

2025 OPERATING PLAN AND BUDGET

**POWERS &
WOODMEN
COMMERCIAL
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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2025
OPERATING PLAN FOR THE
POWERS & WOODMEN COMMERCIAL 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 Powers & Woodmen Commercial 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.*, Colorado Revised Statutes, 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 2004 and subsequent Operating Plans, previously approved by the City, are incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

C. *Purposes.*

As may be further articulated in prior years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2025 include financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services the District provides include parking facilities, roadways, lighting, driveways, public utilities and landscaping consistent with prior years’ activities.

D. *Ownership of Property or Major Assets.*

The District owns certain street improvements.

E. *Contracts and Agreement.*

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 Powers & Woodmen Commercial Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-52 on April 27, 2004.

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
Greg Barbuto, Assistant Secretary

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

D. Term Limits.

The District held a regular election on May 8, 2012, 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 to date.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District map is depicted in **EXHIBIT C**. The District does not anticipate any inclusion or exclusion requests in 2025.

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, PROPERTY OWNERSHIP, AND MAINTENANCE

The District shall provide for ownership, operation, and maintenance of District facilities as activities of the District itself or by contract with other units of government or the private sector. As mentioned above, the District owns certain street improvements.

6. FINANCIAL PLAN AND BUDGET

A. 2025 Budget.

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

B. Authorized Indebtedness.

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$9,000,000 for street improvements, \$12,000,000 for parking facilities, \$125,000 for water main extension, and \$25,000,000 for refinancing of District debt. The election also allows the District to retain all revenues without regarding to the limitations contained in Article X, Section 20 of the Colorado constitution. On November 1, 2005, the District's electors authorized additional indebtedness of \$2,500,000 for water and sanitary sewer. As set forth in the District's 2004 Operating Plan, the City has limited the amount of debt to be issued to a total of \$13,900,000 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 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, 2006. Such upward or downward adjustments are to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes.

D. District Revenues.

See the 2025 Budget attached hereto as **EXHIBIT B**.

E. Existing Debt Obligations.

The District issued its Series 2010 Limited Tax General Obligation Bonds in the principal amount of \$1,850,000 with an interest rate of 8.5% (the “Series 2010 Bonds”). The Series 2010 Bonds are subject to optional redemption beginning December 1, 2011. As required by the District's 2010 Operating Plan, the issuance of the Series 2010 Bonds was approved by Resolution No. 3-10 of the City Council.

The District issued a Limited Tax General Obligation Bond on November 17, 2022 in the amount of \$2,519,000 with an interest rate of 6.5% (the “Series 2022 Bond”). The Series 2022 Bond will mature on December 1, 2025, but is subject to prior redemption. The City Council approved the District’s issuance of the Series 2022 Bond pursuant to Resolution No. 169-22 of the City Council.

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

F. Future Debt Obligations.

The District does not anticipate issuing additional debt in 2025.

G. Developer Funding Agreements.

The District entered into a Reimbursement Agreement (7% interest rate) with Development Management, Inc. on December 31, 2006. It is anticipated that at the end of 2024, the District will have repaid developer advances including principal and interest.

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

H. Other Financial Obligations.

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

I. City Charter Limitations.

In accordance with 7-100 of the City Charter, the District shall not issue any Debt instrument for any purpose other than construction of capital improvements with a public purpose

necessary for development. As set forth in 7-100 of the City Charter, the total Debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.

J. Limited Default Provisions.

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

K. Privately Placed Debt and Related Party Privately Placed Debt.

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

L. End User Fee Limitation.

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

M. Debt Not an Obligation of the City.

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

N. Land Development Entitlements.

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

7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

A. Audit.

The District agrees to submit an annual audit to the City Finance Department no later than March 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 pursuant to state law.

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 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.*

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

E. *Condemnation.*

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

F. *Concealed Carry Prohibition.*

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

G. *Eligible Expenses or Costs for Reimbursement.*

In addition to any limits or prohibitions contained in Colorado Revised Statutes, the District shall not issue Debt for or otherwise fund any costs or expenses not allowed for by the Special District Policy.

H. *Intergovernmental Agreements.*

The District is not party to any intergovernmental agreements and does not anticipate entering into any intergovernmental agreements in 2025.

I. Overlapping Districts.

There are no special districts that overlap with the District.

8. 2025 ACTIVITIES, PROJECTS AND CHANGES

A. Activities.

The District does not anticipate activity for commercial development in 2025.

B. Projects and Public Improvements.

The District does not presently anticipate constructing Public Improvements in 2025.

C. Summary of 2025 Activities and Changes from Prior Year.

The District's activities will focus on district administration and payment of its bonds.

Boundary changes: No boundary changes are anticipated in 2025.

Changes to board or governance structure: No changes to the Board are anticipated in 2025.

Mill levy changes: In 2024 the mill levy imposed for operations and maintenance expenses was 1.046 and the debt service mill levy was 26.160 mills. In 2025, the District anticipates imposing a mill levy of 1.046 mills for operations and maintenance expenses and a debt service mill levy of 17.000 mills.

New, refinanced or fully discharged debt: None.

Elections: May 6, 2025

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

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

9. DISCLOSURE AND COMMUNICATION

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

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
Powers & Woodmen Commercial Business Improvement District

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM	PHONE #/E-MAIL
Timothy Seibert Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2020-2027	(w) 719-593-2600 (f) 719-633-0545 tseibert@nor-wood.com
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	2020-2027	(w) 719-593-2600 (f) 719-633-0545 chrisjenkins@nor-wood.com
David D. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Secretary	2020-2027	(w) 719-593-2600 (f) 719-633-0545 ddj@nor-wood.com
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2022-2025	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com
Greg Barbuto Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2022-2025	(w) 719-593-2600 (f) 719-633-0545 gbarbuto@norwood.dev

DISTRICT CONTACT:

DISTRICT MANAGER:

Delroy L. Johnson, Assistant Secretary Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903 (w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com	Josh Miller CliftonLarsonAllen LLP 121 South Tejon, Suite 1100 Colorado Springs, CO 80903 (w) 719-284-57226 (f) 719-635-0330 josh.miller@claconnect.com
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ACCOUNTANT:

AUDITOR:

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

STAFF:

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

**POWERS & WOODMEN COMMERCIAL
BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025**

POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 1,085,867	\$ 1,182,684	\$ 1,196,047	\$ 1,196,047	\$ 1,016,622
REVENUES					
Property taxes	403,959	472,780	472,880	472,514	311,655
Specific ownership taxes	42,290	47,278	21,476	42,952	31,166
Interest income	71,116	60,000	37,159	74,000	49,800
Other revenue	-	-	525	525	-
Total revenues	<u>517,365</u>	<u>580,058</u>	<u>532,040</u>	<u>589,991</u>	<u>392,621</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>196</u>	<u>196</u>	<u>-</u>
Total funds available	<u>1,603,232</u>	<u>1,762,742</u>	<u>1,728,283</u>	<u>1,786,234</u>	<u>1,409,243</u>
EXPENDITURES					
General Fund	56,208	46,000	24,001	44,701	58,000
Debt Service Fund	350,977	730,000	6,828	724,715	345,000
Total expenditures	<u>407,185</u>	<u>776,000</u>	<u>30,829</u>	<u>769,416</u>	<u>403,000</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>196</u>	<u>196</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>407,185</u>	<u>776,000</u>	<u>31,025</u>	<u>769,612</u>	<u>403,000</u>
ENDING FUND BALANCES	<u>\$ 1,196,047</u>	<u>\$ 986,742</u>	<u>\$ 1,697,258</u>	<u>\$ 1,016,622</u>	<u>\$ 1,006,243</u>
EMERGENCY RESERVE	\$ 2,000	\$ 2,200	\$ 1,400	\$ 2,100	\$ 1,800
AVAILABLE FOR OPERATIONS	137,071	162,189	157,094	159,562	158,892
TOTAL RESERVE	<u>\$ 139,071</u>	<u>\$ 164,389</u>	<u>\$ 158,494</u>	<u>\$ 161,662</u>	<u>\$ 160,692</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION					
Commercial	\$ 14,916,640	\$ 16,619,520	\$ 16,619,520	\$ 16,619,520	\$ 16,509,980
State assessed	2,610	2,030	2,030	2,030	3,800
Vacant land	613,870	756,250	756,250	756,250	756,250
	<u>15,533,120</u>	<u>17,377,800</u>	<u>17,377,800</u>	<u>17,377,800</u>	<u>17,270,030</u>
Certified Assessed Value	<u>\$ 15,533,120</u>	<u>\$ 17,377,800</u>	<u>\$ 17,377,800</u>	<u>\$ 17,377,800</u>	<u>\$ 17,270,030</u>
MILL LEVY					
General	1.000	1.046	1.046	1.046	1.046
Debt Service	25.000	26.160	26.160	26.160	17.000
Total mill levy	<u>26.000</u>	<u>27.206</u>	<u>27.206</u>	<u>27.206</u>	<u>18.046</u>
PROPERTY TAXES					
General	\$ 15,532	\$ 18,177	\$ 18,177	\$ 18,177	\$ 18,064
Debt Service	388,328	454,603	454,603	454,603	293,591
Levied property taxes	<u>403,860</u>	<u>472,780</u>	<u>472,780</u>	<u>472,780</u>	<u>311,655</u>
Adjustments to actual/rounding	99	-	100	100	-
Refunds and abatements	-	-	-	(9,526)	-
Budgeted property taxes	<u>\$ 403,959</u>	<u>\$ 472,780</u>	<u>\$ 472,880</u>	<u>\$ 463,354</u>	<u>\$ 311,655</u>
BUDGETED PROPERTY TAXES					
General	\$ 15,537	\$ 18,177	\$ 18,181	\$ 17,815	\$ 18,064
Debt Service	388,422	454,603	454,699	445,539	293,591
	<u>\$ 403,959</u>	<u>\$ 472,780</u>	<u>\$ 472,880</u>	<u>\$ 463,354</u>	<u>\$ 311,655</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 130,468	\$ 139,934	\$ 139,071	\$ 139,071	\$ 161,662
REVENUES					
Property taxes	15,537	18,177	18,181	17,815	18,064
Specific ownership taxes	42,290	47,278	21,476	42,952	31,166
Interest income	6,984	5,000	3,242	6,000	7,800
Other revenue	-	-	525	525	-
Total revenues	<u>64,811</u>	<u>70,455</u>	<u>43,424</u>	<u>67,292</u>	<u>57,030</u>
Total funds available	<u>195,279</u>	<u>210,389</u>	<u>182,495</u>	<u>206,363</u>	<u>218,692</u>
EXPENDITURES					
General and administrative					
Accounting	24,672	19,800	11,721	22,000	24,000
Auditing	4,000	4,400	4,500	4,500	4,800
County Treasurer's Fee	233	271	273	273	271
Dues and membership	292	500	294	294	500
Insurance	1,932	2,500	2,034	2,034	2,600
District management	9,866	7,700	4,047	8,100	8,300
Legal	12,960	8,800	969	7,000	8,800
Miscellaneous	314	500	163	500	500
Election	1,939	-	-	-	3,000
Contingency	-	1,529	-	-	5,229
Total expenditures	<u>56,208</u>	<u>46,000</u>	<u>24,001</u>	<u>44,701</u>	<u>58,000</u>
Total expenditures and transfers out requiring appropriation	<u>56,208</u>	<u>46,000</u>	<u>24,001</u>	<u>44,701</u>	<u>58,000</u>
ENDING FUND BALANCES	<u>\$ 139,071</u>	<u>\$ 164,389</u>	<u>\$ 158,494</u>	<u>\$ 161,662</u>	<u>\$ 160,692</u>
EMERGENCY RESERVE	\$ 2,000	\$ 2,200	\$ 1,400	\$ 2,100	\$ 1,800
AVAILABLE FOR OPERATIONS	137,071	162,189	157,094	159,562	158,892
TOTAL RESERVE	<u>\$ 139,071</u>	<u>\$ 164,389</u>	<u>\$ 158,494</u>	<u>\$ 161,662</u>	<u>\$ 160,692</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 955,203	\$ 1,042,750	\$ 1,056,780	\$ 1,056,780	\$ 854,960
REVENUES					
Property taxes	388,422	454,603	454,699	454,699	293,591
Interest income	64,132	55,000	33,917	68,000	42,000
Total revenues	<u>452,554</u>	<u>509,603</u>	<u>488,616</u>	<u>522,699</u>	<u>335,591</u>
TRANSFERS IN					
Transfers from other funds	-	-	196	196	-
Total funds available	<u>1,407,757</u>	<u>1,552,353</u>	<u>1,545,592</u>	<u>1,579,675</u>	<u>1,190,551</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	5,825	6,773	6,828	6,828	4,404
County Treasurer's fee - contractual	-	-	-	-	-
Contingency	-	5,340	-	-	4,886
Debt Service					
Bond interest	300,152	289,960	-	289,960	285,710
Bond principal	45,000	50,000	-	50,000	50,000
Repay developer advances	-	377,927	-	377,927	-
Total expenditures	<u>350,977</u>	<u>730,000</u>	<u>6,828</u>	<u>724,715</u>	<u>345,000</u>
Total expenditures and transfers out requiring appropriation	<u>350,977</u>	<u>730,000</u>	<u>6,828</u>	<u>724,715</u>	<u>345,000</u>
ENDING FUND BALANCES	<u>\$ 1,056,780</u>	<u>\$ 822,353</u>	<u>\$ 1,538,764</u>	<u>\$ 854,960</u>	<u>\$ 845,551</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

8/31/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 196	\$ -	\$ 196	\$ 196	\$ -
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	196	-	196	196	-
EXPENDITURES					
Total expenditures	-	-	-	-	-
TRANSFERS OUT					
Transfers to other fund	-	-	196	196	-
Total expenditures and transfers out requiring appropriation	-	-	196	196	-
ENDING FUND BALANCES	\$ 196	\$ -	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include 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 April 27, 2004.

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$9,000,000 for street improvements, \$12,000,000 for parking facilities, \$125,000 for water main extension, and \$25,000,000 for refinancing of District debt. On November 1, 2005, the District's electors authorized additional indebtedness of \$2,500,000 for water and sanitary sewer. The voters also approved an annual increase in taxes of \$78,000, at a mill levy rate not to exceed one mill for general 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. Pursuant to the District's operating plan filed annually with the City, the maximum debt service mill levy the District can impose is 50.000 mills. As set forth in the District's 2004 operating plan, the City has limited the amount of debt to be issued to a total of \$13,900,000 in the authorized voted categories, without future 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 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.

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes – (continued)

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

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

Specific Ownership Tax

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

Interest Income

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

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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, accounting, insurance, and other administrative expenses.

County Treasurer's Fees

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

Debt Service

Principal and interest payments in 2025 are provided based on the debt amortization schedule from the General Obligation Bonds, Series 2010 and the Limited Tax General Obligation Bond, Series 2022.

Debt and Leases

On April 1, 2010, the District issued \$1,850,000 in Limited Tax General Obligation Bonds. The Bonds are due December 1, 2039, and bear interest at a rate of 8.5%. Bond interest and principal payments are payable annually on December 1. The bonds are subject to redemption prior to maturity, at the option of the District, on or after December 1, 2011, without redemption premium. The proceeds from the Bonds were used to pay the costs of providing certain public improvements for the District.

The District entered into a Reimbursement Agreement (Agreement) with the Developer whereby the District agrees to reimburse the Developer for operational advances made on behalf of the District. The District agrees to repay the Developer along with accrued interest at a rate of 7% on the first day of the following year in which the advances were made. The Agreement does not constitute a multiple-fiscal year obligation.

On March 30, 2011, the District entered into the Amendment to the Reimbursement Agreement to recognize advances, and accrued interest, made to the District prior to 2006. Such advances were originally recorded in the District's records as a contribution.

On November 17, 2022, the District issued \$2,519,000 in Limited Tax General Obligation Bonds. The Bonds are due December 1, 2050, and bear interest at a rate of 6.5%. Bond interest and principal payments are payable annually on December 1. The proceeds from the Bonds were used to repay developer advances.

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The District has outstanding Developer Advances. Anticipated activity is as follows:

	Balance - December 31, 2023*	Additions	Reductions	Balance - December 31, 2024*
Accrued Interest on				
Developer Advance	\$ 377,927	\$ -	\$ 377,927	\$ -
	<u>\$ 377,927</u>	<u>\$ -</u>	<u>\$ 377,927</u>	<u>\$ -</u>
	Balance - December 31, 2024*	Additions	Reductions	Balance - December 31, 2025
Developer Advance	\$ -	\$ -	\$ -	\$ -
Accrued Interest on				
Developer Advance	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* - Estimated

The District has no operating or capital leases.

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$1,850,000 Limited Tax General Obligation Bonds

Series 2010

Dated April 1, 2010

Principal and interest due December 1

Interest Rate 8.5% Payable

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2025	\$ 50,000	\$ 121,975	\$ 171,975
2026	55,000	117,725	172,725
2027	60,000	113,050	173,050
2028	65,000	107,950	172,950
2029	70,000	102,425	172,425
2030	75,000	96,475	171,475
2031	85,000	90,100	175,100
2032	90,000	82,875	172,875
2033	100,000	75,225	175,225
2034	105,000	66,725	171,725
2035	115,000	57,800	172,800
2036	125,000	48,025	173,025
2037	135,000	37,400	172,400
2038	145,000	25,925	170,925
2039	160,000	13,600	173,600
	<u>\$ 1,385,000</u>	<u>\$ 1,157,275</u>	<u>\$ 2,592,275</u>

No assurance provided. See summary of significant assumptions.

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$2,519,000 Limited Tax General Obligation Bonds

Series 2022

Dated November 17, 2022

Principal and interest due December 1

Interest Rate 6.5% Payable

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2025	\$ -	\$ 163,735	\$ 163,735
2026	-	163,735	163,735
2027	-	163,735	163,735
2028	-	163,735	163,735
2029	-	163,735	163,735
2030	-	163,735	163,735
2031	-	163,735	163,735
2032	-	163,735	163,735
2033	-	163,735	163,735
2034	-	163,735	163,735
2035	-	163,735	163,735
2036	-	163,735	163,735
2037	-	163,735	163,735
2038	-	163,735	163,735
2039	-	163,735	163,735
2040	164,000	163,735	327,735
2041	174,000	153,075	327,075
2042	186,000	141,765	327,765
2043	198,000	129,675	327,675
2044	211,000	116,805	327,805
2045	224,000	103,090	327,090
2046	239,000	88,530	327,530
2047	255,000	72,995	327,995
2048	271,000	56,420	327,420
2049	289,000	38,805	327,805
2050	308,000	20,020	328,020
	<u>\$ 2,519,000</u>	<u>\$ 3,540,940</u>	<u>\$ 6,059,940</u>

No assurance provided. See summary of significant assumptions.

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 Powers & Woodmen Commercial Business Improvement District.
- i. **End User-** A property owner anticipated to have long term, multi-year responsibility for the tax and/or fee obligations of a District. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an end user. A master property developer or business entity that constructs homes or commercial structures for occupancy or ownership primarily by third parties, is not an end user.
- j. **End User Debt Service Fees-** Any fees, rates, tolls or charges assessed or pledged or otherwise obligated to End Users by a District for the payment of Debt. End User Debt Service Fees are not intended to include public improvement fees (PIFs) if authorized by this Operating Plan and Budget. .
- k. **External Financial Advisor-** A consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer’s Municipal Market Place (also known as the Redbook); and (3) is not an officer of the Districts.

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