# FIRST AND MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2

City of Colorado Springs, El Paso County, Colorado

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### 2026 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 2026 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.

Intergovernmental Agreement for Cost Sharing Pertaining to Public Improvements (April 10, 2025) between the First and Main Business Improvement District and First and Main Business Improvement District No. 2, which establishes the means for sharing of the costs of public improvement costs between such districts.

### 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. 2026 Budget. The 2026 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 2026 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.

In 2025, the District issued its Series 2025 Limited Tax General Obligation Bond in the principal amount of \$1,480,000 with an interest rate of 7.0%, which issuance was approved by Resolution No. 58-25 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. Not anticipated for the upcoming year.
- **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 2025 the District will have a total outstanding developer advance in the amount of \$\$5,358,415.

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.

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, which is responsible for paying all operations and maintenance costs of the two Districts; 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; and Intergovernmental Agreement for Cost Sharing Pertaining to Public Improvements (April 10, 2025) between the First and Main Business Improvement District and First and Main Business Improvement District No. 2, which establishes the means for sharing of the costs of public improvement costs between such districts.

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

### 8. 2026 ACTIVITIES, PROJECTS AND CHANGES

- **A.** Activities. The District operates and maintains public improvements for the benefit of the properties within its boundaries and on behalf of First and Main Business Improvement District.
- **B.** *Projects and Public Improvements.* The District may fund the design, installation, and, acquisition of additional public improvements in 2026.
- C. Summary of 2026 Activities and Changes from Prior Year. The District's activities will primarily focus on district administration, operation and construction of public 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 2025 the mill levy imposed for operations and maintenance expenses was 1.049 and the debt service mill levy was 52.480 mills. In 2026, the District anticipates imposing a mill levy of 0.957 mills for operations and maintenance expenses and a debt service mill levy of 53.703 mills.

*New, refinanced or fully discharged debt:* The District does not anticipate issuing debt in 2026.

**Elections:** It is anticipated that the District's eligible electors will consider approval of the waiver of the 5.25% property tax limit as set forth in C.R.S. § 29-1-1702 at an election to be held on November 4, 2025. The District does not anticipate an election in 2026.

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

Ability to meet current financial obligations: See 2026 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 <a href="https://www.firstandmainbid.com/">https://www.firstandmainbid.com/</a>, 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	President	2025-2029	(w) 719-593-2600
Nor'wood Development Group			(f) 719-633-0545
111 South Tejon, Suite 222			tseibert@nor-wood.com
Colorado Springs, CO 80903			
Christopher S. Jenkins	Vice President	2025-2029	(w) 719-593-2600
Nor'wood Development Group			(f) 719-633-0545
111 South Tejon, Suite 222			chrisjenkins@nor-
Colorado Springs, CO 80903			wood.com
David D. Jenkins	Secretary	2025-2029	(w) 719-593-2600
Nor'wood Development Group			(f) 719-633-0545
111 South Tejon, Suite 222			ddj@nor-wood.com
Colorado Springs, CO 80903			
Delroy L. Johnson	Assistant Secretary	2023-2027	(w) 719-593-2600
Nor'wood Development Group			(f) 719-633-0545
111 South Tejon, Suite 222			djohnson@nor-wood.com
Colorado Springs, CO 80903			
Gregory Barbuto	Treasurer	2023-2027	(w) 719-593-2600
Nor'wood Development Group			(f) 719-633-0545
111 South Tejon, Suite 222			gbarbuto@nor-wood.com
Colorado Springs, CO 80903			

### **DISTRICT CONTACT:**

### **DISTRICT MANAGER:**

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

### ACCOUNTANT: AUDITOR:

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

### INSURANCE AND BONDS: STAFF:

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

## **EXHIBIT B** 2026 BID Budget

# FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT NO. 2 ANNUAL BUDGET FOR THE YEAR ENDING DECEMBER 31, 2026

### FIRST & MAIN BID NO. 2 SUMMARY 2026 BUDGET 124 ACTUAL AND 2025 ESTIMA

### WITH 2024 ACTUAL AND 2025 ESTIMATED For the Years Ended and Ending December 31,

9/29/25

		ACTUAL 2024		BUDGET 2025		ACTUAL 6/30/2025	E	STIMATED 2025		BUDGET 2026
BEGINNING FUND BALANCES	\$	3,362,315	\$	2,848,068	\$	2,736,662	\$	2,736,662	\$	2,790,341
REVENUES										
Property taxes		771,685		777,105		771,671		779,893		915,317
Specific ownership taxes		72,768		77,711		36,959		77,711		91,532
Interest income		190,469		149,500		73,346		146,692		120,709
Other revenue		467		-		4,014		-		1,390
Intergovernmental revenues		39,321		3,244,184		3,226,220		3,232,916		18,318
Bond issuance proceeds		-		1,480,000		1,480,000		1,480,000		-
PIF revenue		721,956		775,500		478,672		850,000		860,000
Total revenues		1,796,666		6,504,000		6,070,882		6,567,212		2,007,266
TRANSFERS IN		827,236				5,794		5,794		
Total funds available		5,986,217		9,352,068		8,813,338		9,309,668		4,797,607
EXPENDITURES										
General Fund		144.699		164.001		109.636		176,121		188.200
Debt Service Fund		1,447,663		1,664,550		11,352		1,663,405		1,730,000
Capital Projects Fund		829,957		4,724,184		4,697,675		4,697,675		2,010,000
Total expenditures		2,422,319		6,552,735		4,818,663		6,537,201		3,928,200
TD. W. O. T. D. O. W. T.										
TRANSFERS OUT		827,236		-		5,794		5,794		
Total expenditures and transfers out										
requiring appropriation	_	3,249,555		6,552,735		4,824,457		6,542,995		3,928,200
ENDING FUND BALANCES	\$	2,736,662	\$	2,799,333	\$	3,988,881	\$	2,766,673	\$	869,407
EMERGENCY RESERVE	\$	4,300	\$	4.500	\$	2.600	\$	4,300	\$	5,000
AVAILABLE FOR OPERATIONS	Ψ	246,852	Ψ	243,297	Ψ	218,092	Ψ	208,191	Ψ	184,291
TOTAL RESERVE	\$	251,152	\$	247,797	\$	220,692	\$	212,491	\$	189,291

### FIRST & MAIN BID NO. 2 PROPERTY TAX SUMMARY INFORMATION 2026 BUDGET

### WITH 2024 ACTUAL AND 2025 ESTIMATED For the Years Ended and Ending December 31,

9/23/25

	P	ACTUAL 2024		BUDGET 2025	ACTUAL 6/30/2025	ES	STIMATED 2025	E	BUDGET 2026
	<u>                                     </u>	2024	1	2020	0/00/2020		2020		2020
ASSESSED VALUATION									
Commercial	\$ 1	4,395,730	\$	14,361,550	\$ 14,361,550	\$ 1	14,361,550	\$ 1	16,595,360
State assessed Vacant land		72,770 10,500		145,400 10,500	145,400 10,500		145,400 10,500		140,100 10,170
Certified Assessed Value	\$ 1	4,479,000	\$	14,517,450	\$ 14,517,450	\$ 1	14,517,450	\$ ^	16,745,630
MILL LEVY General		1.049		1.049	1.049		1.049		0.957
Debt Service		52.482		52.480	52.480		52.480		53.703
Total mill levy		53.531		53.529	53.529		53.529		54.660
PROPERTY TAXES									
General Debt Service	\$	15,188 759,887	\$	15,229 761,876	\$ 15,229 761,876	\$	15,229 761,876	\$	16,026 899,291
Levied property taxes		775,075		777,105	777.105		777,105		915,317
Adjustments to actual/rounding		-		-	(5,434)		2,788		-
Refunds and abatements		(3,390)	_				-		-
Budgeted property taxes	\$	771,685	\$	777,105	\$ 771,671	\$	779,893	\$	915,317
BUDGETED PROPERTY TAXES  General	\$	15,125	\$	15,229	\$ 15,125	\$	15,283	\$	16,026
Debt Service	*	756,560	*	761,876	756,546	•	764,610	•	899,291
	\$	771,685	\$	777,105	\$ 771,671	\$	779,893	\$	915,317

### FIRST & MAIN BID NO. 2 GENERAL FUND 2026 BUDGET

### WITH 2024 ACTUAL AND 2025 ESTIMATED For the Years Ended and Ending December 31,

9/29/25

		ACTUAL		BUDGET		ACTUAL		ESTIMATED		F	BUDGET
REJENNING FUND BALANCES   \$257,292 \$ 262,485 \$ 251,152 \$ 251,152 \$ 212,491						6/30/2025		2025			_
REVENUES					*			-	-		
Property taxes   15,125   15,229   15,125   15,283   16,026   Specific ownership taxes   72,768   77,711   36,959   77,711   91,532   Interest income   12,716   13,500   4,338   8,676   10,000   Cher revenue   467   -   4,014   23,668   27,734   Intergovernmental revenues - F&M   -   24,564   13,314   23,668   27,734   Intergovernmental revenues - F&M   -   18,309   11,220   17,916   18,318   Total revenues - F&M   -   140,397   149,313   84,970   143,254   165,000   10,000   140	BEGINNING FUND BALANCES	\$	257,292	\$	262,485	\$	251,152	\$	251,152	\$	212,491
Specific ownership taxes   72,768   77,711   36,959   77,711   91,532   Interest income   12,716   13,500   4,338   8,676   10,000   10,	REVENUES										
Interest income	1 7		,				,		,		,
Other revenue Intergovernmental revenues Intergovernmental revenues - F&M In	Specific ownership taxes		72,768		77,711				77,711		91,532
Intergovernmental revenues	Interest income				13,500				8,676		
Intergovernmental revenues - F&M					-		4,014				1,390
Intergovernmental revenues			39,321		-		-				-
Total revenues         140,397         149,313         84,970         143,254         165,000           Total funds available         397,689         411,798         336,122         394,406         377,491           EXPENDITURES General and administrative			-								
Total funds available   397,689	Intergovernmental revenues - F&MN		-		18,309		11,220		17,916		18,318
EXPENDITURES  General and administrative  Accounting	Total revenues		140,397		149,313		84,970		143,254		165,000
General and administrative           Accounting         59,862         61,898         53,881         80,000         84,000           Auditing         14,850         14,850         16,315         17,131         17,131           County Treasurer's Fee         228         228         227         228         240           Dues and Membership         853         1,000         926         926         1,000           Insurance         4,323         6,500         7,396         7,396         8,000           District management         19,515         19,635         9,807         19,614         21,000           Legal         18,192         23,100         3,072         19,000         22,000           PIF Services         26,684         26,250         13,741         27,482         30,000           Ground Lease         -         200         -         200         2200         200           Election         192         4,000         3,311         4,000         -           Website         -         -         -         960         960         1,000           Contingency         -         6,340         -         -         -         3	Total funds available		397,689		411,798		336,122		394,406		377,491
General and administrative           Accounting         59,862         61,898         53,881         80,000         84,000           Auditing         14,850         14,850         16,315         17,131         17,131           County Treasurer's Fee         228         228         227         228         240           Dues and Membership         853         1,000         926         926         1,000           Insurance         4,323         6,500         7,396         7,396         8,000           District management         19,515         19,635         9,807         19,614         21,000           Legal         18,192         23,100         3,072         19,000         22,000           PIF Services         26,684         26,250         13,741         27,482         30,000           Ground Lease         -         200         -         200         220         200           Election         192         4,000         3,311         4,000         -         -           Website         -         -         -         960         960         1,000           Contingency         -         6,340         -         -         -<	EXPENDITURES										
Accounting Auditing         59,862 14,850         61,898 14,850         53,881 16,315         80,000 16,315         84,000 16,315         84,000 17,315         84,000 17,315         84,000 17,315         84,000 17,315         84,000 17,316         84,000 17,000 19,000         84,000 10,000											
Auditing County Treasurer's Fee         14,850         14,850         16,315         16,315         17,131           County Treasurer's Fee         228         228         227         228         240           Dues and Membership         853         1,000         926         926         1,000           Insurance         4,323         6,500         7,396         7,396         8,000           District management         19,515         19,635         9,807         19,614         21,000           Legal         18,192         23,100         3,072         19,000         22,000           PIF Services         26,684         26,250         13,741         27,482         30,000           Ground Lease         -         200         -         200         200         200           Election         192         4,000         3,311         4,000         -           Website         -         -         -         960         960         1,000           Contingency         -         6,340         -         -         -         3,629           Total expenditures and transfers out requiring appropriation         1,838         -         5,794         5,794         - </td <td></td> <td></td> <td>59.862</td> <td></td> <td>61.898</td> <td></td> <td>53.881</td> <td></td> <td>80.000</td> <td></td> <td>84.000</td>			59.862		61.898		53.881		80.000		84.000
County Treasurer's Fee         228         228         227         228         240           Dues and Membership         853         1,000         926         926         1,000           Insurance         4,323         6,500         7,396         7,396         8,000           District management         19,515         19,635         9,807         19,614         21,000           Legal         18,192         23,100         3,072         19,000         22,000           PIF Services         26,684         26,250         13,741         27,482         30,000           Ground Lease         -         200         -         200         200           Election         192         4,000         3,311         4,000         -           Website         -         -         960         960         1,000           Contingency         -         6,340         -         -         3,629           Total expenditures         144,699         164,001         109,636         176,121         188,200           Total expenditures and transfers out requiring appropriation         146,537         164,001         115,430         181,915         188,200           ENDING FUND											,
Dues and Membership Insurance         853         1,000         926         926         1,000           Insurance         4,323         6,500         7,396         7,396         8,000           District management         19,515         19,635         9,807         19,614         21,000           Legal         18,192         23,100         3,072         19,000         22,000           PIF Services         26,684         26,250         13,741         27,482         30,000           Ground Lease         -         200         -         200         200           Election         192         4,000         3,311         4,000         -           Website         -         -         -         960         960         1,000           Contingency         -         6,340         -         -         -         3,629           Total expenditures         144,699         164,001         109,636         176,121         188,200           TRANSFERS OUT         1,838         -         5,794         5,794         -           Total expenditures and transfers out requiring appropriation         146,537         164,001         115,430         181,915         188,200							•				
Insurance			853		1,000		926		926		1,000
District management         19,515         19,635         9,807         19,614         21,000           Legal         18,192         23,100         3,072         19,000         22,000           PIF Services         26,684         26,250         13,741         27,482         30,000           Ground Lease         -         200         -         200         200           Election         192         4,000         3,311         4,000         -           Website         -         960         960         1,000           Contingency         -         6,340         -         -         3,629           Total expenditures         144,699         164,001         109,636         176,121         188,200           TRANSFERS OUT         1         1,838         -         5,794         5,794         -           Total expenditures and transfers out requiring appropriation         146,537         164,001         115,430         181,915         188,200           ENDING FUND BALANCES         \$ 251,152         \$ 247,797         \$ 220,692         \$ 212,491         \$ 189,291           EMERGENCY RESERVE         \$ 4,300         \$ 4,500         \$ 2,600         \$ 4,300         \$ 5,00	•		4,323				7,396		7,396		
Legal         18,192         23,100         3,072         19,000         22,000           PIF Services         26,684         26,250         13,741         27,482         30,000           Ground Lease         -         200         -         200         200           Election         192         4,000         3,311         4,000         -           Website         -         -         960         960         1,000           Contingency         -         6,340         -         -         3,629           Total expenditures         144,699         164,001         109,636         176,121         188,200           Transfers to other fund         1,838         -         5,794         5,794         -           Total expenditures and transfers out requiring appropriation         146,537         164,001         115,430         181,915         188,200           ENDING FUND BALANCES         \$ 251,152         \$ 247,797         \$ 220,692         \$ 212,491         \$ 189,291           EMERGENCY RESERVE         \$ 4,300         \$ 4,500         \$ 2,600         \$ 4,300         \$ 5,000           AVAILABLE FOR OPERATIONS         246,852         243,297         218,092         208,191 <td>District management</td> <td></td>	District management										
PIF Services         26,684         26,250         13,741         27,482         30,000           Ground Lease         -         200         -         200         200           Election         192         4,000         3,311         4,000         -           Website         -         -         -         960         960         1,000           Contingency         -         6,340         -         -         -         3,629           Total expenditures         144,699         164,001         109,636         176,121         188,200           TRANSFERS OUT         1,838         -         5,794         5,794         -           Total expenditures and transfers out requiring appropriation         146,537         164,001         115,430         181,915         188,200           ENDING FUND BALANCES         \$ 251,152         \$ 247,797         \$ 220,692         \$ 212,491         \$ 189,291           EMERGENCY RESERVE         \$ 4,300         \$ 4,500         \$ 2,600         \$ 4,300         \$ 5,000           AVAILABLE FOR OPERATIONS         246,852         243,297         218,092         208,191         184,291			18,192		23,100		3,072		19,000		22,000
Election         192         4,000         3,311         4,000         -           Website         -         -         -         960         960         1,000           Contingency         -         6,340         -         -         -         3,629           Total expenditures         144,699         164,001         109,636         176,121         188,200           TRANSFERS OUT			26,684				13,741		27,482		30,000
Website Contingency         -         -         -         960 (960)         1,000 (1,000)           Total expenditures         144,699         164,001         109,636         176,121         188,200           TRANSFERS OUT Transfers to other fund         1,838         -         5,794         5,794         -           Total expenditures and transfers out requiring appropriation         146,537         164,001         115,430         181,915         188,200           ENDING FUND BALANCES         \$ 251,152         \$ 247,797         \$ 220,692         \$ 212,491         \$ 189,291           EMERGENCY RESERVE AVAILABLE FOR OPERATIONS         \$ 4,300         \$ 4,500         \$ 2,600         \$ 4,300         \$ 5,000           AVAILABLE FOR OPERATIONS         246,852         243,297         218,092         208,191         184,291	Ground Lease		-		200		_		200		200
Contingency         -         6,340         -         -         3,629           Total expenditures         144,699         164,001         109,636         176,121         188,200           TRANSFERS OUT Transfers to other fund         1,838         -         5,794         5,794         -           Total expenditures and transfers out requiring appropriation         146,537         164,001         115,430         181,915         188,200           ENDING FUND BALANCES         \$ 251,152         \$ 247,797         \$ 220,692         \$ 212,491         \$ 189,291           EMERGENCY RESERVE AVAILABLE FOR OPERATIONS         \$ 4,300         \$ 4,500         \$ 2,600         \$ 4,300         \$ 5,000           AVAILABLE FOR OPERATIONS         246,852         243,297         218,092         208,191         184,291	Election		192		4,000		3,311		4,000		-
Total expenditures         144,699         164,001         109,636         176,121         188,200           TRANSFERS OUT Transfers to other fund         1,838         -         5,794         5,794         -           Total expenditures and transfers out requiring appropriation         146,537         164,001         115,430         181,915         188,200           ENDING FUND BALANCES         \$ 251,152         \$ 247,797         \$ 220,692         \$ 212,491         \$ 189,291           EMERGENCY RESERVE AVAILABLE FOR OPERATIONS         \$ 4,300         \$ 4,500         \$ 2,600         \$ 4,300         \$ 5,000           AVAILABLE FOR OPERATIONS         246,852         243,297         218,092         208,191         184,291	Website		-		-		960		960		1,000
TRANSFERS OUT Transfers to other fund  1,838 - 5,794 5,794 -  Total expenditures and transfers out requiring appropriation  146,537 164,001 115,430 181,915 188,200  ENDING FUND BALANCES \$ 251,152 \$ 247,797 \$ 220,692 \$ 212,491 \$ 189,291  EMERGENCY RESERVE AVAILABLE FOR OPERATIONS \$ 4,300 \$ 4,500 \$ 2,600 \$ 4,300 \$ 5,000  246,852 243,297 218,092 208,191 184,291	Contingency		-		6,340		-		-		3,629
Transfers to other fund         1,838         -         5,794         5,794         -           Total expenditures and transfers out requiring appropriation         146,537         164,001         115,430         181,915         188,200           ENDING FUND BALANCES         \$ 251,152         \$ 247,797         \$ 220,692         \$ 212,491         \$ 189,291           EMERGENCY RESERVE AVAILABLE FOR OPERATIONS         \$ 4,300         \$ 4,500         \$ 2,600         \$ 4,300         \$ 5,000           AVAILABLE FOR OPERATIONS         246,852         243,297         218,092         208,191         184,291	Total expenditures		144,699		164,001		109,636		176,121		188,200
Total expenditures and transfers out requiring appropriation 146,537 164,001 115,430 181,915 188,200  ENDING FUND BALANCES \$ 251,152 \$ 247,797 \$ 220,692 \$ 212,491 \$ 189,291  EMERGENCY RESERVE \$ 4,300 \$ 4,500 \$ 2,600 \$ 4,300 \$ 5,000 AVAILABLE FOR OPERATIONS 246,852 243,297 218,092 208,191 184,291	TRANSFERS OUT										
requiring appropriation         146,537         164,001         115,430         181,915         188,200           ENDING FUND BALANCES         \$ 251,152         \$ 247,797         \$ 220,692         \$ 212,491         \$ 189,291           EMERGENCY RESERVE AVAILABLE FOR OPERATIONS         \$ 4,300         \$ 4,500         \$ 2,600         \$ 4,300         \$ 5,000           AVAILABLE FOR OPERATIONS         246,852         243,297         218,092         208,191         184,291	Transfers to other fund		1,838				5,794		5,794		
ENDING FUND BALANCES \$ 251,152 \$ 247,797 \$ 220,692 \$ 212,491 \$ 189,291 EMERGENCY RESERVE \$ 4,300 \$ 4,500 \$ 2,600 \$ 4,300 \$ 5,000 AVAILABLE FOR OPERATIONS 246,852 243,297 218,092 208,191 184,291											
EMERGENCY RESERVE \$ 4,300 \$ 4,500 \$ 2,600 \$ 4,300 \$ 5,000 AVAILABLE FOR OPERATIONS 246,852 243,297 218,092 208,191 184,291	requiring appropriation		146,537		164,001		115,430		181,915		188,200
AVAILABLE FOR OPERATIONS 246,852 243,297 218,092 208,191 184,291	ENDING FUND BALANCES	\$	251,152	\$	247,797	\$	220,692	\$	212,491	\$	189,291
AVAILABLE FOR OPERATIONS 246,852 243,297 218,092 208,191 184,291	EMERGENCY RESERVE	\$	4,300	\$	4,500	\$	2,600	\$	4,300	\$	5,000
	AVAILABLE FOR OPERATIONS								-		-
	TOTAL RESERVE	\$		\$	247,797	\$	220,692	\$	212,491	\$	189,291

### FIRST & MAIN BID NO. 2 DEBT SERVICE FUND 2026 BUDGET

### WITH 2024 ACTUAL AND 2025 ESTIMATED For the Years Ended and Ending December 31,

9/29/25

	ACTUAL	BUDGET	ACTUAL	ESTIMATED	BUDGET
	2024	2025	6/30/2025	2025	2026
			•	<u> </u>	
BEGINNING FUND BALANCES	\$ 3,104,625	\$ 2,585,583	\$ 2,488,629	\$ 2,488,629	\$ 2,577,850
DEVENIUES					
REVENUES Property taxes	756,560	761,876	756,546	764,610	899,291
PIF revenue (includes B&PN)	721,956	775,500	478,672	850,000	860,000
Interest income	177,753	136,000	69,008	138,016	110,709
Total revenues	1,656,269	1,673,376	1,304,226	1,752,626	1,870,000
TRANSFERS IN					
Transfers from other funds	398	-	-	-	
Total funds available	4,761,292	4,258,959	3,792,855	4,241,255	4,447,850
EXPENDITURES					
General and administrative					
County Treasurer's Fee	11,436	11,428	11,352	11,398	13,489
Intergovernmental expenditures	37,987	11,420	11,552	11,530	15,469
Intergovernmental expenditure - B&PN	-	50.000	- -	50.000	55.000
Intergovernmental expenditure - F&M	- -	150,000	- -	150,000	150,000
Contingency	-	25,000	- -	-	6,133
Debt Service		20,000			0,100
Series 2009 Bond interest (GO)	160.225	154.700	_	154.700	148.750
Series 2011 Bond interest (PIF)	121,550	115,175	-	115,175	108,375
Series 2015 Bond interest (GO)	102,600	100,238	_	100,238	97,875
Series 2015 Bond interest (PIF)	97,200	93,825	_	93,825	90,113
Series 2022 Bond interest (GO)	256,165	256,165	_	256,165	256,165
Series 2022 Bond interest (PIF)	435,500	435,500	-	435,500	435,500
Series 2025 Bond interest (GO)	-	32,519	-	56,404	103,600
Series 2009 Bond principal (GO)	65,000	70,000	-	70,000	80,000
Serest 2011 Bond principal (PIF)	75,000	80,000	-	80,000	85,000
Series 2015 Bond principal (GO)	35,000	35,000	_	35,000	40,000
Series 2015 Bond principal (PIF)	50,000	55,000	-	55,000	60,000
Total expenditures	1,447,663	1,664,550	11,352	1,663,405	1,730,000
,		, ,	,	, , , , , , , ,	,,
TRANSFERS OUT					
Transfers to other fund	825,000	-	-	-	-
Total expenditures and transfers out					
requiring appropriation	2,272,663	1,664,550	11,352	1,663,405	1,730,000
ENDING FUND BALANCES	\$ 2,488,629	\$ 2,594,409	\$ 3,781,503	\$ 2,577,850	\$ 2,717,850

### FIRST & MAIN BID NO. 2 CAPITAL PROJECTS FUND 2026 BUDGET

### WITH 2024 ACTUAL AND 2025 ESTIMATED For the Years Ended and Ending December 31,

9/26/25

	ACTUAL 2024		BUDGET 2025		ACTUAL 6/30/2025		ESTIMATED 2025		E	BUDGET 2026
	<u> </u>	-021		2020				0_0	<u> </u>	2020
BEGINNING FUND BALANCES	\$	398	\$	-	\$	(3,119)	\$	(3,119)	\$	-
REVENUES										
Developer advance		-		-		-		-		2,010,000
Intergovernmental revenues		-		3,244,184		3,215,000		215,000		-
Bond issuance proceeds		-		1,480,000		1,480,000		180,000		-
Total revenues		-		4,724,184		4,695,000	4,6	95,000		2,010,000
TRANSFERS IN										
Transfers from other funds		826,838		-		5,794		5,794		
Total funds available		827,236		4,724,184		4,697,675	4,6	697,675		2,010,000
EXPENDITURES										
General and Administrative										
Accounting		-		-		-		-		5,000
Contingency		-		-		-		-		5,000
Capital Projects Repay developer advance - capital		825,000		4,659,184		4,620,000	1 (	520,000		
Capital outlay		-		4,059,104		-	4,0	-		2,000,000
Bond issue costs		4,957		65,000		77,675		77,675		-
Total expenditures		829,957		4,724,184		4,697,675	4,6	97,675		2,010,000
TRANSFERS OUT										
Transfers to other fund		398				-				
Total expenditures and transfers out				4 = 0.4 46 :						0.040.00-
requiring appropriation		830,355		4,724,184		4,697,675	4,6	97,675		2,010,000
ENDING FUND BALANCES	\$	(3,119)	\$	-	\$	-	\$	-	\$	

### 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 infrastructure and/or 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

### **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 District's Board of Directors certifies the mill levy to the County 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.

### Revenues (continued)

### **Property Taxes (continued)**

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

### **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 9.5% 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 4%.

### 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.

### **Public Improvement Fees**

The District anticipates receiving \$860,000 in Public Improvement Fees (PIF) during 2026. Pursuant to the bond documents, 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 and First and Main 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 entered into an Intergovernmental Agreement Regarding First and Main Public Improvement Fee with Barnes & Powers North Business Improvement District on September 4, 2024, for the collection of public improvement fees on behalf of Barnes and Powers North Business Improvement District.

The District entered into an Intergovernmental Agreement for Cost Sharing Pertaining to Public Improvements with First & Main Business Improvement District on April 10, 2025, for the purpose of funding costs related to capital improvements.

### **Capital Outlay**

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

### **Debt Service**

Principal and interest payments in 2026 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.

Limited Tax General Obligation Bonds, Series 2025 are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Series 2025 Bonds compounds annually on each December 1.

### **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 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.

### **Debt and Leases (continued)**

On May 15, 2025, the District issued \$1,480,000 in Limited Tax General Obligation Bonds for infrastructure improvements. The bonds bear interest at a rate of 7.0%. Bond interest and principal payments are payable semi-annually on June 1 and December 1; any accrued and unpaid interest will compound on December 1 of each year.

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, 2025	Ado	litions	Retirements	_	Balance at ecember 31, 2025*	Ado	Additions		ements	Balance at December 31, 2026*		
Interest on													
Developer Advances	\$ 9,978,415	\$	-	\$4,620,000	\$	5,358,415	\$	-	\$	-	\$ 5,358,415		
Total	\$ 9,978,415	\$	-	\$4,620,000	\$	5,358,415	\$	-	\$	-	\$ 5,358,415		

<sup>\* -</sup> Estimated

### Reserves

### **Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2026, 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 \$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

December 31,	Principal		Interest		Total		Principal		Interest		Total	
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		-		-		-
	\$	1,750,000	\$	1,207,850	\$	2,957,850	\$	1,275,000	\$	668,100	\$	1,943,100

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

Bonds and Interest Maturing in the Year Ending \$1,750,000
Limited Tax General Obligation Bonds
Series 2015
Dated April 22, 2015
Interest Rate of 6.75%
Interest and Principal
Payable December 1

\$1,725,000
Public Improvement Fee Revenue Bonds
Series 2015
Dated April 22, 2015
Interest Rate of 6.75%
Interest and Principal
Payable December 1

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December 31,	Principal		Interest		Total		Principal		Interest		Total		
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		-		-		-	
	\$	1,450,000	\$	1,164,716	\$	2,614,716	\$	1,335,000	\$	768,828	\$	2,103,828	

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

Bonds and Interest Maturing in the Year Ending \$3,941,000 Limited Tax General Obligation Bonds Series 2022 Dated November 17, 2022 Interest Rate of 6.50% Interest and Principal \$6,700,000
Public Improvement Fee Revenue Bonds
Series 2022
Dated November 17, 2022
Interest Rate of 6.50%
Interest and Principal
Payable December 1

Year Ending	Payable December 1						F	Payable December 1				
December 31,	Pr	incipal		nterest		Total	Principal		Interest		Total	
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	
	\$ 3	3,941,000	\$	5,559,840	\$	9,500,840	\$ 6,700,000	\$	9,109,100	\$	15,809,100	

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

### \$1,480,000 Limited Tax General Obligation Bonds Series 2025

Bonds and Interest Maturing in the

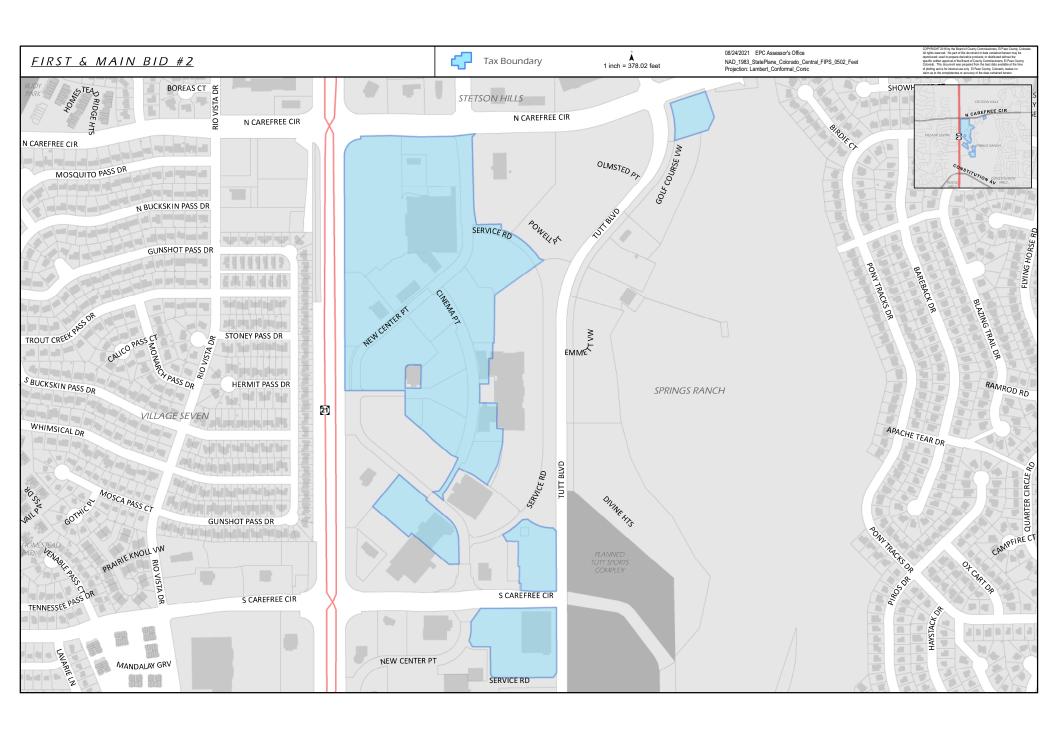
Dated May 15, 2025 Interest Rate of 7.00% Interest Payable June 1

**TOTAL ALL BONDS** 

Year Ending	ļ	Interest ar	nd Pr	incipal Due D	ecem	ber 1							
December 31,	Principal		Interest			Total	Principal		Interest			Total	
2026	\$	-	\$	103,600	\$	103,600	\$	265,000	\$	1,240,378	\$	1,505,378	
2027		-		103,600		103,600		290,000		1,219,603		1,509,603	
2028		-		103,600		103,600		305,000		1,196,878		1,501,878	
2029		-		103,600		103,600		335,000		1,172,965		1,507,965	
2030		-		103,600		103,600		355,000		1,146,678		1,501,678	
2031		-		103,600		103,600		390,000		1,118,690		1,508,690	
2032		-		103,600		103,600		420,000		1,087,991		1,507,991	
2033		-		103,600		103,600		450,000		1,054,916		1,504,916	
2034		-		103,600		103,600		480,000		1,019,465		1,499,465	
2035		-		103,600		103,600		525,000		981,553		1,506,553	
2036		-		103,600		103,600		455,000		940,078		1,395,078	
2037		-		103,600		103,600		495,000		906,428		1,401,428	
2038		-		103,600		103,600		545,000		869,940		1,414,940	
2039		-		103,600		103,600		500,000		829,778		1,329,778	
2040		-		103,600		103,600		545,000		796,690		1,341,690	
2041		-		103,600		103,600		591,000		761,015		1,352,015	
2042		-		103,600		103,600		648,000		722,338		1,370,338	
2043		-		103,600		103,600		702,000		679,930		1,381,930	
2044		-		103,600		103,600		767,000		634,000		1,401,000	
2045		-		103,600		103,600		828,000		583,820		1,411,820	
2046		-		103,600		103,600		895,000		530,000		1,425,000	
2047		-		103,600		103,600		964,000		471,825		1,435,825	
2048		-		103,600		103,600		1,045,000		409,165		1,454,165	
2049		-		103,600		103,600		1,128,000		341,240		1,469,240	
2050		-		103,600		103,600		1,218,000		267,920		1,485,920	
2051		-		103,600		103,600		1,310,000		188,750		1,498,750	
2052	;	335,000		103,600		438,600		335,000		103,600		438,600	
2053	;	355,000		80,150		435,150		355,000		80,150		435,150	
2054		380,000		55,300		435,300		380,000		55,300		435,300	
2055	•	410,000		28,700		438,700		410,000		28,700		438,700	
	\$ 1,4	480,000	\$	2,961,350	\$	4,441,350	\$	17,931,000	\$	21,439,784	\$	39,370,784	

### **EXHIBIT C**

District Boundary Map



### **EXHIBIT D**

### Terms and Definitions

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

- **I.** 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 statues.
- 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.