

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2024

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

Attached are the 2024 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 4, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP  
Attn: Carrie Bartow or Seef Le Roux  
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 2024 budget.

By: Stephanie D. Edwards

**RESOLUTION**  
**TO ADOPT 2024 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 2024 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, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

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 4, 2023, 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 \$336; 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 2023 valuation for assessment for the District as certified by the County Assessor of El Paso is \$32,330; and

WHEREAS, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

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 2024.

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 2024 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 2024 budget year, there is hereby levied a tax of 10.394 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

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 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 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 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 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 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 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 2023.

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 2023.

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 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 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 4<sup>th</sup> day of December 2023.

GOLD HILL NORTH BUSINESS  
IMPROVEMENT DISTRICT

*Stephanie D. Edwards*

---

President

ATTEST:

*JWA*

---

Secretary

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

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2024**

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

|   | ACTUAL<br>2022     | ESTIMATED<br>2023 | BUDGET<br>2024       |
|---|--------------------|-------------------|----------------------|
| BEGINNING FUND BALANCES   | \$ -               | \$ (22,524)       | \$ 226               |
| <b>REVENUES</b>   |                    |                   |                      |
| Property taxes  | -                  | 542               | 336                  |
| Specific ownership taxes  | -                  | 60                | 34                   |
| Developer advance   | 11,573             | 70,000            | 60,727               |
| Other revenue   | -                  | 1                 | -                    |
| Bond issuance proceeds  | -                  | -                 | 70,000,000           |
| Intergovernmental revenues - District No. 1                     | -                  | 486               | 742                  |
| Intergovernmental revenues - District No. 2                     | -                  | 261               | 161                  |
| Total revenues  | <u>11,573</u>      | <u>71,350</u>     | <u>70,062,000</u>    |
| <b>TRANSFERS IN</b>   |                    |                   |                      |
|   | <u>-</u>           | <u>-</u>          | <u>15,500,000</u>    |
| Total funds available   | <u>11,573</u>      | <u>48,826</u>     | <u>85,562,226</u>    |
| <b>EXPENDITURES</b>   |                    |                   |                      |
| General Fund  | 34,097             | 48,600            | 60,000               |
| Debt Service Fund   | -                  | -                 | 2,455,000            |
| Capital Projects Fund   | -                  | -                 | 54,500,000           |
| Total expenditures  | <u>34,097</u>      | <u>48,600</u>     | <u>57,015,000</u>    |
| <b>TRANSFERS OUT</b>  |                    |                   |                      |
|   | <u>-</u>           | <u>-</u>          | <u>15,500,000</u>    |
| Total expenditures and transfers out<br>requiring appropriation | <u>34,097</u>      | <u>48,600</u>     | <u>72,515,000</u>    |
| ENDING FUND BALANCES  | <u>\$ (22,524)</u> | <u>\$ 226</u>     | <u>\$ 13,047,226</u> |
| EMERGENCY RESERVE   | \$ -               | \$ 50             | \$ 50                |
| DEBT SERVICE RESERVE FUND                                       | -                  | -                 | 7,000,000            |
| CAPITALIZED INTEREST FUND                                       | -                  | -                 | 6,045,000            |
| TOTAL RESERVE   | <u>\$ -</u>        | <u>\$ 50</u>      | <u>\$ 13,045,050</u> |

No assurance provided. See summary of significant assumptions.



**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

|                                | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024   |
|--------------------------------|----------------|-------------------|------------------|
| <b>ASSESSED VALUATION</b>      |                |                   |                  |
| Vacant land                    | -              | 59,310            | 57,090           |
|                                | -              | 59,310            | 57,090           |
| Adjustments (TIF)              | -              | (6,090)           | (24,760)         |
| Certified Assessed Value       | <b>\$ -</b>    | <b>\$ 53,220</b>  | <b>\$ 32,330</b> |
| <b>MILL LEVY</b>               |                |                   |                  |
| General                        | 0.000          | 10.000            | 10.394           |
| Debt Service                   | 0.000          | 0.000             | 0.000            |
| Total mill levy                | <b>0.000</b>   | <b>10.000</b>     | <b>10.394</b>    |
| <b>PROPERTY TAXES</b>          |                |                   |                  |
| General                        | \$ -           | \$ 532            | \$ 336           |
| Debt Service                   | -              | -                 | -                |
| Budgeted property taxes        | <b>\$ -</b>    | <b>\$ 532</b>     | <b>\$ 336</b>    |
| <b>BUDGETED PROPERTY TAXES</b> |                |                   |                  |
| General                        | <b>\$ -</b>    | <b>\$ 532</b>     | <b>\$ 336</b>    |
| Debt Service                   | -              | -                 | -                |
|                                | <b>\$ -</b>    | <b>\$ 532</b>     | <b>\$ 336</b>    |

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ (22,524)       | \$ 226         |
| <b>REVENUES</b>   |                |                   |                |
| Property taxes  | -              | 542               | 336            |
| Specific ownership taxes  | -              | 60                | 34             |
| Developer advance   | 11,573         | 70,000            | 60,727         |
| Other revenue   | -              | 1                 | -              |
| Intergovernmental revenues - District No. 1                     | -              | 486               | 742            |
| Intergovernmental revenues - District No. 2                     | -              | 261               | 161            |
| Total revenues  | 11,573         | 71,350            | 62,000         |
| Total funds available   | 11,573         | 48,826            | 62,226         |
| <b>EXPENDITURES</b>   |                |                   |                |
| General and administrative                                      |                |                   |                |
| Accounting  | 7,399          | 15,000            | 20,000         |
| County Treasurer's fee  | -              | 8                 | 5              |
| Dues and membership   | -              | 753               | 1,500          |
| Insurance   | 1,400          | 500               | 500            |
| Legal   | 19,430         | 25,000            | 30,000         |
| Miscellaneous   | -              | 2,500             | 2,500          |
| Election  | 3,868          | 1,865             | -              |
| Contingency   | -              | 974               | 5,495          |
| Operations and maintenance                                      |                |                   |                |
| Engineering   | 2,000          | 2,000             | -              |
| Total expenditures  | 34,097         | 48,600            | 60,000         |
| Total expenditures and transfers out<br>requiring appropriation | 34,097         | 48,600            | 60,000         |
| ENDING FUND BALANCES  | \$ (22,524)    | \$ 226            | \$ 2,226       |
| EMERGENCY RESERVE   | \$ -           | \$ 50             | \$ 50          |
| AVAILABLE FOR OPERATIONS  | (22,524)       | 176               | 2,176          |
| TOTAL RESERVE   | \$ (22,524)    | \$ 226            | \$ 2,226       |

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -              | \$ -           |
| REVENUES  |                |                   |                |
| Total revenues  | -              | -                 | -              |
| TRANSFERS IN  |                |                   |                |
| Transfers from other funds                                      | -              | -                 | 15,500,000     |
| Total funds available   | -              | -                 | 15,500,000     |
| EXPENDITURES  |                |                   |                |
| General and administrative                                      |                |                   |                |
| Paying agent fees   | -              | -                 | 5,000          |
| Debt Service  |                |                   |                |
| Bond interest   | -              | -                 | 2,450,000      |
| Total expenditures  | -              | -                 | 2,455,000      |
| Total expenditures and transfers out<br>requiring appropriation | -              | -                 | 2,455,000      |
| ENDING FUND BALANCES  | \$ -           | \$ -              | \$ 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  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -              | \$ -           |
| REVENUES  |                |                   |                |
| Bond issuance proceeds  | -              | -                 | 70,000,000     |
| Total revenues  | -              | -                 | 70,000,000     |
| Total funds available   | -              | -                 | 70,000,000     |
| EXPENDITURES  |                |                   |                |
| General and Administrative                                      |                |                   |                |
| Accounting  | -              | -                 | 5,000          |
| Legal   | -              | -                 | 5,000          |
| Capital Projects  |                |                   |                |
| Capital outlay  | -              | -                 | 42,500,000     |
| Bond issue costs  | -              | -                 | 3,500,000      |
| Contingency   | -              | -                 | 8,490,000      |
| Total expenditures  | -              | -                 | 54,500,000     |
| TRANSFERS OUT   |                |                   |                |
| Transfers to other fund   | -              | -                 | 15,500,000     |
| Total expenditures and transfers out<br>requiring appropriation | -              | -                 | 70,000,000     |
| ENDING FUND BALANCES  | \$ -           | \$ -              | \$ -           |

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT  
2024 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  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

| <b>Category</b>           | <b>Rate</b> |  | <b>Category</b>       | <b>Rate</b> | <b>Actual Value Reduction</b> | <b>Amount</b> |
|---------------------------|-------------|--|-----------------------|-------------|-------------------------------|---------------|
| 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 10.000 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.

**Bond Issuance**

The District expects to issue Series 2024 bonds during the year.

**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.

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service**

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

**Debt and Leases**

The District anticipates issuing bonds in 2024.

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

|                    | Balance at<br>December 31,<br>2022  | Additions*       | Reductions  | Balance at<br>December 31,<br>2023* |
|--------------------|-------------------------------------|------------------|-------------|-------------------------------------|
| Developer Advances | \$ 11,573                           | \$ 70,000        | \$ -        | \$ 81,573                           |
| Accrued Interest:  |                                     |                  |             |                                     |
| Developer Advances | 280                                 | 3,778            | -           | 4,058                               |
| Total              | <u>\$ 11,853</u>                    | <u>\$ 73,778</u> | <u>\$ -</u> | <u>\$ 85,631</u>                    |
|                    |                                     |                  |             |                                     |
|                    | Balance at<br>December 31,<br>2023* | Additions*       | Reductions  | Balance at<br>December 31,<br>2024* |
| Developer Advances | \$ 81,573                           | \$ 60,727        | \$ -        | \$ 142,300                          |
| Accrued Interest:  |                                     |                  |             |                                     |
| Developer Advances | 4,058                               | 5,692            | -           | 9,750                               |
| Total              | <u>\$ 85,631</u>                    | <u>\$ 66,419</u> | <u>\$ -</u> | <u>\$ 152,050</u>                   |

\*Estimate

**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.**

**2024 OPERATING PLAN AND BUDGET**

**GOLD HILL NORTH  
BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Colorado Springs, El Paso County, Colorado



## TABLE OF CONTENTS

|  |   |
|--|---|
| 1. PURPOSE AND SCOPE OF THIS DISTRICT                            | 1 |
| A. Requirement for this Operating Plan                           | 1 |
| B. What Must Be Included in the Operating Plan?                  | 1 |
| C. Purposes  | 1 |
| D. Ownership of Property or Major Assets                         | 1 |
| E. Contracts and Agreements                                      | 1 |
| 2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS        | 2 |
| A. Organization  | 2 |
| B. Governance  | 2 |
| C. Current Board   | 2 |
| D. Term Limits   | 2 |
| E. Advisory Board  | 2 |
| 3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS                         | 2 |
| 4. PUBLIC IMPROVEMENTS   | 2 |
| 5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE          | 3 |
| 6. FINANCIAL PLAN AND BUDGET                                     | 3 |
| A. 2024 Budget   | 3 |
| B. Authorized Indebtedness                                       | 3 |
| C. Maximum Debt and Operating Mill Levies                        | 4 |
| D. District Revenues   | 4 |
| E. Existing Debt Obligations                                     | 4 |
| F. Future Debt Obligations                                       | 4 |
| G. Developer Funding Agreements                                  | 4 |
| H. Other Financial Obligations                                   | 4 |
| I. City Charter Limitations                                      | 4 |
| J. Limited-Default Provisions                                    | 5 |
| K. Privately Placed Debt and Related Party Privately Placed Debt | 5 |
| L. End User Debt Service Fee Limitation                          | 5 |
| M. Debt Not an Obligation of the City                            | 5 |
| N. Land Development Entitlements                                 | 5 |
| 7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES                    | 5 |
| A. Audit   | 5 |
| B. SID Formation   | 5 |
| C. City Authorization Prior to Debt Issuance                     | 5 |
| D. Public Improvement Fees                                       | 6 |
| E. Condemnation  | 6 |
| F. Concealed Carry Prohibition                                   | 6 |
| G. Eligible Expenses or Costs for Reimbursement                  | 6 |
| H. Intergovernmental Agreements                                  | 6 |
| I. Overlapping Districts   | 6 |
| 8. 2024 ACTIVITIES, PROJECTS AND CHANGES                         | 6 |
| 9. DISCLOSURE AND COMMUNICATION                                  | 7 |

|                 |   |
|-----------------|---|
| 10. DISSOLUTION | 7 |
| 11. CONCLUSION  | 7 |

EXHIBIT A - Director Contact Information

EXHIBIT B - BID Budget 2024

General Fund

Capital Projects Fund

Debt Service Fund

EXHIBIT C – District Boundary Map

EXHIBIT D – Terms and Definitions

**2024**  
**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. The District and AIPA Colorado Investments, LLC entered into a Reimbursement Agreement (Operations) on December 16, 2021. The District and AIPA Colorado Investments, LLC entered into a Facilities Funding and Acquisition Agreement on December 16, 2021. The District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects.

At the end of 2023, it is anticipated that the District will have an outstanding developer advance obligation in the amount of \$81,573 in principal and \$ 4,058 in interest. Interest accrues at a rate of 7% for operating advances and 8% for capital expenses.

## **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 currently includes approximately 52.346 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. 2024 Budget.** The 2024 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 initial maximum debt authorization amount is the aggregate debt authorization for the District and the Gold Hill North Metropolitan District Nos. 1 & 2, which were formed in conjunction with the District. 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 future bonds for that purpose. See 2024 Budget attached hereto as **EXHIBIT B.**
- E. *Existing Debt Obligations.*** The District has no current Debt.
- F. *Future Debt Obligations.*** The District anticipates issuing Debt in 2024.
- G. *Developer Funding Agreements.*** As noted above, The District and AIPA Colorado Investments, LLC entered into a Reimbursement Agreement (Operations) on December 16, 2021. The District and AIPA Colorado Investments, LLC entered into a Facilities Funding and Acquisition Agreement on December 16, 2021. The District may also enter into agreements with other districts encompassing adjacent developments in order to cooperate on infrastructure projects. At the end of 2023, it is anticipated that the District will have an outstanding developer advance obligation in the amount of \$81,573 in principal and \$4,058 in interest. Interest accrues at a rate of 8% for operating advances and for capital expenses.
- 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 aren't currently any overlapping districts.

## 8. 2024 ACTIVITIES, PROJECTS AND CHANGES

**A. Activities.** It is anticipated that the District will primarily be engaged in improvements planning and possibly infrastructure work in 2024.

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

**C. Summary of 2024 Activities.**

Boundary changes: The District anticipates that it may receive an exclusion request in 2024 for property that will be classified as residential. The District anticipates inclusion requests in the 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 may issue bonds in 2024 supported by future mill levies, URA TIF and PIF revenues.

Elections: There is not a regular election scheduled in 2024. 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 anticipation of development.



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](http://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:**

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

**DISTRICT MANAGER:**

CliftonLarsonAllen LLP  
 121 South Tejon Street, Suite 1100  
 Colorado Springs, CO 80903  
 (w) 719-635-0330  
 (f) 719-635-03430

**ACCOUNTANT:**

Carrie Bartow, CPA  
 CliftonLarsonAllen LLP  
 121 South Tejon St., Suite 1100  
 Colorado Springs, CO 80903  
 (w) 719-635-0300 x 77839  
 (f) 719-473-3630  
[carrie.bartow@claconnect.com](mailto: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:**

Russell Dykstra  
 Spencer Fane LLP  
 1700 Lincoln Street, Suite 2000  
 Denver, Colorado 80203  
[rdykstra@spencerfane.com](mailto:rdykstra@spencerfane.com)

**AUDITOR:** None at this time.

**EXHIBIT B**  
**2024 BID Budget**

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

8/31/23

|   | ACTUAL<br>2022 | BUDGET<br>2023 | ACTUAL<br>6/30/2023 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|----------------|---------------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -           | \$ (22,524)         | \$ (22,524)       | \$ 226         |
| REVENUES  |                |                |                     |                   |                |
| Property taxes  | -              | 532            | 542                 | 542               | 323            |
| Specific ownership taxes  | -              | 53             | 30                  | 60                | 32             |
| Developer advance   | 11,573         | 49,000         | 47,279              | 70,000            | 60,000         |
| Other revenue   | -              | -              | 1                   | 1                 | -              |
| Bond issuance proceeds  | -              | 70,000,000     | -                   | -                 | 70,000,000     |
| Intergovernmental revenues - District No. 1                     | -              | 468            | 463                 | 486               | 714            |
| Intergovernmental revenues - District No. 2                     | -              | 255            | 249                 | 261               | 155            |
| Total revenues  | 11,573         | 70,050,308     | 48,564              | 71,350            | 70,061,224     |
| TRANSFERS IN  | -              | 15,500,000     | -                   | -                 | 15,500,000     |
| Total funds available   | 11,573         | 85,550,308     | 26,040              | 48,826            | 85,561,450     |
| EXPENDITURES  |                |                |                     |                   |                |
| General Fund  | 34,097         | 50,000         | 28,130              | 48,600            | 60,000         |
| Debt Service Fund   | -              | 2,455,000      | -                   | -                 | 2,455,000      |
| Capital Projects Fund   | -              | 54,500,000     | -                   | -                 | 54,500,000     |
| Total expenditures  | 34,097         | 57,005,000     | 28,130              | 48,600            | 57,015,000     |
| TRANSFERS OUT   | -              | 15,500,000     | -                   | -                 | 15,500,000     |
| Total expenditures and transfers out<br>requiring appropriation | 34,097         | 72,505,000     | 28,130              | 48,600            | 72,515,000     |
| ENDING FUND BALANCES  | \$ (22,524)    | \$ 13,045,308  | \$ (2,090)          | \$ 226            | \$ 13,046,450  |
| EMERGENCY RESERVE   | \$ -           | \$ 50          | \$ 50               | \$ 50             | \$ 50          |
| DEBT SERVICE RESERVE FUND                                       | -              | 7,000,000      | -                   | -                 | 7,000,000      |
| CAPITALIZED INTEREST FUND                                       | -              | 6,045,000      | -                   | -                 | 6,045,000      |
| TOTAL RESERVE   | \$ -           | \$ 13,045,050  | \$ 50               | \$ 50             | \$ 13,045,050  |

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

8/31/23

|                                | ACTUAL<br>2022 | BUDGET<br>2023 | ACTUAL<br>6/30/2023 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|--------------------------------|----------------|----------------|---------------------|-------------------|----------------|
| <b>ASSESSED VALUATION</b>      |                |                |                     |                   |                |
| Vacant land                    | -              | 59,310         | 59,310              | 59,310            | 57,090         |
|                                | -              | 59,310         | 59,310              | 59,310            | 57,090         |
| Adjustments (TIF)              | -              | (6,090)        | (6,090)             | (6,090)           | (24,760)       |
| Certified Assessed Value       | \$ -           | \$ 53,220      | \$ 53,220           | \$ 53,220         | \$ 32,330      |
| <b>MILL LEVY</b>               |                |                |                     |                   |                |
| General                        | 0.000          | 10.000         | 10.000              | 10.000            | 10.000         |
| Debt Service                   | 0.000          | 0.000          | 0.000               | 0.000             | 0.000          |
| Total mill levy                | 0.000          | 10.000         | 10.000              | 10.000            | 10.000         |
| <b>PROPERTY TAXES</b>          |                |                |                     |                   |                |
| General                        | \$ -           | \$ 532         | \$ 532              | \$ 532            | \$ 323         |
| Debt Service                   | -              | -              | -                   | -                 | -              |
| Budgeted property taxes        | \$ -           | \$ 532         | \$ 532              | \$ 532            | \$ 323         |
| <b>BUDGETED PROPERTY TAXES</b> |                |                |                     |                   |                |
| General                        | \$ -           | \$ 532         | \$ 532              | \$ 532            | \$ 323         |
| Debt Service                   | -              | -              | -                   | -                 | -              |
|                                | \$ -           | \$ 532         | \$ 532              | \$ 532            | \$ 323         |

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

8/31/23

|   | ACTUAL<br>2022     | BUDGET<br>2023 | ACTUAL<br>6/30/2023 | ESTIMATED<br>2023 | BUDGET<br>2024  |
|---|--------------------|----------------|---------------------|-------------------|-----------------|
| BEGINNING FUND BALANCES   | \$ -               | \$ -           | \$ (22,524)         | \$ (22,524)       | \$ 226          |
| <b>REVENUES</b>   |                    |                |                     |                   |                 |
| Property taxes  | -                  | 532            | 542                 | 542               | 323             |
| Specific ownership taxes  | -                  | 53             | 30                  | 60                | 32              |
| Developer advance   | 11,573             | 49,000         | 47,279              | 70,000            | 60,000          |
| Other revenue   | -                  | -              | 1                   | 1                 | -               |
| Intergovernmental revenues - District No. 1                     | -                  | 468            | 463                 | 486               | 714             |
| Intergovernmental revenues - District No. 2                     | -                  | 255            | 249                 | 261               | 155             |
| Total revenues  | <u>11,573</u>      | <u>50,308</u>  | <u>48,564</u>       | <u>71,350</u>     | <u>61,224</u>   |
| <b>TRANSFERS IN</b>   |                    |                |                     |                   |                 |
| Total funds available   | <u>11,573</u>      | <u>50,308</u>  | <u>26,040</u>       | <u>48,826</u>     | <u>61,450</u>   |
| <b>EXPENDITURES</b>   |                    |                |                     |                   |                 |
| General and administrative                                      |                    |                |                     |                   |                 |
| Accounting  | 7,399              | 20,000         | 7,190               | 15,000            | 20,000          |
| County Treasurer's fee  | -                  | 8              | 8                   | 8                 | 5               |
| Dues and membership   | -                  | -              | 753                 | 753               | 1,500           |
| Insurance   | 1,400              | 500            | -                   | 500               | 500             |
| Legal   | 19,430             | 10,000         | 18,314              | 25,000            | 30,000          |
| Miscellaneous   | -                  | 2,500          | -                   | 2,500             | 2,500           |
| Election  | 3,868              | 5,000          | 1,865               | 1,865             | -               |
| Contingency   | -                  | 9,992          | -                   | 974               | 5,495           |
| Operations and maintenance                                      |                    |                |                     |                   |                 |
| Engineering   | 2,000              | 2,000          | -                   | 2,000             | -               |
| Total expenditures  | <u>34,097</u>      | <u>50,000</u>  | <u>28,130</u>       | <u>48,600</u>     | <u>60,000</u>   |
| <b>TRANSFERS OUT</b>  |                    |                |                     |                   |                 |
| Total expenditures and transfers out<br>requiring appropriation | <u>34,097</u>      | <u>50,000</u>  | <u>28,130</u>       | <u>48,600</u>     | <u>60,000</u>   |
| ENDING FUND BALANCES  | <u>\$ (22,524)</u> | <u>\$ 308</u>  | <u>\$ (2,090)</u>   | <u>\$ 226</u>     | <u>\$ 1,450</u> |
| EMERGENCY RESERVE   | \$ -               | \$ 50          | \$ 50               | \$ 50             | \$ 50           |
| AVAILABLE FOR OPERATIONS  | (22,524)           | 258            | (2,140)             | 176               | 1,400           |
| TOTAL RESERVE   | <u>\$ (22,524)</u> | <u>\$ 308</u>  | <u>\$ (2,090)</u>   | <u>\$ 226</u>     | <u>\$ 1,450</u> |

No assurance provided. See summary of significant assumptions.

**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

8/31/23

|   | ACTUAL<br>2022 | BUDGET<br>2023 | ACTUAL<br>6/30/2023 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|----------------|---------------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -           | \$ -                | \$ -              | \$ -           |
| REVENUES  |                |                |                     |                   |                |
| Total revenues  | -              | -              | -                   | -                 | -              |
| TRANSFERS IN  |                |                |                     |                   |                |
| Transfers from other funds                                      | -              | 15,500,000     | -                   | -                 | 15,500,000     |
| Total funds available   | -              | 15,500,000     | -                   | -                 | 15,500,000     |
| EXPENDITURES  |                |                |                     |                   |                |
| General and administrative                                      |                |                |                     |                   |                |
| Paying agent fees   | -              | 5,000          | -                   | -                 | 5,000          |
| Debt Service  |                |                |                     |                   |                |
| Bond interest   | -              | 2,450,000      | -                   | -                 | 2,450,000      |
| Total expenditures  | -              | 2,455,000      | -                   | -                 | 2,455,000      |
| TRANSFERS OUT   |                |                |                     |                   |                |
| Total expenditures and transfers out<br>requiring appropriation | -              | 2,455,000      | -                   | -                 | 2,455,000      |
| ENDING FUND BALANCES  | \$ -           | \$ 13,045,000  | \$ -                | \$ -              | \$ 13,045,000  |
| DEBT SERVICE RESERVE FUND                                       | \$ -           | \$ 7,000,000   | \$ -                | \$ -              | \$ 7,000,000   |
| CAPITALIZED INTEREST FUND                                       | -              | 6,045,000      | -                   | -                 | 6,045,000      |
| TOTAL RESERVE   | \$ -           | \$ 13,045,000  | \$ -                | \$ -              | \$ 13,045,000  |

No assurance provided. See summary of significant assumptions.



**GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT  
CAPITAL PROJECTS FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

9/13/23

|   | ACTUAL<br>2022 | BUDGET<br>2023 | ACTUAL<br>6/30/2023 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|----------------|---------------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -           | \$ -                | \$ -              | \$ -           |
| REVENUES  |                |                |                     |                   |                |
| Bond issuance proceeds  | -              | 70,000,000     | -                   | -                 | 70,000,000     |
| Total revenues  | -              | 70,000,000     | -                   | -                 | 70,000,000     |
| TRANSFERS IN  |                |                |                     |                   |                |
| Total funds available   | -              | 70,000,000     | -                   | -                 | 70,000,000     |
| EXPENDITURES  |                |                |                     |                   |                |
| General and Administrative                                      |                |                |                     |                   |                |
| Accounting  | -              | -              | -                   | -                 | 5,000          |
| Legal   | -              | -              | -                   | -                 | 5,000          |
| Capital Projects  |                |                |                     |                   |                |
| Capital outlay  | -              | 34,500,000     | -                   | -                 | 42,500,000     |
| Bond issue costs  | -              | 3,500,000      | -                   | -                 | 3,500,000      |
| Contingency   | -              | 16,500,000     | -                   | -                 | 8,490,000      |
| Total expenditures  | -              | 54,500,000     | -                   | -                 | 54,500,000     |
| TRANSFERS OUT   |                |                |                     |                   |                |
| Transfers to other fund   | -              | 15,500,000     | -                   | -                 | 15,500,000     |
| Total expenditures and transfers out<br>requiring appropriation | -              | 70,000,000     | -                   | -                 | 70,000,000     |
| ENDING FUND BALANCES  | \$ -           | \$ -           | \$ -                | \$ -              | \$ -           |

No assurance provided. See summary of significant assumptions.

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT  
2024 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 BUSINESS IMPROVEMENT DISTRICT  
2024 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 2024, the assessment rate for single family residential property decreases to 6.765% from 6.95%. The rate for multifamily residential property, the newly created subclass, decreases to 6.765% from 6.80%. Agricultural and renewable energy production property remains at 26.4%. Producing oil and gas remains at 87.5%. All other nonresidential property decreases to 27.90% from 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 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.

**Bond Issuance**

The District expects to issue Series 2024 bonds during the year.

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 are provided based on the anticipated debt issuance.

**Debt and Leases**

The District anticipates issuing bonds in 2024.

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

|                    | Balance at<br>December 31,<br>2022 | Additions*       | Reductions  | Balance at<br>December 31,<br>2023* |
|--------------------|------------------------------------|------------------|-------------|-------------------------------------|
| Developer Advances | \$ 11,573                          | \$ 70,000        | \$ -        | \$ 81,573                           |
| Accrued Interest:  |                                    |                  |             |                                     |
| Developer Advances | 280                                | 3,778            | -           | 4,058                               |
| Total              | <u>\$ 11,853</u>                   | <u>\$ 73,778</u> | <u>\$ -</u> | <u>\$ 85,631</u>                    |

|                    | Balance at<br>December 31,<br>2023* | Additions*       | Reductions  | Balance at<br>December 31,<br>2024* |
|--------------------|-------------------------------------|------------------|-------------|-------------------------------------|
| Developer Advances | \$ 81,573                           | \$ 60,000        | \$ -        | \$ 141,573                          |
| Accrued Interest:  |                                     |                  |             |                                     |
| Developer Advances | 4,058                               | 5,663            | -           | 9,721                               |
| Total              | <u>\$ 85,631</u>                    | <u>\$ 65,663</u> | <u>\$ -</u> | <u>\$ 151,294</u>                   |

\*Estimate

**GOLD HILL BUSINESS IMPROVEMENT DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Debt Service Reserves**

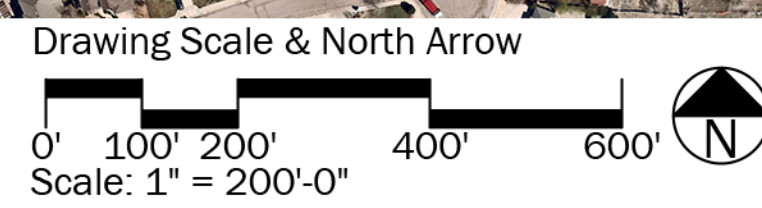
The District anticipates a Debt Service Reserve related to the anticipated Series 2024 bonds.

**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**

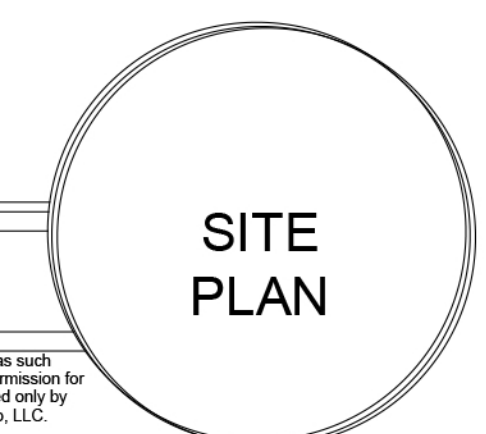


# GOLD HILL MESA

METRO DISTRICT PLAN

COLORADO SPRINGS, COLORADO

DATE: 3.10.21



CIVIC DESIGN PARTNERSHIP, LLC  
142 S. RAVEN WINE, SUITE 100  
COLORADO SPRINGS, CO 80905  
719.600.8366

**COPYRIGHT 2021**  
This document is an instrument of service, and as such remains the property of the Landscape Architect. Permission for use of this document is limited and can be extended only by written agreement with Civic Design Partnership, LLC.

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.