

2025 OPERATING PLAN AND BUDGET

**FIRST AND MAIN
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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2025
**OPERATING PLAN FOR THE
FIRST AND MAIN 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 First and Main 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 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 Agreements. Intergovernmental Agreement for Cost Sharing of Certain Public Improvements (January 28, 2009) between First and Main Business Improvement District and First and 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 the District transfers revenue from its operational mill levy to District No. 2, which is responsible for paying all operations and maintenance costs of the two Districts.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. Organization. The First and Main Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 03-37 on March 11, 2003.

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
Gregory Barbuto, Treasurer
Delroy L. Johnson, Assistant Secretary

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

D. Term Limits. The District held a special election on November 7, 2006, 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.

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, 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.

6. FINANCIAL PLAN AND BUDGET

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

B. Authorized Indebtedness. At an election held on November 2, 2004, the District's electors authorized the issuance of indebtedness in an amount of \$50,000 for operations and maintenance, \$19,000,000 for parking facilities, and \$3,000,000 for park and recreation. 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. On November 1, 2005, the District's electors authorized the issuance of additional indebtedness in an amount of \$2,000,000 for water and \$500,000 for storm drainage. On November 7, 2006, the District's electors authorized additional indebtedness of \$19,000,000 for streets, \$3,000,000 for park and recreation, \$250,000 for operations and maintenance, and \$22,000,000 for refunding of debt. The voters also approved an annual increase in taxes of \$25,000 annually, at a mill levy rate not to exceed one mill for operations and maintenance.

As set forth in the District's Amended 2004 - 2005 Operating Plan, the City has limited the amount of debt to be issued to a total of \$22,000,000 in the authorized voted categories, without future approval by the City. The 2010 Operating Plan submitted to the City amended the total amount of debt authorized by the City to \$5,000,000. This maximum debt authorization amount shall not be exceeded without express prior approval by the City.

C. Maximum Debt and Operating Mill Levies. The 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, 2007. 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, 2007, are neither diminished nor enhanced as a result of such changes.

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

E. Existing Debt Obligations. The District issued its Series 2009 Limited Tax General Obligation Bonds in the principal amount of \$1,650,000 with an interest rate of 8.5% (the "Series 2009 Bonds"). The Series 2009 Bonds are subject to optional redemption beginning December 1, 2012 and mandatory redemption on December 1 of each year. As required by the District's 2008 Operating Plan, the issuance of the Series 2009 Bonds was approved by Resolution 52-09 of the City Council. The District also issued its Series 2011 Subordinate Limited Tax General Obligation

Bonds in the principal amount of \$55,816 (the “Series 2011 Bonds”). As required by the District’s 2008 Operating Plan, the issuance of the Series 2011 Bonds was approved by Resolution 107-11 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.

Notwithstanding the amount of debt authorized at previous or future elections held for that purpose, the total authorized debt of the District shall not exceed \$5,000,000 without the written approval of the City Council of the City of Colorado Springs.

F. *Future Debt Obligations.* The District anticipates issuing bonds in 2025 with a revenue pledge from First and Main Business Improvement District No. 2 for the purpose of financing Public Improvements, which bond issuance is anticipated to utilize the remaining debt authorization of the District. [

G. *Developer Funding Agreements.* The District does not have any outstanding developer advance obligations.

Any 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 entered into an Intergovernmental Agreement for Operational Cost Sharing January 1, 2014 with First and Main Business Improvement District No. 2. The intergovernmental expenditures represent transfers to First and Main Business Improvement District No. 2 to provide funding for the overall administrative and operating costs of the District.

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.

B. *SID and Authority 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 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 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.

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 entered into an Intergovernmental Agreement for Operational Cost Sharing January 1, 2014 with First and Main Business Improvement District No. 2. The intergovernmental expenditures represent transfers to First and Main Business Improvement District No. 2 to provide funding for the overall administrative and operating costs of the District.

I. *Overlapping Districts.* There are currently no districts that overlap with the District.

8. 2025 ACTIVITIES, PROJECTS AND CHANGES

A. *Activities.* The District anticipates that additional infrastructure may be built in 2025. First and Main Business Improvement District No. 2 is responsible for providing maintenance and operation services on behalf of the District.

B. *Projects and Public Improvements.* If the District acts to fund additional improvements during calendar year 2025, an amendment to this Operating Plan will be sought in accordance with the provisions of Section 31-25-1211, C.R.S.

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: Not anticipated for the upcoming year.

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

Mill levy changes: In 2024 the mill levy imposed for operations and maintenance expenses was 1.051 and the debt service mill levy was 52.565 mills. In 2025, the District anticipates imposing a mill levy of 1.053 mills for operations and maintenance expenses and a debt service mill levy of 52.652 mills.

New, refinanced or fully discharged debt: The District anticipates issuing debt in 2025 for the purposes of financing Public Improvements.

Elections: A regular election is scheduled for May 6, 2025.

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

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

9. DISCLOSURE AND COMMUNICATION

The District shall maintain a website that includes content similar to that required for metropolitan districts by Colorado Revised Statutes § 32-1-104.5 and as required by Section K of the Special District Policy, to the extent this content is applicable to BIDs. The District's website address is <https://www.firstandmainbid.com/>, which is a website shared by the District, First and Main Business Improvement District No. 2, 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 meet the requirements of the Business Improvement District Act and further meet 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

BOARD OF DIRECTORS:

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

DISTRICT CONTACT:

DISTRICT MANAGER:

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

AUDITOR:

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

STAFF:

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

FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

PRELIMINARY DRAFT - SUBJECT TO REVISION

**FIRST & MAIN BID
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 172,216	\$ 190,451	\$ 197,795	\$ 197,795	\$ 289,380
REVENUES					
Property taxes	164,374	235,705	193,703	235,705	205,882
Specific ownership taxes	17,002	23,571	10,707	21,450	20,588
Bond proceeds	-	-	-	-	3,294,184
Interest income	16,020	10,000	9,354	18,500	15,000
Other revenue	-	1,124	147	1,124	1,200
Intergovernmental revenues	-	-	-	-	150,000
Total revenues	197,396	270,400	213,911	276,779	3,686,854
Total funds available	369,612	460,851	411,706	474,574	3,976,234
EXPENDITURES					
General Fund	20,226	29,315	14,652	27,194	25,825
Debt Service Fund	151,591	158,000	2,852	158,000	309,000
Capital Projects Fund	-	-	-	-	3,294,184
Total expenditures	171,817	187,315	17,504	185,194	3,629,009
Total expenditures and transfers out requiring appropriation	171,817	187,315	17,504	185,194	3,629,009
ENDING FUND BALANCES	\$ 197,795	\$ 273,536	\$ 394,202	\$ 289,380	\$ 347,225

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

FIRST & MAIN BID
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

9/30/24

ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
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ASSESSED VALUATION

Commercial	\$ 3,074,650	\$ 4,293,450	\$ 4,293,450	\$ 4,293,450	\$ 3,727,340
State assessed	109,480	102,100	102,100	102,100	105,600
Vacant land	580	620	620	620	620
Certified Assessed Value	<u>\$ 3,184,710</u>	<u>\$ 4,396,170</u>	<u>\$ 4,396,170</u>	<u>\$ 4,396,170</u>	<u>\$ 3,833,560</u>

MILL LEVY

General	1.000	1.051	1.051	1.051	1.053
Debt Service	50.000	52.565	52.565	52.565	52.652
Total mill levy	<u>51.000</u>	<u>53.616</u>	<u>53.616</u>	<u>53.616</u>	<u>53.705</u>

PROPERTY TAXES

General	\$ 3,185	\$ 4,620	\$ 4,620	\$ 4,620	\$ 4,037
Debt Service	159,235	231,085	231,085	231,085	201,845
ARI	-	-	-	-	-
Refund and abatements	-	-	-	(3,204)	-
Levied property taxes	<u>162,420</u>	<u>235,705</u>	<u>235,705</u>	<u>232,501</u>	<u>205,882</u>
Adjustments to actual/rounding	1,954	-	(42,002)	-	-
Budgeted property taxes	<u>\$ 164,374</u>	<u>\$ 235,705</u>	<u>\$ 193,703</u>	<u>\$ 232,501</u>	<u>\$ 205,882</u>

BUDGETED PROPERTY TAXES

General	\$ 3,222	\$ 4,620	\$ 3,797	\$ 4,558	\$ 4,037
Debt Service	161,152	231,085	189,906	227,943	201,845
	<u>\$ 164,374</u>	<u>\$ 235,705</u>	<u>\$ 193,703</u>	<u>\$ 232,501</u>	<u>\$ 205,882</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BID
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	3,222	4,620	3,797	4,620	4,037
Specific ownership taxes	17,002	23,571	10,707	21,450	20,588
Interest income	2	-	1	-	-
Other revenue	-	1,124	147	1,124	1,200
Total revenues	<u>20,226</u>	<u>29,315</u>	<u>14,652</u>	<u>27,194</u>	<u>25,825</u>
Total funds available	<u>20,226</u>	<u>29,315</u>	<u>14,652</u>	<u>27,194</u>	<u>25,825</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	47	69	57	69	61
Intergovernmental expenditures	20,179	28,122	14,595	26,001	24,564
Contingency	-	1,124	-	1,124	1,200
Total expenditures	<u>20,226</u>	<u>29,315</u>	<u>14,652</u>	<u>27,194</u>	<u>25,825</u>
Total expenditures and transfers out requiring appropriation	<u>20,226</u>	<u>29,315</u>	<u>14,652</u>	<u>27,194</u>	<u>25,825</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BID
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 172,216	\$ 190,451	\$ 197,795	\$ 197,795	\$ 289,380
REVENUES					
Property taxes	161,152	231,085	189,906	231,085	201,845
Interest income	16,018	10,000	9,353	18,500	15,000
Intergovernmental revenues	-	-	-	-	150,000
Total revenues	177,170	241,085	199,259	249,585	366,845
Total funds available	349,386	431,536	397,054	447,380	656,225
EXPENDITURES					
General and administrative					
County Treasurer's Fee	2,366	3,466	2,852	3,466	3,028
Contingency	-	3,709	-	3,709	3,972
Debt Service					
Bond interest	109,225	105,825	-	105,825	232,000
Bond principal	40,000	45,000	-	45,000	70,000
Total expenditures	151,591	158,000	2,852	158,000	309,000
Total expenditures and transfers out requiring appropriation	151,591	158,000	2,852	158,000	309,000
ENDING FUND BALANCES	\$ 197,795	\$ 273,536	\$ 394,202	\$ 289,380	\$ 347,225

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BID
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/30/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Bond issuance	-	-	-	-	3,294,184
Total revenues	-	-	-	-	3,294,184
TRANSFERS IN					
Transfers from other funds	-	-	-	-	-
Total funds available	-	-	-	-	3,294,184
EXPENDITURES					
Capital Projects					
Intergovernmental expenditure	-	-	-	-	3,244,184
Bond issue costs	-	-	-	-	50,000
Total expenditures	-	-	-	-	3,294,184
TRANSFERS OUT					
Transfers to other fund	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-	-	3,294,184
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized by Ordinance of the City of Colorado Springs on March 11, 2003, 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.

At an election held on November 2, 2004, the District's electors authorized the issuance of indebtedness in an amount of \$50,000 for operations and maintenance, \$19,000,000 for parking facilities, and \$3,000,000 for park and recreation. 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. On November 1, 2005, the District's electors authorized the issuance of additional indebtedness in an amount of \$2,000,000 for water and \$500,000 for storm drainage. On November 7, 2006, the District's electors authorized additional indebtedness of \$19,000,000 for streets, \$3,000,000 for park and recreation, \$250,000 for operations and maintenance, and \$22,000,000 for refunding of debt. The voters also approved an annual increase in taxes of \$25,000 annually, at a mill levy rate not to exceed one mill for operations and maintenance. As set forth in the District's Amended 2004 - 2005 Operating Plan, the City has limited the amount of debt to be issued to a total of \$22,000,000 in the authorized voted categories, without future approval by the City. The 2010 Operating Plan submitted to the City amended the total amount of debt authorized by the City to \$5,000,000.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with 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 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.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 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 Taxes

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

Interest Income

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

Intergovernmental Revenues

The District anticipates entering into a Pledge Agreement with First & Main No. 2 Business Improvement District for the purposes of funding capital improvements.

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Intergovernmental expenditures

Pursuant to an Intergovernmental Agreement entered into during 2014 with First & Main Business Improvement District No. 2 (F&M BID No. 2), the intergovernmental expenditures represent transfers to F&M BID No. 2 to provide funding for the overall administrative and operating costs of the District.

The District anticipates issuing bonds in 2025 and transferring the proceeds to First & Main No. 2 Business Improvement District for the purposes of funding capital improvement related costs.

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 2009 as well as anticipated payments related to a 2025 Bond issuance.

Debt and Leases

On January 28, 2009, the District issued \$1,650,000 in General Obligation Limited Tax Bonds for infrastructure improvements. The bonds bear interest at a rate of 8.5%. Bond interest and principal payments are payable annually on December 1; any accrued and unpaid interest will compound on December 1 of each year.

The District anticipates issuing Bonds during 2025 in the amount of \$3,294,184. The detail of the issuance are unknown at this time.

The District has no capital or operating leases.

Reserves

Emergency Reserve

Pursuant to the Intergovernmental Agreement with F&M BID No. 2, the District transfers all available General Fund revenue to F&M BID No. 2. Therefore, no emergency reserve related to its revenue stream is captured in the District. The Emergency Reserve for the revenue is reflected in F&M BID No. 2.

This information is an integral part of the accompanying budget.

PRELIMINARY DRAFT - SUBJECT TO REVISION

**FIRST & MAIN BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$1,650,000 General Obligation Bonds

Series 2009

Dated January 28, 2009

Principal and interest due December 1

Interest Rate 8.5% Payable

Year Ended December 31,	Principal	Interest	Annual Debt Service
2025	\$ 50,000	\$ 102,000	\$ 152,000
2026	50,000	97,750	147,750
2027	55,000	93,500	148,500
2028	60,000	88,825	148,825
2029	65,000	83,725	148,725
2030	70,000	78,200	148,200
2031	80,000	72,250	152,250
2032	85,000	65,450	150,450
2033	90,000	58,225	148,225
2034	100,000	50,575	150,575
2035	110,000	42,075	152,075
2036	120,000	32,725	152,725
2037	125,000	22,525	147,525
2038	140,000	11,900	151,900
	<u>\$ 1,200,000</u>	<u>\$ 899,725</u>	<u>\$ 2,099,725</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

EXHIBIT C
District Boundary Map

FIRST & MAIN BID



Tax Boundary

1 inch = 170.47 feet

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

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EXHIBIT D

Terms and Definitions

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

- a. **Authority** – An entity with separate legal powers or authorities, created by intergovernmental agreement (IGA) between or among Districts, or between or among one or more Districts, and another governmental entity.
- b. **City** – The City of Colorado Springs, acting legislatively through its City Council or administratively through its mayor or chief of staff consistent with Colorado Revised Statutes and the City Charter.
- c. **Combination of Districts** – Any combination of Metropolitan Districts, BIDs and/or GIDs that overlay each other that are organized by petition of a property developer that are specific to property within a single development project and do not serve any property outside of that project such as regional service district or non-developer controlled existing district.
- d. **C.R.S.** – Colorado Revised Statutes.
- e. **Debt** – Any bond, note debenture, contract or other multiple year financial obligation of a District which is payable in whole or in part from, or which constitutes an encumbrance on, the proceeds of ad valorem property tax or End User Debt Service Fee imposed by the District, or pledged for the purposes of meeting the obligation.
- f. **Debt Mill Levy** – For the purpose of this Policy and its associated plans the debt mill levy is that portion of the overall mill levy of the District, pledged, dedicated or otherwise used to repay formally issued Debt or long terms.
- g. **Developer Funding Agreements** – Short or long-term obligations of Districts entered into between Districts and developers related to advancement of reimbursement of Public Improvements or operations and maintenance costs. Such agreements may or may not accrue interest, but do not qualify as formally issued Debt as defined under this Policy or under TABOR.
- h. **District** – This First and Main Business Improvement District.
- i. **End User** – A property owner anticipated to have long term, multi-year responsibility for the tax and/or fee obligations of a District. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an end user. A master property developer or business entity that constructs homes or commercial structures for occupancy or ownership primarily by third parties, is not an end user.
- j. **End User Debt Service Fees** – Any fees, rates, tolls or charges assessed or pledged or otherwise obligated to End Users by a District for the payment of Debt. End User Debt Service Fees are not intended to include public improvement fees (PIFs) if authorized by this Operating Plan and Budget.
- k. **External Financial Advisor** – A consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities

and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place (also known as the Redbook); and (3) is not an officer of the Districts.

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