

2025 OPERATING PLAN AND BUDGET

**GOLD HILL NORTH
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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2025
OPERATING PLAN FOR THE
GOLD HILL NORTH 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 Gold Hill North 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 2021-2022 Operating Plan is 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 the 2021-2022 Operating Plan, the ongoing and/or contemplated purposes of the District for 2024 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 will own public improvements as constructed 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.

On December 16, 2021, the District and AIPA Colorado Investments, LLC entered into a Reimbursement Agreement (Operations) and Facilities Funding and Acquisition Agreement. AIPA Colorado Investments, LLC anticipates conveying property located within the District to Gold Hill Development LLC, who will complete development of that property. The District and

Gold Hill Development LLC entered into an Infrastructure Acquisition and Reimbursement Agreement and Funding and Reimbursement Agreement on September 23, 2024.

At the end of 2024, it is anticipated that the District will have an outstanding developer advance obligation to AIPA Colorado Investments, LLC in the amount of \$218,445.71 in principal and \$34,045.14 in interest. For developer agreements entered prior to January 1, 2023, interest accrues at a rate of 7% for operating advances and 8% for capital expenses. For developer agreements entered on or after January 1, 2023, interest accrues annually at a rate not to exceed the Index Rate plus 400 basis points.

On November 15, 2023, the District and the Colorado Springs Urban Renewal Authority entered into an Urban Renewal Agreement for Development of the Gold Hill Mesa Commercial Urban Renewal Area. On December 4, 2023, the District and Gold Hill North Metropolitan District Nos. 1 & 2 entered into an Intergovernmental District Facilities and Construction Service Agreement.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. *Organization.* The Gold Hill North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 21-62 on August 21, 2021.

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) Barry Brinton
- 2) John Olson
- 3) Luanne Ducett
- 4) Stephanie Edwards
- 5) Vacancy

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

D. *Term Limits.* The District's election on November 2, 2021 included a ballot question to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The 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.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District anticipates completing boundary adjustments in late 2024. After the boundary adjustments, the District's boundary is anticipated to be approximately 50.689 acres with

boundaries as depicted in Exhibit D. In the coming years, the District anticipates inclusion requests as development within the District occurs.

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 existential 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 and storm and wastewater management facilities and associated land acquisition and remediation (the “Public Improvements”).

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. The District does not anticipate having any employees.

6. FINANCIAL PLAN AND BUDGET

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

B. Authorized Indebtedness. The District held an election on November 2, 2021 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. The initial maximum debt authorization for the District shall be \$90,000,000. The District shall not issue debt in excess of the initial maximum debt authorization amount without the City’s express prior approval. The initial maximum debt authorization will provide the District with sufficient debt capacity to finance the proposed Public Improvements for the entire project. The total amount of the cost of the proposed Public Improvements for the project will be allocated between the District and the Gold Hill North Metropolitan District Nos. 1 & 2 as appropriate and as development occurs.

C. Maximum Debt and Operating Mill Levies. The District taxing ability shall be constrained to a mill levy limitation of up to 50 mills for debt service and up to 10 mills for general operations and administrative expenses due to the on-going operations and maintenance the District will

undertake within its boundaries; provided, 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 of Directors in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes.

D. District Revenues. The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes. The District also anticipates relying on public improvement fees to support public improvement construction and bonds for that purpose. See 2025 Budget attached hereto as **EXHIBIT B**.

E. Existing Debt Obligations. The District anticipates issuing Debt in late 2024.

F. Future Debt Obligations. The District does not anticipate issuing Debt in 2025.

G. Developer Funding Agreements. As noted above, on December 16, 2021, the District and AIPA Colorado Investments, LLC entered into a Reimbursement Agreement (Operations) and Facilities Funding and Acquisition Agreement. AIPA Colorado Investments, LLC anticipates conveying property located within the District to Gold Hill Development LLC, who will complete development of that property. The District and Gold Hill Development LLC entered into an Infrastructure Acquisition and Reimbursement Agreement and Funding and Reimbursement Agreement on September 23, 2024. The District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects. At the end of 2024, it is anticipated that the District will have an outstanding developer advance obligation in the amount of \$218,445.71 in principal and \$34,045.14 in interest. For developer agreements entered prior to January 1, 2023, interest accrues at a rate of 7% for operating advances and 8% for capital expenses. For developer agreements entered on or after January 1, 2023, interest accrues annually at a rate not to exceed the Index Rate plus 400 basis points.

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 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 anticipates utilizing revenues from a public improvement fee. 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 currently a party to any intergovernmental agreements.

I. Overlapping Districts. There are not currently any overlapping districts.

8. 2025 ACTIVITIES, PROJECTS, AND CHANGES

A. Activities. It is anticipated that the District will primarily be engaged in improvements planning and possibly infrastructure work in 2025.

B. Projects and Public Improvements. The District will continue to be engaged in improvements planning in 2024. Infrastructure work may start in the first or second quarter of 2025.

C. Summary of 2025 Activities.

Boundary changes: No additional boundary changes are anticipated in 2025. The District may receive inclusion requests in coming years as development within the District occurs.

Changes to board or governance structure: The Board of Directors may consider appointing a new member to the Board of Directors in order to fill the vacancy.

Mill levy changes: None anticipated.

New, refinanced or fully discharged debt: The District anticipates issuing new Debt in late 2024.

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

Major changes in development activity or valuation: Preliminary construction and improvements are anticipated to begin in 2025.

Ability to meet current financial obligations: The District anticipates developer funding for initial revenue sources and thereafter revenues derived from property taxes and public improvement fees. The District may enter into agreements and leases for ongoing services for general operations and maintenance of the District.

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 website address for the District is goldhillnorthbid.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 C.R.S. § 31-25-1225.

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 & ADDRESS	POSITION	TERM	PHONE #/E-MAIL
Stephanie Edwards 120 E. Del Norte Street Colorado Springs, CO 80907	President	(2023-2027)	Stephanie@goldhillmesa.com
Luanne Ducett, 721 S. 23rd Street Colorado Springs, Colorado 80904	Treasurer	(2023-2027)	L@tnesinc.com
John Olson, Secretary 1784 Portland Gold Drive Colorado Springs, Colorado 80905	Secretary	(2022-2025)	jolson0023@yahoo.com
Barry Brinton, Assistant Secretary 1853 Queens Canyon Court Colorado Springs, Colorado 80921	Assistant Secretary	(2022-2025)	bbrinton@comcast.net
VACANCY			

DISTRICT MANAGER:

CliftonLarsonAllen LLP
121 South Tejon Street, Suite 1100
Colorado Springs, CO 80903
(w) 719-635-0330
(f) 719-635-0330

ACCOUNTANT:

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

INSURANCE AND BONDS:

T. Charles Wilson Insurance Service
384 Inverness Parkway
Centennial, CO 80112
303-368-5757
Director's Bonds- RLI Insurance Company.

STAFF:

N/A

DISTRICT CONTACT:

Blair M. Dickhoner
White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122
bdickhoner@wbapc.com

AUDITOR: None at this time.

EXHIBIT B
2025 BID Budget

GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/4/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (22,524)	\$ 226	\$ (11,637)	\$ (11,637)	\$ 10,189,989
REVENUES					
Property taxes	542	336	336	336	2,056
Specific ownership taxes	70	34	27	54	205
Interest income	-	-	-	-	361,006
Developer advance	65,279	60,727	28,000	61,000	68,000
Other revenue	1	-	8	8	486
Bond issuance proceeds	-	70,000,000	-	-	-
Bond issuance proceeds - Series 2024A	-	-	-	18,110,000	-
Bond issuance proceeds - Series 2024B	-	-	-	2,996,000	-
Intergovernmental revenues - District No. 1	502	742	837	894	4,564
Intergovernmental revenues - District No. 2	251	161	162	174	164
Total revenues	66,645	70,062,000	29,370	21,168,466	436,481
TRANSFERS IN	-	15,500,000	-	5,263,450	-
Total funds available	44,121	85,562,226	17,733	26,420,279	10,626,470
EXPENDITURES					
General Fund	55,758	60,000	26,817	50,616	69,000
Debt Service Fund	-	2,455,000	-	154,144	1,284,000
Capital Projects Fund	-	54,500,000	-	10,762,080	5,207,470
Total expenditures	55,758	57,015,000	26,817	10,966,840	6,560,470
TRANSFERS OUT	-	15,500,000	-	5,263,450	-
Total expenditures and transfers out requiring appropriation	55,758	72,515,000	26,817	16,230,290	6,560,470
ENDING FUND BALANCES	\$ (11,637)	\$ 13,047,226	\$ (9,084)	\$ 10,189,989	\$ 4,066,000
EMERGENCY RESERVE	\$ 100	\$ 50	\$ 100	\$ 100	\$ 100
DEBT SERVICE SURPLUS DEPOSIT	-	7,000,000	-	1,732,000	1,732,000
CAPITALIZED INTEREST FUND	-	6,045,000	-	3,377,306	2,333,000
TOTAL RESERVE	\$ 100	\$ 13,045,050	\$ 100	\$ 5,109,406	\$ 4,065,100

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/4/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION					
Vacant land	\$ 59,310	\$ 57,090	\$ 57,090	\$ 57,090	\$ 57,090
	59,310	57,090	57,090	57,090	57,090
Adjustments (TIF)	(6,090)	(24,760)	(24,760)	(24,760)	(24,120)
Certified Assessed Value	<u>\$ 53,220</u>	<u>\$ 32,330</u>	<u>\$ 32,330</u>	<u>\$ 32,330</u>	<u>\$ 32,970</u>
MILL LEVY					
General	10.000	10.394	10.394	10.394	10.394
Debt Service	0.000	0.000	0.000	0.000	51.971
Total mill levy	<u>10.000</u>	<u>10.394</u>	<u>10.394</u>	<u>10.394</u>	<u>62.365</u>
PROPERTY TAXES					
General	\$ 532	\$ 336	\$ 336	\$ 336	\$ 343
Debt Service	-	-	-	-	1,713
Adjustments	10	-	-	-	-
Budgeted property taxes	<u>\$ 542</u>	<u>\$ 336</u>	<u>\$ 336</u>	<u>\$ 336</u>	<u>\$ 2,056</u>
BUDGETED PROPERTY TAXES					
General	\$ 542	\$ 336	\$ 336	\$ 336	\$ 343
Debt Service	-	-	-	-	1,713
	<u>\$ 542</u>	<u>\$ 336</u>	<u>\$ 336</u>	<u>\$ 336</u>	<u>\$ 2,056</u>

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/4/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (22,524)	\$ 226	\$ (11,637)	\$ (11,637)	\$ 213
REVENUES					
Property taxes	542	336	336	336	343
Specific ownership taxes	70	34	27	54	34
Developer advance	65,279	60,727	28,000	61,000	68,000
Other revenue	1	-	8	8	486
Intergovernmental revenues - District No. 1	502	742	837	894	760
Intergovernmental revenues - District No. 2	251	161	162	174	164
Total revenues	66,645	62,000	29,370	62,466	69,787
Total funds available	44,121	62,226	17,733	50,829	70,000
EXPENDITURES					
General and administrative					
Accounting	15,270	20,000	10,888	20,000	22,000
Auditing	-	-	4,850	4,850	5,300
County Treasurer's Fee	8	5	5	5	5
Dues and membership	752	1,500	761	761	1,000
Insurance	-	500	-	500	500
Legal	37,840	30,000	10,313	22,000	30,000
Miscellaneous	-	2,500	-	2,500	2,500
Election	1,888	-	-	-	2,000
Contingency	-	5,495	-	-	5,695
Total expenditures	55,758	60,000	26,817	50,616	69,000
Total expenditures and transfers out requiring appropriation	55,758	60,000	26,817	50,616	69,000
ENDING FUND BALANCES	\$ (11,637)	\$ 2,226	\$ (9,084)	\$ 213	\$ 1,000
EMERGENCY RESERVE	\$ 100	\$ 50	\$ 100	\$ 100	\$ 100
AVAILABLE FOR OPERATIONS	(11,737)	2,176	(9,184)	113	900
TOTAL RESERVE	\$ (11,637)	\$ 2,226	\$ (9,084)	\$ 213	\$ 1,000

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/4/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 5,109,306
REVENUES					
Property taxes	-	-	-	-	1,713
Specific ownership taxes	-	-	-	-	171
Interest income	-	-	-	-	234,006
Intergovernmental revenues - District No. 1	-	-	-	-	3,804
Total revenues	-	-	-	-	239,694
TRANSFERS IN					
Transfers from other funds	-	15,500,000	-	5,263,450	-
Total funds available	-	15,500,000	-	5,263,450	5,349,000
EXPENDITURES					
General and administrative					
County Treasurer's Fee	-	-	-	-	26
Paying agent fees	-	5,000	-	7,000	7,000
Contingency	-	-	-	-	99,824
Debt Service					
Bond interest - Series 2024A	-	2,450,000	-	147,144	1,177,150
Total expenditures	-	2,455,000	-	154,144	1,284,000
Total expenditures and transfers out requiring appropriation	-	2,455,000	-	154,144	1,284,000
ENDING FUND BALANCES	\$ -	\$ 13,045,000	\$ -	\$ 5,109,306	\$ 4,065,000
DEBT SERVICE SURPLUS DEPOSIT	\$ -	\$ 7,000,000	\$ -	\$ 1,732,000	\$ 1,732,000
CAPITALIZED INTEREST FUND	-	6,045,000	-	3,377,306	2,333,000
TOTAL RESERVE	\$ -	\$ 13,045,000	\$ -	\$ 5,109,306	\$ 4,065,000

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

9/4/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 5,080,470
REVENUES					
Bond issuance proceeds	-	70,000,000	-	-	-
Bond issuance proceeds - Series 2024A	-	-	-	18,110,000	-
Bond issuance proceeds - Series 2024B	-	-	-	2,996,000	-
Interest income	-	-	-	-	127,000
Total revenues	-	70,000,000	-	21,106,000	127,000
Total funds available	-	70,000,000	-	21,106,000	5,207,470
EXPENDITURES					
General and Administrative					
Accounting	-	5,000	-	5,000	5,000
Legal	-	5,000	-	5,000	5,000
Capital Projects					
Capital outlay	-	42,500,000	-	10,000,000	4,934,000
Bond issue costs	-	3,500,000	-	752,080	-
Contingency	-	8,490,000	-	-	263,470
Total expenditures	-	54,500,000	-	10,762,080	5,207,470
TRANSFERS OUT					
Transfers to other fund	-	15,500,000	-	5,263,450	-
Total expenditures and transfers out requiring appropriation	-	70,000,000	-	16,025,530	5,207,470
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ 5,080,470	\$ -

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH 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 water services, traffic and safety protection, sanitation services, street improvements, parks and recreation, transportation, television relay and translation, mosquito control, security, fire protection and emergency medical. 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 August 21, 2021. Pursuant to the District's Operating Plan filed annually with the City, the maximum debt mill levy is 50 mills, and the maximum operating mill levy of 10 mills for the payment of administrative, operations and maintenance expenses. The maximum debt authorization for the District is \$90,000,000.

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 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

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly 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.

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.

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

For property tax collection year 2025, SB22-238 and SB23B-001 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 total property taxes collected.

Intergovernmental Revenue

Property taxes generated from the mills levied by Gold Hill North Metropolitan District No. 1 and No. 2 for operations and maintenance, net of fees, are expected to be transferred to the District, which pays all administrative expenditures of Gold Hill North Metropolitan District No. 1 and No. 2.

Property taxes generated from the mills levied by Gold Hill North Metropolitan District No. 1 for debt service net of fees, are expected to be transferred to the District, which will be pledged to bonds anticipated to be issued in 2024.

Bond Issuance

The District expects to issue Series 2024 bonds during 2024. Bond proceeds will be used to pay infrastructure costs, bond issue costs and capitalized interest. Significant terms of the bond issuance will be determined at the time of issuance.

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating 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.

Capital Outlay

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

Debt Service

Principal and interest payments in 2024 & 2025 are provided based on the anticipated debt issuance.

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Anticipated activity is as follows:

	Balance at December 31, 2023	Additions*	Reductions	Balance at December 31, 2024*
General Obligation Bonds				
Series 2024A:				
Principal	\$ -	\$ 18,110,000	\$ -	\$ 18,110,000
Series 2024B:				
Principal	-	2,996,000	-	2,996,000
Accrued Interest	-	43,692	-	43,692
Subtotal	-	21,149,692	-	21,149,692
Developer Advances				
Principal - O&M	76,852	61,000	-	137,852
Accrued Interest - O&M	4,034	5,514	-	9,548
Subtotal	80,886	66,514	-	147,400
Total Long-Term Debt	<u>\$ 80,886</u>	<u>\$ 21,216,206</u>	<u>\$ -</u>	<u>\$ 21,297,092</u>
	Balance at December 31, 2024*	Additions*	Reductions	Balance at December 31, 2025*
General Obligation Bonds				
Series 2024A:				
Principal	\$ 18,110,000	\$ -	\$ -	\$ 18,110,000
Series 2024B:				
Principal	2,996,000	-	-	2,996,000
Accrued Interest	43,692	271,791	-	315,483
Subtotal	21,149,692	271,791	-	21,421,483
Developer Advances				
Principal - O&M	137,852	68,000	-	205,852
Accrued Interest - O&M	9,548	8,234	-	17,782
Subtotal	147,400	76,234	-	223,634
Total Long-Term Debt	<u>\$ 21,297,092</u>	<u>\$ 348,025</u>	<u>\$ -</u>	<u>\$ 21,645,117</u>

*Estimate

The District has no operating or capital leases.

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Debt Service Reserves

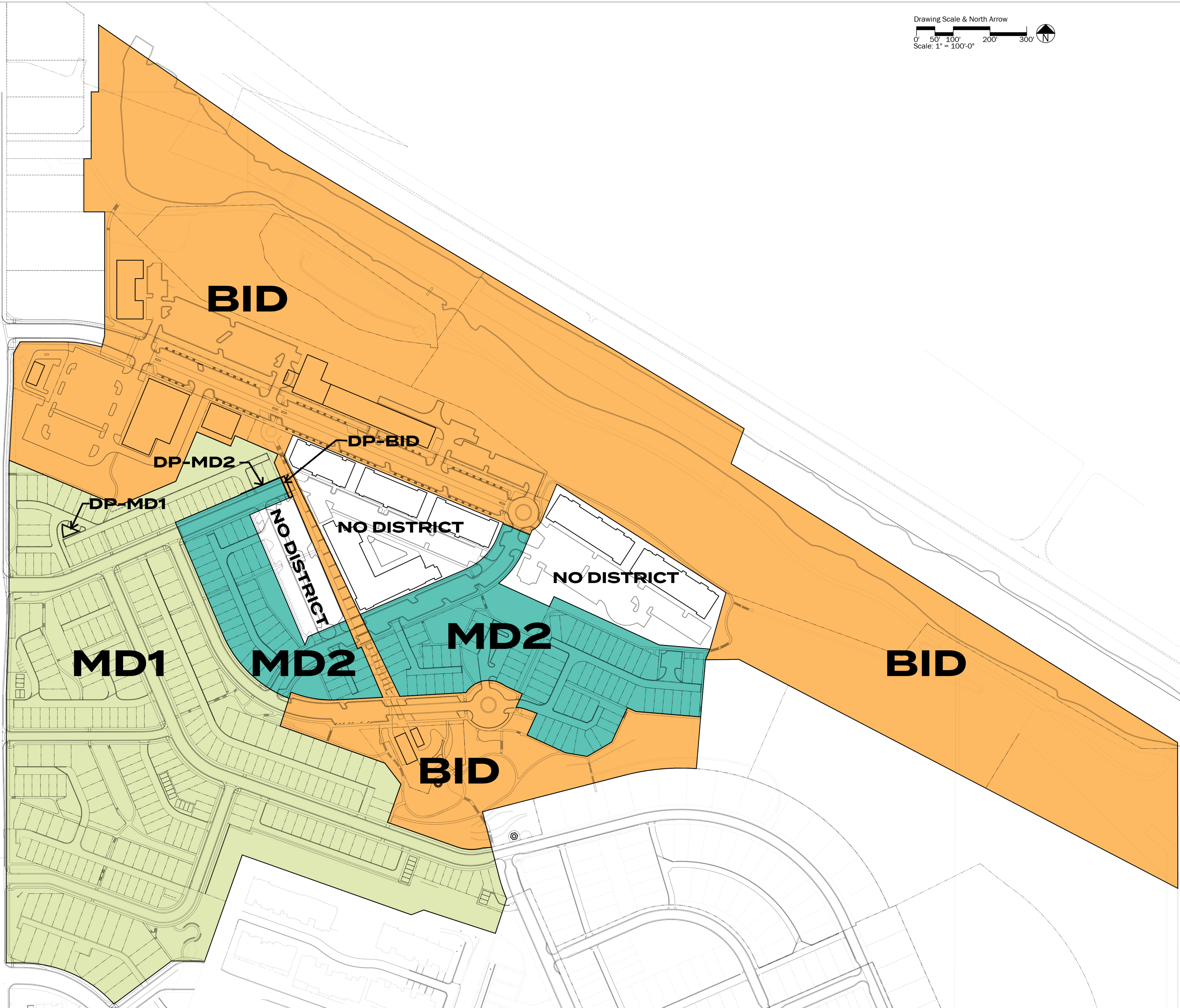
The District anticipates a Debt Service Reserve related to the anticipated Series 2024 bonds.

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

EXHIBIT C
Boundary Map



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DESIGN REVOLUTION

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**GOLD
HILL**

Colorado Springs,
Colorado

DISTRICT MAP
DATE REVISED: SEP 19, 2024

Not For Construction

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 Gold Hill North 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.

- 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.