### **2026 OPERATING PLAN AND BUDGET**

# MW RETAIL BUSINESS IMPROVEMENT DISTRICT

City of Colorado Springs, El Paso County, Colorado

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#### 2026 OPERATING PLAN FOR THE MW RETAIL BUSINESS IMPROVEMENT DISTRICT

#### 1. PURPOSE AND SCOPE OF THIS DISTRICT

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

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

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

**B.** What Must Be Included in the Operating Plan? Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, et seq., C.R.S., as amended, this Operating Plan specifically identifies: (1) the composition of the Board of Directors; (2) the services and improvements to be provided by the District; (3) the taxes, fees, and assessments to be imposed by the District; (4) the estimated principal amount of the bonds to be issued by the District; and (5) such other information as the City may require.

The District's original 2019-2020 Operating Plan and subsequent Operating Plans, previously approved by the City, are incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

- *C. Purposes.* As may be further articulated in prior years' Operating Plans, the ongoing and/or contemplated purposes of this District for 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.
- **D.** Ownership of Property or Major Assets. The District does not currently own any real property or public improvements. The District may own public improvements as constructed, including landscape tracts, if such improvements are not otherwise dedicated to other public entities for operation and maintenance.
- *E. Contracts and Agreements.* It is anticipated that the District will enter into various agreements as required to facilitate the funding, construction, operation and maintenance of public improvements. The District is not currently a party to any significant active contracts or agreements.

#### 2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

- **A. Organization**. The MW Retail Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 19-62 on September 24, 2019.
  - **B.** Governance. The District is governed by an elected board of directors.
  - C. *Current Board*. The persons who currently serve as the Board of Directors are:
    - 1) Christopher Poe
    - 2) Megan Poe
    - 3) Steven Wood
    - 4) Anne Wood
    - 5) Martin Klaiber

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

- **D.** Term Limits. The District held a regular election on November 5, 2019, at which time a ballot question was presented to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The ballot question passed eliminating term limits.
- **E.** Advisory Board. The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed.

#### 3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District currently includes approximately 18.6 acres, with boundaries as depicted in **Exhibit** C. The District does not anticipate any inclusions or exclusions in 2026.

#### 4. PUBLIC IMPROVEMENTS

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

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

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

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

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

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

#### 6. FINANCIAL PLAN AND BUDGET

- A. 2026 Budget. The 2026 Budget for the District is attached as Exhibit B.
- **B.** Authorized Indebtedness. The District held an election on November 5, 2019, for the purpose of authorizing debt, taxes, revenue limits, spending limits, special assessments, and such other matters as may be necessary or convenient for the implementation of Art. X, Sec. 20 of the Colorado Constitution, and the Operating Plan. As authorized by the City Council in the District's 2019-2020 Operating Plan, the initial maximum debt authorization for the District shall be \$10,000,000. This maximum debt authorization amount shall not be exceeded without express prior approval by the City.
- C. Maximum Debt and Operating Mill Levies. The Maximum Operating Mill Levy is ten (10) mills, the revenue from which will support the District's operations and maintenance obligations. The mill levy cap set forth in this paragraph may be subject to upward or downward adjustments addressing any Mill Levy Adjustment or any abatement occurring after, but not before January 1, 2006. Such upward or downward adjustments are to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes.
  - **D. District Revenues.** See the 2026 Budget for the District attached as **Exhibit B**.
- *E. Existing Debt Obligations*. The District issued Special Revenue Bonds, Series 2024 in the PAR amount of \$4,190,000 on October 31, 2024. At the end of 2025, it is anticipated that the District will owe \$251,400 in interest.
- **F.** Future Debt Obligations. Depending on development activity and market conditions, the District may issue bonds at the end of 2025 or in 2026 for the purpose of financing Public Improvements. The City Council approved the District's further issuance of debt pursuant to Resolution No. 99-25 on August 12, 2025 as part of its approval of the 2025 Amended Operating Plan, provided such debt issuance is in general conformity with the financial plan provided in

**Exhibit E** to the 2025 Amended Operating Plan. A portion of the revenues the District receives from the public improvement fees are anticipated to be pledged to the repayment of such debt.

G. Developer Funding Agreements. The District entered into a Facilities Funding and Acquisition Agreement (8% interest rate) with MW Colorado Springs, LLC on January 1, 2022, which was assigned to PKW Capiral, LLC on October 23, 2023. The District entered into a Reimbursement Agreement (8% interest rate) with Thompson Investments, LLC on December 10, 2019, which was assigned to PKW Capital, LLC on October 23, 2023. It is anticipated that at the end of 2025, the District will have total developer advances of \$270,670, including principal and interest.

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

- **H.** Other Financial Obligations. The District may enter into agreements including reimbursement or similar agreements and leases, as well as agreements for ongoing services such as legal, administration, compliance, budget, audit, etc.
- I. City Charter Limitations. In accordance with 7-100 of the City Charter, the District shall not issue any Debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth in 7-100 of the City Charter, the total Debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.
- *J. Limited-Default Provisions*. Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.
- K. Privately Placed Debt and Related Party Privately Placed Debt. Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the Debt. The Interest Rate for Related Party Privately Placed Debt shall not exceed the Index Rate more than 400 basis points. Related Party Privately Placed Debt shall not be issued with an optional call date of greater than five (5) years from the date of issuance.
- **L. End User Fee Limitation**. The District shall not impose an End User Fee for the purpose of servicing District Debt without prior approval of the City Council.
- M. Debt Not an Obligation of the City. The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged

for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District.

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

#### 7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

- A. Audit. The District agrees to submit an annual audit to the City Finance Department no later than March 1st of each year which is performed by an independent certified public accounting firm. Even if the State of Colorado grants an audit exemption, the District must submit an annual audit as specified above.
- **B. SID** Formation. The District affirms that it will provide an Amended Operating Plan and seek prior approval of City Council prior to formation of any Special Improvement District or Authority within its boundaries in the future.
- C. City Authorization Prior to Debt Issuance. In accordance with the City's Special District Policy, and notwithstanding any statements of intent in the Budget and Operating Plan, this District shall request and obtain approval of City Council prior to issuance of any debt in accordance with the financing plan for the District as previously approved. The standards for City approval shall generally be consistency with the City's Special District Policy as it may be amended along with the most recently approved operating plan and budget and any requirements or limitations contained therein to the extent that they are consistent with the financing plans for the District.
- **D. Public Improvement Fees.** This District will utilize revenues from a new, increased or expanded public improvement fee.
- **E.** Condemnation. The Colorado Revised Statutes do not authorize BIDs to use powers of eminent domain. The exercise of eminent domain authority by any City-authorized district is also specifically prohibited without express prior City Council approval.
- **F.** Concealed Carry Prohibition. The District shall not adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying concealed handgun in a building or specific area under the direct control or management of the District as provided in C.R.S. § 18-12-214.
- **G.** Eligible Expenses or Costs for Reimbursement. In addition to any limits or prohibitions contained in the Colorado Revised Statutes, the District shall not issue debt for or otherwise fund any costs or expenses not allowed for by the Special District Policy.
- *H. Intergovernmental Agreements*. The District is not party to any intergovernmental agreements.
  - I. Overlapping Districts. The boundaries of Woodmen Heights Metropolitan District

No. 3 overlap the District's boundaries. Woodmen Heights Metropolitan District No. 3 currently imposes 34.6 mills.

#### 8. 2026 ACTIVITIES, PROJECTS AND CHANGES

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

#### C. Summary of 2026 Activities and Changes from Prior Year

**Boundary changes**: The District does not anticipate boundary changes in 2026.

Changes to board or governance structure: None.

Mill levy changes: None.

**New, refinanced or fully discharged debt**: Depending on development activity and market conditions, the District may issue bonds in 2026 for the purpose of financing Public Improvements.

**Elections**: The District does not anticipate holding any elections in 2026.

Major changes in development activity or valuation: The District anticipates that it will undertake projects and construction of Public Improvements in 2026.

**Ability to meet current financial obligations**: See the 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 is https://www.mwretailbid.com.

#### 10. DISSOLUTION

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

#### 11. CONCLUSION

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

## **EXHIBIT A Director and Other Contact Information**

#### **BOARD OF DIRECTORS:**

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

**DISTRICT MANAGER**: (None at this time)

#### **DISTRICT CONTACT:**

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

#### **INSURANCE AND DIRECTORS' BONDS:**

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

#### **ACCOUNTANT**:

Seef Le Roux, CPA CliftonLarsonAllen LLP 121 South Tejon, Suite 1100 Colorado Springs, CO 80903 (w) 719-284-7225 (f) 719-473-3630 seef.leroux@claconnect.com

#### **AUDITOR**:

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

**STAFF**: (None at this time)

#### **EXHIBIT B**

#### 2026 BID Budget

#### MW RETAIL BUSINESS IMPROVEMENT DISTRICT

#### **ANNUAL BUDGET**

FOR THE YEAR ENDED DECEMBER 31, 2026

## MW RETAIL BUSINESS IMPROVEMENT DISTRICT SUMMARY 2026 BUDGET

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

	Γ <u>Α</u>	OTLIAL	_	NUDOET	ii ,	OTUAL		TIMATED	_	UDOET
	A	CTUAL 2024		BUDGET 2025	II .	ACTUAL /30/2025	ES	TIMATED 2025	8	UDGET 2026
	<u> </u>	2027		2020		00/2020		2020		2020
BEGINNING FUND BALANCES	\$	(4,753)	\$	596,850	\$	622,381	\$	622,381	\$	470,986
REVENUES										
Property taxes		9,671		22,908		22,908		22,908		28,933
Specific ownership taxes		908		2,291		1,089		2,178		2,749
Interest Income		2,660		47,000		11,629		22,926		27,500
Developer advance	2	,912,565		513,701		587,629		663,668		108,202
Other Revenue		247		-		-		-		39,916
Bond issuance proceeds	4	,190,000		-		-	2	2,895,663		-
PIF Revenue		74,374		220,000		48,537		97,074		150,000
Total revenues	7	,190,425		805,900		671,792	3	3,704,417		357,300
TRANSFERS IN		610,098				-		-		
Total funds available	7	,795,770		1,402,750		1,294,173		1,326,798		828,286
EXPENDITURES										
General Fund		90,932		130,000		54,944		121,904		140,000
Debt Service Fund		21,648		300,000		129,054		260,400		300,000
Capital Projects Fund	6	,450,711		410,000		573,345	3	3,473,508		-
Total expenditures	6	,563,291		840,000		757,343	3	3,855,812		440,000
TRANSFERS OUT		242.222								
TRANSFERS OUT		610,098		-		-		-		
Total expenditures and transfers out										
requiring appropriation	7	,173,389		840,000		757,343	3	3,855,812		440,000
ENDING FUND BALANCES	\$	622,381	\$	562,750	\$	536,830	\$	470,986	\$	388,286
EMERGENCY RESERVE	\$	2,000	\$	800	\$	800	\$	800	\$	1,000
AVAILABLE FOR OPERATIONS	*	(3,950)	*	-	+	(1,460)	7	-	7	-
DEBT SERVICE RESERVE (\$358,000)		359,229		358,000		359,121		358,000		358,000
SURPLUS FUND (\$419,000)		-						99,133		39,286
CAPITALIZED INTEREST		231,303		-		143,753		18,053		-
TOTAL RESERVE	\$	588,582	\$	358,800	\$	502,214	\$	475,986	\$	398,286

# MW RETAIL BUSINESS IMPROVEMENT DISTRICT PROPERTY TAX SUMMARY INFORMATION 2026 BUDGET

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

	ACTUAL 2024		E	BUDGET 2025	ACTUAL 6/30/2025		ESTIMATED 2025			JDGET 2026
ASSESSED VALUATION Residential Commercial	\$	- 1,150	\$	- 2,249,770	\$ 2,249,	_	\$	- 249,770	\$	- ,953,980
State assessed Vacant land		640 965,300		600 40,400		600 400	۷,	600 40,400	۷	600 379,060
Certified Assessed Value	\$	967,090	\$	2,290,770	\$ 2,290,	770	\$ 2,	290,770	\$ 3	,333,640
MILL LEVY										
General		10.000		10.000	10.	000		10.000		8.679
Total mill levy		10.000		10.000	10.	000		10.000		8.679
PROPERTY TAXES	•	0.074	•				•		•	
General	\$	9,671	\$	22,908	•	908	\$	22,908	\$	28,933
Levied property taxes		9,671		22,908	22,	908		22,908		28,933
Budgeted property taxes	\$	9,671	\$	22,908	\$ 22,	908	\$	22,908	\$	28,933
BUDGETED PROPERTY TAXES  General	\$	9,671	\$	22,908	\$ 22,	908	\$	22,908	\$	28,933
	\$	9,671	\$	22,908	\$ 22,	908	\$	22,908	\$	28,933

# MW RETAIL BUSINESS IMPROVEMENT DISTRICT GENERAL FUND 2026 BUDGET

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

	ACTUAL   BUDGET   A		AC	ACTUAL ESTIMATED			В	UDGET		
	II .	2024	-	2025		0/2025		2025		2026
	<u></u>	-								
BEGINNING FUND BALANCES	\$	(2,016)	\$	1,900	\$	(1,950)	\$	(1,950)	\$	800
REVENUES										
Property taxes		9,671		22,908		22,908		22,908		28,933
Specific ownership taxes		908		2,291		1,089		2,178		2,749
PIF Revenue		54,000		-		-		-		-
Developer advance		26,172		103,701		32,237		99,568		108,202
Other Revenue		247		-		-		-		316
Total revenues		90,998		128,900		56,234		124,654		140,200
Total funds available		88,982		130,800		54,284		122,704		141,000
EVDENDITUDEO										
EXPENDITURES										
General and administrative		26,196		30,000		18,913		30,000		31,500
Accounting Auditing		4,850		5,000		5,335		5,335		6,000
County Treasurer's Fee		149		344		344		344		434
Dues and Membership		825		1,000		375		375		500
Insurance		730		2,500		1,400		1,400		3,000
District management		730		2,300		3,691		8,500		15,000
Legal		23,793		27,500		6,079		27,500		29,000
Election		23,795 96		1,500		893		1,250		6,500
Contingency		-		8,656		-		1,230		316
Website		_		5,000		_		2,500		1,500
Operations and maintenance				0,000				2,000		1,000
Repairs and maintenance		_		_		572		_		_
Landscape Contract		11,801		24,000		11,569		24,000		25,000
Snow removal		8,299		13,000		2,934		13,000		13,000
Utilities		11,485		· -		· -		· -		· -
Water		2,708		8,500		2,244		6,500		6,750
Electricity		-		3,000		595		1,200		1,500
Total expenditures		90,932		130,000		54,944		121,904		140,000
Total expenditures and transfers out										
Total expenditures and transfers out requiring appropriation		90,932		130,000		54,944		121,904		140,000
requiring appropriation		30,332		130,000		34,344		121,304		140,000
ENDING FUND BALANCES	\$	(1,950)	\$	800	\$	(660)	\$	800	\$	1,000
EMERGENCY RESERVE	\$	2,000	\$	800	\$	800	\$	800	\$	1,000
AVAILABLE FOR OPERATIONS	Ψ	(3,950)	~	-	*	(1,460)	Ψ	-	~	,
TOTAL RESERVE	\$	(1,950)	\$	800	\$	(660)	\$	800	\$	1,000

# MW RETAIL BUSINESS IMPROVEMENT DISTRICT DEBT SERVICE FUND 2026 BUDGET

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

			ACTUAL		ESTIMATED		В	UDGET		
		2024		2025	6	/30/2025		2025		2026
BEGINNING FUND BALANCES	\$	-	\$	594,950	\$	610,918	\$	610,918	\$	470,186
REVENUES										
PIF Revenue		20,374		220,000		48,537		97,074		150,000
Interest Income		2,094		47,000		11,297		22,594		27,500
Other Revenue		-		-		-		-		39,600
Total revenues		22,468		267,000		59,834		119,668		217,100
TRANSFERS IN										
Transfers from other funds		610,098		-		-		-		
Total funds available		622 566		964.050		670 752		720 506		607 206
Total fullus available		632,566		861,950		670,752		730,586		687,286
EXPENDITURES										
General and administrative										
PIF Collection Fees		-		3,500		3,354		5,000		5,000
Paying agent fees		-		4,000		-		4,000		4,000
Contingency Debt Service		-		41,100		-		-		39,600
Bond interest		21,648		251,400		125,700		251,400		251,400
Total expenditures		21,648		300,000		129,054		260,400		300,000
. с. с. ретаналес						,				
Total expenditures and transfers out										
requiring appropriation		21,648		300,000		129,054		260,400		300,000
ENDING FUND BALANCES	\$	610,918	\$	561,950	\$	541,698	\$	470,186	\$	387,286
DEBT SERVICE RESERVE (\$358,000)	\$	359,229	\$	358,000	\$	359,121	\$	358,000	\$	358,000
SURPLUS FUND (\$419,000)	Ψ	-	Ψ	-	Ψ	16,182	Ψ	99,133	Ψ	39,286
CAPITALIZED INTEREST		231,303		_		143,753		18,053		-
TOTAL RESERVE	\$	590,532	\$	358,000	\$	519,056	\$	475,186	\$	397,286

# MW RETAIL BUSINESS IMPROVEMENT DISTRICT CAPITAL PROJECTS FUND 2026 BUDGET

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

	II	CTUAL 2024	В	SUDGET 2025	ll .	ACTUAL /30/2025	ES	STIMATED 2025	E	BUDGET 2026
BEGINNING FUND BALANCES	\$	(2,737)	\$	-	\$	13,413	\$	13,413	\$	-
REVENUES										
Interest Income		566		-		332		332		-
Developer advance	2,	886,393		410,000		555,392		564,100		-
Bond issuance proceeds	4,	190,000		-		-	;	2,895,663		-
Total revenues	7,	076,959		410,000		555,724	,	3,460,095		
Total funds available	7,	074,222		410,000		569,137	;	3,473,508		
EXPENDITURES										
General and Administrative										
Accounting		4,500		2,500		350		3,000		-
Capital Projects										
Repay developer advance	3,	227,650		-		15,074	2	2,752,337		-
Engineering		15,252		7,500		8,150		10,000		-
Bond issue costs		343,540		-		-		158,400		-
Capital outlay	2,	859,769		400,000		549,771		549,771		-
Total expenditures	6,	450,711		410,000		573,345	;	3,473,508		-
TRANSFERS OUT										
Transfers to other fund		610,098		-		-		-		-
Total expenditures and transfers out										
requiring appropriation	7,	060,809		410,000		573,345		3,473,508		
ENDING FUND BALANCES	\$	13,413	\$	_	\$	(4,208)	\$	-	\$	

#### **Services Provided**

MW Retail Business Improvement District (The District) was organized to provide the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities and landscaping. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District was organized by Ordinance of the City of Colorado Springs on September 24, 2019.

At an election held on November 5, 2019, the voters approved general indebtedness of \$20,000,000 at a maximum interest rate of 18% for each of the following improvements and services: streets, water, sanitary sewer, traffic and safety control, park and recreation, business recruitment, transportation, security services, and fire protection. The voters also authorized indebtedness of \$20,000,000 for revenue debt, special assessment debt, operations and maintenance and reimbursement agreements and \$40,000,000 for debt refunding.

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 differences 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 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.

#### **Revenues (Continued)**

#### **Property Taxes (Continued)**

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.

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.

#### **Developer Advance**

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

#### **Bond Issuance**

The District anticipates issuing Series 2025 Subordinate Special Revenue Bonds. Bond proceeds will be used to repay the developer for infrastructure costs and bond issue costs. Significant terms of the bond issuance will be determined at the time of issuance.

#### **Public Improvement Fees**

The District collects a public improvement fee (PIF) of 3% on all sales generated within the District.

#### Revenues (Continued)

#### Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

#### **Expenditures**

#### **Administrative Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included the General Fund budget.

#### **County Treasurer's Fees**

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

#### **Debt Service**

Principal and interest payments are provided based on the attached debt schedule.

#### **Capital Outlay**

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

#### **Debt and Leases**

#### Special Revenue Bonds, Series 2024 (the "Bonds")

The District issued the Bonds on October 31, 2024, in the amount of \$4,190,000. The proceeds from the sale of the Bonds were used for the purposes of: (a) paying the Project Costs, (b) funding the reserve fund, (c) funding capitalized interest on the Bonds; and (c) paying other costs in connection with the issuance of the Bonds. The Bonds bear interest at the rate of 6.00%, payable semi-annually to the extent of Pledged Revenue available on June 1 and December 1 (each, an "Interest Payment Date"), beginning on December 1, 2024. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2027. The Bonds mature on December 1, 2054.

#### **Debt and Leases (Continued)**

#### **Developer Advances**

The District has entered into a Reimbursement Agreement and Facilities Funding and Acquisition Agreement (8% interest rate) with PKW Capital, LLC on October 23, 2023.

The District has outstanding Developer Advances and activity as follows:

	E	Balance -					В	alance -
	Dec	cember 31,			R	etirements/	Dec	ember 31,
		2024	Additions *		R	eductions*		2025*
Developer Advances:								
Operating	\$	133,985	\$	99,568	\$	-	\$	233,553
Capital		2,077,446		564,100		2,641,546		-
Accrued Interest:								
Operating Advances		22,415		14,702		-		37,117
Capital Advances		27,693		83,098		110,791		-
Total	\$	2,261,539	\$	761,468	\$	2,752,337	\$	270,670
	-	Balance -					B	alance -
		cember 31,			D	etirements/		cember 31,
	Det	2025*	۸	dditions*		eductions*	Dec	2026*
Doveloper Advances		2025	A	dulions		eductions		2020
Developer Advances:	Φ	000 550	Φ	400 202	ф		· C	244 755
Operating	\$	233,553	\$	108,202	\$	-	\$	341,755
Accrued Interest:								-
Operating Advances		37,117		23,012		<u> </u>		60,129
Total		270,670	\$	131,214	\$			401,884

<sup>\*</sup>Estimate

#### 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.

#### **Debt Service Reserve**

The District maintains a Debt Service Reserve of \$358,000 as required with the issuance of the Series 2024 Bonds.

This information is an integral part of the accompanying budget.

# MW RETAIL BUSINESS IMPROVEMENT DISTRICT 2026 BUDGET DEBT SERVICE SCHEDULE TO MATURITY

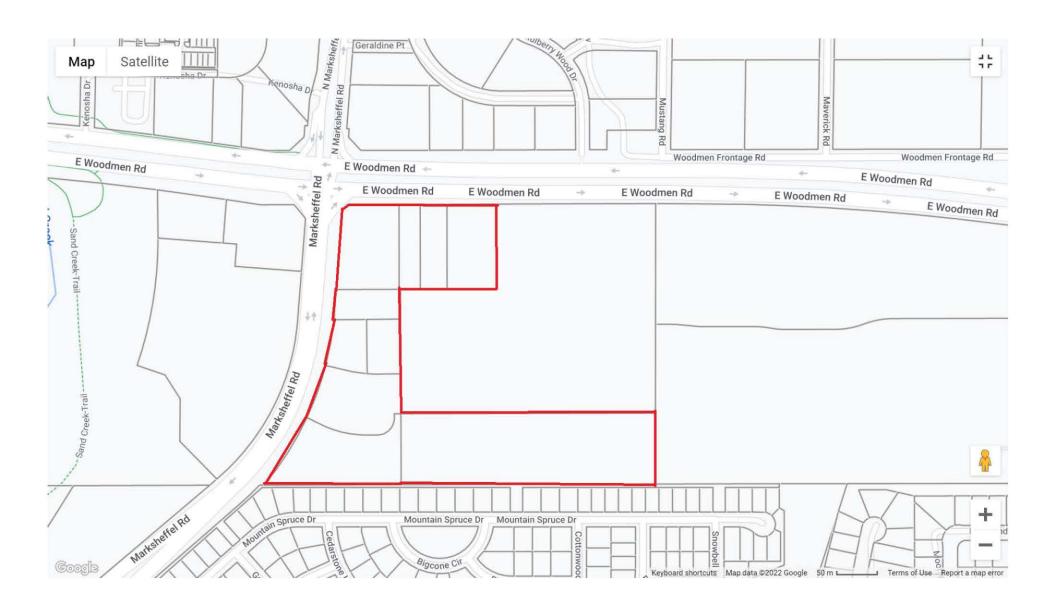
\$4,190,000 Special Revenue Bonds Series 2024 Dated October 31, 2024 6.000%

Interest Payable June and December 1
Principal Payable December 1

Year	Principal	Interest	Total
2026	\$ -	\$ 251,400	\$ 251,400
2027	25,000	251,400	276,400
2028	30,000	249,900	279,900
2029	35,000	248,100	283,100
2030	40,000	246,000	286,000
2031	45,000	243,600	288,600
2032	50,000	240,900	290,900
2033	60,000	237,900	297,900
2034	65,000	234,300	299,300
2035	70,000	230,400	300,400
2036	80,000	226,200	306,200
2037	85,000	221,400	306,400
2038	95,000	216,300	311,300
2039	105,000	210,600	315,600
2040	110,000	204,300	314,300
2041	120,000	197,700	317,700
2042	130,000	190,500	320,500
2043	145,000	182,700	327,700
2044	155,000	174,000	329,000
2045	170,000	164,700	334,700
2046	180,000	154,500	334,500
2047	195,000	143,700	338,700
2048	210,000	132,000	342,000
2049	225,000	119,400	344,400
2050	245,000	105,900	350,900
2051	260,000	91,200	351,200
2052	280,000	75,600	355,600
2053	300,000	58,800	358,800
2054	680,000	40,800	720,800
Total	\$4,190,000	\$ 5,595,600	\$ 9,785,600

#### **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 term obligations.
- **Developer Funding Agreements-** Short or long-term obligations of Districts entered into between Districts and developers related to advancement of reimbursement of Public Improvements or operations and maintenance costs. Such agreements may or may not accrue interest, but do not qualify as formally issued Debt as defined under this Policy or under TABOR.
- **h. District** This MW Retail Business Improvement District.
- **i. End User-** A property owner anticipated to be have long term, multi-year responsibility for the tax and/or fee obligations of a District. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. A master property developer or business entity that constructs homes or commercial structures for occupancy or ownership primarily by third parties, is not an End User.
- **j. End User Debt Service Fees-** Any fees, rates, tolls or charges assessed or pledged or otherwise obligated to End Users by a District for the payment of Debt. End User Debt Service Fees are not intended to include public improvement fees (PIFs) if authorized by this 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.
- **Index Interest Rate-** The AAA 30-year MMD (Municipal Market Data) index interest rate.
- m. Interest Rate- The annual rate of charge applied to Debt or other District financial obligations
- **n.** Land Development Entitlement A City-approved master plan, concept plan or other more detailed land use plan, zoning or combinations thereof, applicable to a substantial proportion of the property to be included in the District and sufficient to support the need for the District along with relevant public improvements financing assumptions and proposed limits.
- **o. Maximum Debt Mill Levy-** The maximum mill levy a District or Combination of Districts is permitted to impose for the payment of Debt. For the purpose of this Policy, a mill levy certified for contractual obligations is part of the Maximum Debt Mill Levy.
- **p. Maximum Operating Mill Levy-** The maximum mill levy a District or Combination of Districts is permitted to impose for operating and maintenance expenses.
- **q. Mill Levy Adjustment** Any statutory, legislative or constitutional changes that adjust or impact the assessed or actual valuation of property or the assessment ratio pursuant to which taxes are calculated.
- **r. Model BID Operating Plan and Budget-** The most recent version of the template for BID Operating Plans and Budgets adopted in accordance with this Policy.
- s. Planning and Community Development Department Director- The Director of the Colorado Springs Planning and Community Development Department or other position which may be established for the purpose of administering this Policy, or their designee.
- **t. Policy or Special District Policy -**The City's adopted Special District Policy as may be amended from time to time.
- **u. Privately Placed Debt-** Debt that is not marketed to multiple independent accredited investors as defined in Rule 501(a) promulgated under the Securities Act of 1933 by a registered bond underwriter or placed directly with a chartered lending institution or credit union.
- v. **Public Improvements** Any capital or site improvements, (or directly related planning or engineering costs) legally determined to be eligible for ownership, maintenance and/or financing by a District in accordance with the applicable State 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.