

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 2, 2022. If there are any questions on the budget, please contact:

Carrie Bartow
CliftonLarsonAllen LLP
121 S Tejon St # 1100
Colorado Springs, CO 80903
Tel.: 303-779-5710

I, Stephanie Edwards, as President of the Gold Hill North Business Improvement District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Stephanie Edwards

RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Gold Hill North Business Improvement District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 2, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$532; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$53,220; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Gold Hill North Business Improvement District for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 2nd day of December 2022.

GOLD HILL NORTH BUSINESS
IMPROVEMENT DISTRICT

Stephanie Edwards

President

ATTEST:



Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	532
Specific ownership taxes	-	-	53
Developer advance	-	23,590	49,000
Bond Issuance	-	-	70,000,000
Intergovernmental revenues - District No. 1	-	-	468
Intergovernmental revenues - District No. 2	-	-	255
Total revenues	<u>-</u>	<u>23,590</u>	<u>70,050,308</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>15,500,000</u>
Total funds available	<u>-</u>	<u>23,590</u>	<u>85,550,308</u>
EXPENDITURES			
General Fund	-	23,590	50,000
Debt Service Fund	-	-	2,455,000
Capital Projects Fund	-	-	54,500,000
Total expenditures	<u>-</u>	<u>23,590</u>	<u>57,005,000</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>15,500,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>23,590</u>	<u>72,505,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,045,308</u>
EMERGENCY RESERVE	\$ -	\$ -	\$ 50
DEBT SERVICE RESERVE FUND	-	-	7,000,000
CAPITALIZED INTEREST FUND	-	-	6,045,000
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,045,050</u>

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
----------------	-------------------	----------------

ASSESSED VALUATION

Vacant land	\$	-	\$	-	\$	59,310
		-		-		59,310
TIF Adjustments		-		-		(6,090)
Certified Assessed Value	\$	-	\$	-	\$	53,220

MILL LEVY

General	0.000	0.000		10.000
Debt Service	0.000	0.000		0.000
Total mill levy	0.000	0.000		10.000

PROPERTY TAXES

General	\$	-	\$	-	\$	532
Debt Service		-		-		-
Budgeted property taxes	\$	-	\$	-	\$	532

BUDGETED PROPERTY TAXES

General	\$	-	\$	-	\$	532
Debt Service		-		-		-
	\$	-	\$	-	\$	532

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	23,590	49,000
Property taxes	-	-	532
Specific ownership taxes	-	-	53
Intergovernmental revenues - District No. 1	-	-	468
Intergovernmental revenues - District No. 2	-	-	255
Total revenues	-	23,590	50,308
Total funds available	-	23,590	50,308
EXPENDITURES			
General and Administrative			
Accounting	-	10,000	20,000
County Treasurer's fee	-	-	8
Engineering	-	-	2,000
Insurance & Dues	-	-	500
Election Expense	-	3,590	5,000
Legal	-	10,000	10,000
Miscellaneous	-	-	2,500
Contingency	-	-	9,992
Total expenditures	-	23,590	50,000
Total expenditures and transfers out requiring appropriation	-	23,590	50,000
ENDING FUND BALANCE	\$ -	\$ -	\$ 308
EMERGENCY RESERVE	\$ -	\$ -	\$ 50
AVAILABLE FOR OPERATIONS	-	-	258
TOTAL RESERVE	\$ -	\$ -	\$ 308

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	-	-	15,500,000
Total funds available	-	-	15,500,000
EXPENDITURES			
Debt Service			
Bond interest	-	-	2,450,000
Trustee fees	-	-	5,000
Total expenditures	-	-	2,455,000
Total expenditures and transfers out requiring appropriation	-	-	2,455,000
ENDING FUND BALANCE	\$ -	\$ -	\$ 13,045,000
DEBT SERVICE RESERVE FUND	\$ -	\$ -	\$ 7,000,000
CAPITALIZED INTEREST FUND	-	-	6,045,000
TOTAL RESERVE	\$ -	\$ -	\$ 13,045,000

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Bond Issuance	-	-	70,000,000
Total revenues	<u>-</u>	<u>-</u>	<u>70,000,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>70,000,000</u>
EXPENDITURES			
Capital Outlay	-	-	34,500,000
Bond Issue Costs	-	-	3,500,000
Contingency	-	-	16,500,000
Total expenditures	<u>-</u>	<u>-</u>	<u>54,500,000</u>
TRANSFERS OUT			
Transfers to other funds	<u>-</u>	<u>-</u>	<u>15,500,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>70,000,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**Gold Hill North Business Improvement District
2023 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.

**Gold Hill North Business Improvement District
2023 Budget
Summary of Significant Assumptions**

Revenues – (Continued)

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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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 10.000 mills levied by GSF 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 Mesa Metropolitan District No. 1 and No. 2.

Bond Issuance

The District expects to issue Series 2023 bonds during the year.

**Gold Hill North Business Improvement District
2023 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 2023 are provided based on the anticipated debt issuance.

Debt and Leases

The District anticipates issuing bonds in 2023.

The District has no outstanding debt, nor operating or capital leases. Anticipated activity is as follows:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022*
Developer Advances	\$ -	\$ 23,590	\$ -	\$ 23,590
Accrued Interest:				
Developer Advances	-	629	-	629
Total	<u>\$ -</u>	<u>\$ 24,219</u>	<u>\$ -</u>	<u>\$ 24,219</u>
	Balance at December 31, 2022*	Additions	Reductions	Balance at December 31, 2023*
Developer Advances	\$ 23,590	\$ 49,000	\$ -	\$ 72,590
Accrued Interest:				
Developer Advances	629	5,807	-	6,436
Total	<u>\$ 24,219</u>	<u>\$ 54,807</u>	<u>\$ -</u>	<u>\$ 79,026</u>

*Estimate

**Gold Hill North Business Improvement District
2023 Budget
Summary of Significant Assumptions**

Reserves

Debt Service Reserves

The District anticipates a Debt Service Reserve related to the anticipated Series 2023 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.

CERTIFICATION OF TAX LEVIES^{1,2} for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT
(local government)^C


Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 59,310 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 53,220 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/8/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

<u>PURPOSE</u> <small>(see end notes for definitions and examples)</small>	<u>LEVY²</u>	<u>REVENUE²</u>
1. General Operating Expenses ^H	<u>10.000</u> mills	\$ <u>532</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 532
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	10.000 mills	\$ 532

Contact person: Seef Le Roux Daytime phone: (719) 635-0330

Signed:  Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.