000	53,975	193,975
2033	140,000	87,975	227,975	150,000	42,075	192,075
2034	150,000	76,075	226,075	165,000	29,325	194,325
2035	165,000	63,325	228,325	180,000	15,300	195,300
2036	180,000	49,300	229,300	-	-	-
2037	190,000	34,000	224,000	-	-	-
2038	210,000	17,850	227,850	-	-	-
	<u>\$ 1,820,000</u>	<u>\$ 1,362,550</u>	<u>\$ 3,182,550</u>	<u>\$ 1,355,000</u>	<u>\$ 783,275</u>	<u>\$ 2,138,275</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
(Continued)

Bonds and Interest Maturing in the Year Ending December 31,	\$1,750,000			\$1,725,000		
	Limited Tax General Obligation Bonds Series 2015 Dated April 22, 2015 Interest Rate of 6.75% Interest and Principal Payable December 1			Public Improvement Fee Revenue Bonds Series 2015 Dated April 22, 2015 Interest Rate of 6.75% Interest and Principal Payable December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 35,000	\$ 100,238	\$ 135,238	\$ 55,000	\$ 93,825	\$ 148,825
2026	40,000	97,875	137,875	60,000	90,113	150,113
2027	45,000	95,175	140,175	65,000	86,063	151,063
2028	45,000	92,138	137,138	70,000	81,675	151,675
2029	50,000	89,100	139,100	75,000	76,950	151,950
2030	50,000	85,725	135,725	75,000	71,888	146,888
2031	55,000	82,350	137,350	85,000	66,825	151,825
2032	60,000	78,638	138,638	90,000	61,088	151,088
2033	65,000	74,588	139,588	95,000	55,013	150,013
2034	65,000	70,200	135,200	100,000	48,600	148,600
2035	70,000	65,813	135,813	110,000	41,850	151,850
2036	75,000	61,088	136,088	115,000	34,425	149,425
2037	80,000	56,025	136,025	125,000	26,663	151,663
2038	85,000	50,625	135,625	130,000	18,225	148,225
2039	95,000	44,888	139,888	140,000	9,450	149,450
2040	100,000	38,475	138,475	-	-	-
2041	105,000	31,725	136,725	-	-	-
2042	115,000	24,638	139,638	-	-	-
2043	120,000	16,875	136,875	-	-	-
2044	130,000	8,775	138,775	-	-	-
	<u>\$ 1,485,000</u>	<u>\$ 1,264,954</u>	<u>\$ 2,749,954</u>	<u>\$ 1,390,000</u>	<u>\$ 862,653</u>	<u>\$ 2,252,653</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
(Continued)

Bonds and Interest Maturing in the Year Ending December 31,	\$3,941,000			\$6,700,000		
	Limited Tax General Obligation Bonds			Public Improvement Fee Revenue Bonds		
	Series 2022			Series 2022		
	Dated November 17, 2022			Dated November 17, 2022		
	Interest Rate of 6.50%			Interest Rate of 6.50%		
	Interest and Principal			Interest and Principal		
	Payable December 1			Payable December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 256,165	\$ 256,165	\$ -	\$ 435,500	\$ 435,500
2026	-	256,165	256,165	-	435,500	435,500
2027	-	256,165	256,165	-	435,500	435,500
2028	-	256,165	256,165	-	435,500	435,500
2029	-	256,165	256,165	-	435,500	435,500
2030	-	256,165	256,165	-	435,500	435,500
2031	-	256,165	256,165	-	435,500	435,500
2032	-	256,165	256,165	-	435,500	435,500
2033	-	256,165	256,165	-	435,500	435,500
2034	-	256,165	256,165	-	435,500	435,500
2035	-	256,165	256,165	-	435,500	435,500
2036	-	256,165	256,165	85,000	435,500	520,500
2037	-	256,165	256,165	100,000	429,975	529,975
2038	-	256,165	256,165	120,000	423,475	543,475
2039	125,000	256,165	381,165	140,000	415,675	555,675
2040	140,000	248,040	388,040	305,000	406,575	711,575
2041	151,000	238,940	389,940	335,000	386,750	721,750
2042	163,000	229,125	392,125	370,000	364,975	734,975
2043	177,000	218,530	395,530	405,000	340,925	745,925
2044	192,000	207,025	399,025	445,000	314,600	759,600
2045	343,000	194,545	537,545	485,000	285,675	770,675
2046	370,000	172,250	542,250	525,000	254,150	779,150
2047	394,000	148,200	542,200	570,000	220,025	790,025
2048	425,000	122,590	547,590	620,000	182,975	802,975
2049	453,000	94,965	547,965	675,000	142,675	817,675
2050	488,000	65,520	553,520	730,000	98,800	828,800
2051	520,000	33,800	553,800	790,000	51,350	841,350
	<u>\$ 3,941,000</u>	<u>\$ 5,816,005</u>	<u>\$ 9,757,005</u>	<u>\$ 6,700,000</u>	<u>\$ 9,544,600</u>	<u>\$ 16,244,600</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
(Continued)


Bonds and Interest Maturing in the Year Ending December 31,	TOTAL ALL BONDS		
	Principal	Interest	Total
2025	\$ 240,000	\$ 1,155,603	\$ 1,395,603
2026	265,000	1,136,778	1,401,778
2027	290,000	1,116,003	1,406,003
2028	305,000	1,093,278	1,398,278
2029	335,000	1,069,365	1,404,365
2030	355,000	1,043,078	1,398,078
2031	390,000	1,015,090	1,405,090
2032	420,000	984,391	1,404,391
2033	450,000	951,316	1,401,316
2034	480,000	915,865	1,395,865
2035	525,000	877,953	1,402,953
2036	455,000	836,478	1,291,478
2037	495,000	802,828	1,297,828
2038	545,000	766,340	1,311,340
2039	500,000	726,178	1,226,178
2040	545,000	693,090	1,238,090
2041	591,000	657,415	1,248,415
2042	648,000	618,738	1,266,738
2043	702,000	576,330	1,278,330
2044	767,000	530,400	1,297,400
2045	828,000	480,220	1,308,220
2046	895,000	426,400	1,321,400
2047	964,000	368,225	1,332,225
2048	1,045,000	305,565	1,350,565
2049	1,128,000	237,640	1,365,640
2050	1,218,000	164,320	1,382,320
2051	1,310,000	85,150	1,395,150
	\$ 16,691,000	\$ 19,634,037	\$ 36,325,037

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

EXHIBIT C
District Boundary Map

FIRST & MAIN BID #2

 Tax Boundary

1 inch = 378.02 feet

08/24/2021 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

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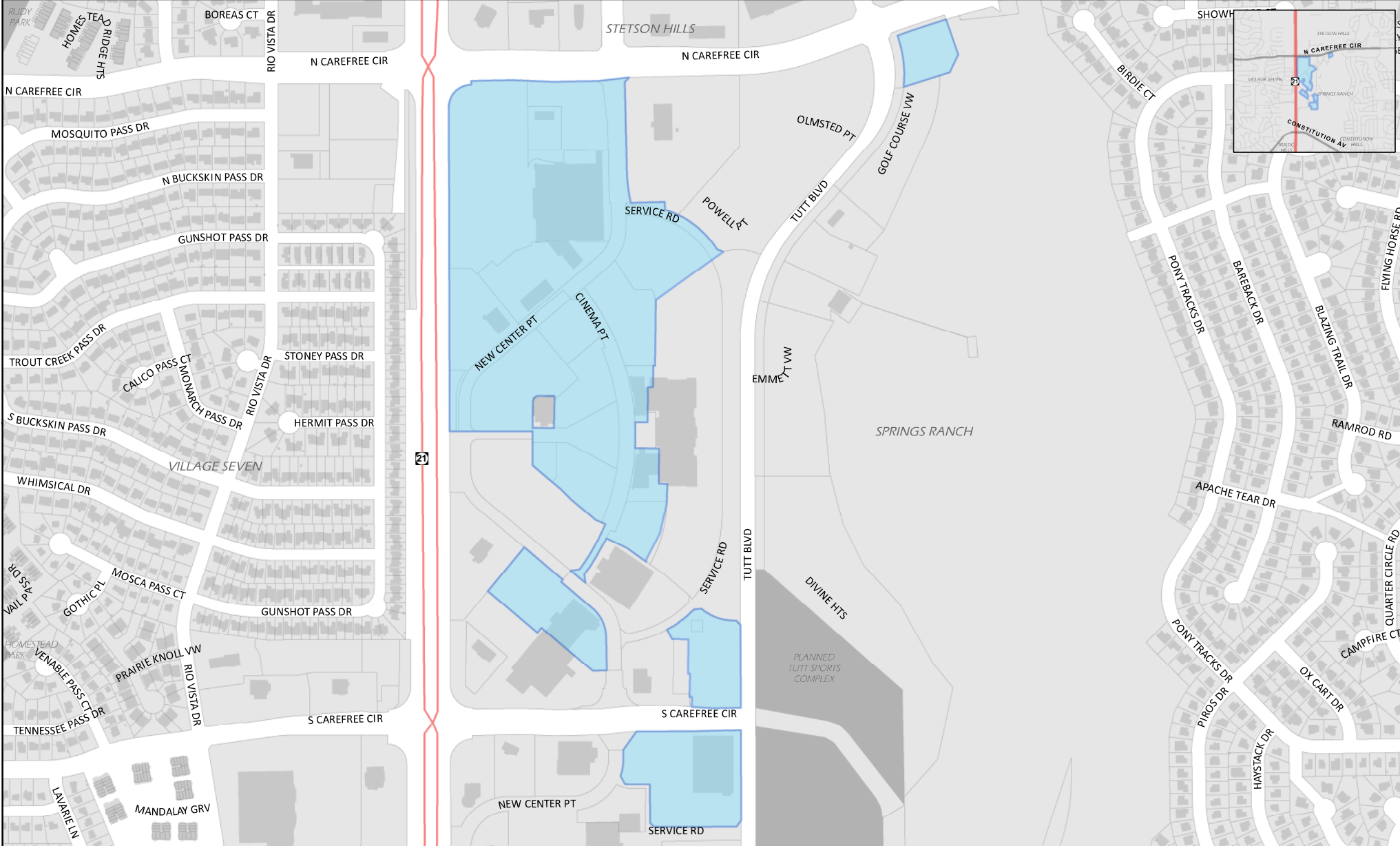


EXHIBIT D
Terms and Definitions

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 First and Main Business Improvement District No. 2.

i. End User – A property owner anticipated to 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.