## MW RETAIL BUSINESS IMPROVEMENT DISTRICT

**ANNUAL BUDGET** 

FOR THE YEAR ENDING DECEMBER 31, 2024

## MW RETAIL BUSINESS IMPROVEMENT DISTRICT SUMMARY 2024 BUDGET

### WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

		ACTUAL		ESTIMATED		BUDGET
		2022		2023		2024
BEGINNING FUND BALANCES	\$	(8,656)	\$	(2,107)	\$	1,100
REVENUES						
Property taxes		443		2,714		9,671
Specific ownership taxes		47		271		967
Developer advance		44,000		2,245,520		2,971,215
Bond issuance proceeds		-		-		3,010,000
PIF revenue		-		-		170,644
Total revenues		44,490		2,248,505		6,162,497
TRANSFERS IN						552,733
TRANSI ERO IN						332,733
Total funds available		35,834		2,246,398		6,716,330
EXPENDITURES						
General Fund		37,941		30,000		65,000
Debt Service Fund		-		-		244,213
Capital Projects Fund		-		2,215,298		5,373,825
Total expenditures		37,941		2,245,298		5,683,038
TRANSFERS OUT						
TRANSFERS OUT	_	-		-		552,733
Total expenditures and transfers out						
requiring appropriation		37,941		2,245,298		6,235,771
ENDING FUND BALANCES	\$	(2,107)	\$	1,100	\$	480,559
EMERGENCY RESERVE	\$	100	\$	100	\$	400
AVAILABLE FOR OPERATIONS	•	(2,207)		1,000	•	995
DEBT SERVICE RESERVE		-		-		271,800
CAPITALIZED INTEREST		-		-		40,133
TOTAL RESERVE	\$	(2,107)	\$	1,100	\$	313,328

## MW RETAIL BUSINESS IMPROVEMENT DISTRICT PROPERTY TAX SUMMARY INFORMATION 2024 BUDGET

### WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

	ACTUAL		ESTIMATED		E	BUDGET
	2022		2023			2024
ASSESSED VALUATION						
Commercial	\$	-	\$	-	\$	1,150
State assessed		470		1,120		640
Vacant land		442,260		270,230		965,300
		442,730		271,350		967,090
Certified Assessed Value	\$	442,730	\$	271,350	\$	967,090
MILL LEVY						
General		1.000		10.000		10.000
Total mill levy		1.000		10.000		10.000
PROPERTY TAXES						
General	\$	443	\$	2,714	\$	9,671
Levied property taxes		443		2,714		9,671
Budgeted property taxes	\$	443	\$	2,714	\$	9,671
BUDGETED PROPERTY TAXES						
General	\$	443	\$	2,714	\$	9,671
	\$	443	\$	2,714	\$	9,671

# MW RETAIL BUSINESS IMPROVEMENT DISTRICT GENERAL FUND 2024 BUDGET

### WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

	A	CTUAL 2022	ESTIMATED 2023	E	BUDGET 2024
BEGINNING FUND BALANCES	\$	(8,656)	\$ (2,107)	\$	1,100
REVENUES Property taxes Specific ownership taxes Developer advance Total revenues		443 47 44,000 44,490	2,714 271 30,222 33,207		9,671 967 54,657 65,295
Total funds available		35,834	31,100		66,395
EXPENDITURES General and administrative Accounting Auditing County Treasurer's fee Dues and membership Insurance Legal Election Contingency Total expenditures		12,997 - 7 - 24,338 599 - 37,941	11,000 - 41 - 1,000 12,500 1,000 4,459 30,000		20,000 5,000 145 500 2,000 30,000 1,500 5,855
Total expenditures and transfers out requiring appropriation		37,941	30,000		65,000
ENDING FUND BALANCES	\$	(2,107)	\$ 1,100	\$	1,395
EMERGENCY RESERVE AVAILABLE FOR OPERATIONS TOTAL RESERVE	\$	100 (2,207) (2,107)	\$ 100 1,000 \$ 1,100	\$	400 995 1,395

# MW RETAIL BUSINESS IMPROVEMENT DISTRICT DEBT SERVICE FUND 2024 BUDGET

### WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

	ACTUA 2022		ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$	- \$	-	\$ -
REVENUES				470.044
PIF revenue		-	-	170,644
Total revenues		-	-	170,644
TRANSFERS IN				
Transfers from other funds		-	-	552,733
Total funds available		-		723,377
EXPENDITURES  General and administrative  PIF collection fees  Debt Service		-	-	3,413
Bond interest		-	-	240,800
Total expenditures		-	-	244,213
Total expenditures and transfers out requiring appropriation		-	-	244,213
ENDING FUND BALANCES	\$	- \$	-	\$ 479,164
DEBT SERVICE RESERVE CAPITALIZED INTEREST TOTAL RESERVE	\$	- 9 -	-	\$ 271,800 40,133 \$ 311,933
			7	<del>+ 0.1,000</del>

#### MW RETAIL BUSINESS IMPROVEMENT DISTRICT CAPITAL PROJECTS FUND 2024 BUDGET

### WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

	А	ACTUAL 2022		ESTIMATED 2023			BUDGET 2024
	<u> </u>	2022			2023	<u> </u>	<u> 2024</u>
BEGINNING FUND BALANCES	\$		-	\$	-	\$	-
REVENUES							
Developer advance			-		2,215,298		2,916,558
Bond issuance proceeds			-		-		3,010,000
Total revenues			-		2,215,298		5,926,558
Total funds available			_		2,215,298		5,926,558
EXPENDITURES							
General and Administrative							
Accounting			_		660		5,000
Capital Projects							2,222
Repay developer advance			-		-		2,197,067
Engineering			-		15,000		15,000
Bond issue costs			-		-		260,200
Capital outlay			-		2,199,638		2,896,558
Total expenditures			-		2,215,298		5,373,825
TRANSFERS OUT							
Transfers to other fund			-		-		552,733
Total expenditures and transfers out							
requiring appropriation			-		2,215,298		5,926,558
ENDING FUND BALANCES	\$		_	\$	_	\$	

#### MW RETAIL 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 parking facilities, roadways, lighting, driveways, public utilities and landscaping. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District was organized by Ordinance of the City of Colorado Springs on September 24, 2019.

At an election held on November 5, 2019, the voters approved general indebtedness of \$20,000,000 at a maximum interest rate of 18% for each of the following improvements and services: streets, water, sanitary sewer, traffic and safety control, park and recreation, business recruitment, transportation, security services, and fire protection. The voters also authorized indebtedness of \$20,000,000 for revenue debt, special assessment debt, operations and maintenance and reimbursement agreements and \$40,000,000 for debt refunding.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

#### Revenues

#### **Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

#### MW RETAIL BUSINESS IMPROVEMENT DISTRICT 2024 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

#### **Revenues - Continued**

#### **Property Taxes - Continued**

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

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

#### **Specific Ownership Taxes**

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

#### **Developer Advance**

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be 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.

#### **Public Improvement Fees**

The District charges public improvement fees (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods and services at a rate of 3.0%, in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District and remitted to the District within 20 days after month end.

#### **Bond Issuance**

The District anticipates issuing general obligation bonds. Bond proceeds will be used to pay infrastructure costs and bond issue costs. Significant terms of the bond issuance will be determined at the time of issuance.

#### MW RETAIL BUSINESS IMPROVEMENT DISTRICT 2024 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

#### **Expenditures**

#### **Administrative Expenditures**

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative expenses.

#### **County Treasurer's Fees**

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

#### **Debt Service**

Principal and interest payments are provided based on the anticipated Series 2024 Bond issuance.

#### **Capital Outlay**

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

#### **Debt and Leases**

The District has no outstanding debt, nor operating or capital leases. The District anticipates the issuance of debt in 2024.

#### **Developer Advance**

The District has entered into a Facilities Funding and Acquisition Agreement (8% interest rate) with MW Colorado Springs, LLC on January 1, 2022 and a Reimbursement Agreement (8% interest rate) with Thompson Investments, LLC on December 10, 2019.

The District has outstanding Developer Advances and activity as follows on the next page:

## MW RETAIL BUSINESS IMPROVEMENT DISTRICT 2024 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

#### **Debt and Leases – Continued**

#### **Developer Advances - Continued**

		Balance - cember 31, 2022	A	dditions *	Retirements/ Reductions		Balance - ecember 31, 2023
Developer Advances: Operating	\$	76,000	\$	30,222	\$ _	\$	106,222
Capital		-		15,660	-		15,660
Accrued Interest: Operating Advances		5,693		7,289	_		12,982
Capital Advances		· -		626	-		626
Total	\$	76,000	\$	45,882	\$ <u>-</u>	\$	135,490
	В	Balance -					Balance -
	Dec	cember 31, 2023	,	Additions	Retirements/ Reductions	De	ecember 31, 2024
Developer Advances:					 		
Operating	\$	106,222	\$	54,657	\$ -	\$	160,879
Capital		15,660		5,116,196	2,197,067		2,934,789
Accrued Interest:							-
Operating Advances		12,982		10,684	-		23,666
Capital Advances		626		118,018	 13,545		105,099
Total	\$	135,490	\$	5,299,555	\$ 2,210,612	\$	3,224,433

<sup>\*</sup>Estimate

#### **Emergency Reserves**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2024, as defined under TABOR.

This information is an integral part of the accompanying budget.

#### **CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

TO	County Commissioners <sup>1</sup> of	El Paso Co	unty	,	Colorado.
Oı	behalf of the MW Retail Business Imp	rovement [	District		
			exing entity) <sup>A</sup>		
	the Board of Directors	(go	overning body) <sup>B</sup>		
	of the MW Retail Business Improvement D	istrict			
Her	<b>eby</b> officially certifies the following mills	(100	cal government) <sup>C</sup>		
to be	e levied against the taxing entity's GROSS	\$ <u>967,090</u>			
	ssed valuation of: If the assessor certified a NET assessed valuation	(GROSS <sup>D</sup> a	assessed valuation, Line 2 of the Certification	cation of Valuation I	Form DLG 57 <sup>E</sup> )
(AV)	different than the GROSS AV due to a Tax	§ 967,090			
	ment Financing (TIF) Area <sup>F</sup> the tax levies must be lated using the NET AV. The taxing entity's total		sessed valuation, Line 4 of the Certific	ation of Valuation Fo	orm DLG 57)
	erty tax revenue will be derived from the mill levy plied against the NET assessed valuation of:		JE FROM FINAL CERTIFICATION BY ASSESSOR NO LATER THA	N OF VALUATION	PROVIDED
Sub	mitted: 01/05/2024	for	budget/fiscal year 2024		
(no lat	er than Dec. 15) (mm/dd/yyyy)			(уууу)	
	PURPOSE (see end notes for definitions and examples)		LEVY <sup>2</sup>	REVE	NUE <sup>2</sup>
1.	General Operating Expenses <sup>H</sup>		10.000 mills	\$	9,671
2.	<minus> Temporary General Property Tax</minus>	x Credit/			
	Temporary Mill Levy Rate Reduction <sup>I</sup>		< > mills	<u>\$ &lt;</u>	>
	SUBTOTAL FOR GENERAL OPERAT	ING:	10.000 mills	\$	9,671
3.	General Obligation Bonds and Interest <sup>J</sup>		mills	\$	
4.	Contractual Obligations <sup>K</sup>		mills	\$	
5.	Capital Expenditures <sup>L</sup>		mills	\$	
6.	Refunds/Abatements <sup>M</sup>		mills	\$	
7.	Other <sup>N</sup> (specify):		mills	\$	
			mills	\$	
:	TOTAL: Sum of General Subtotal and I	al Operating 7	10.000 mills	\$	9,671
		Lines 3 to 7			
	ntact person: Seef LeRoux		Phone: <u>716-635-033</u> Title: Accountant for		
Sig	ned: Seef Le Roux		Title: Accountant for	or District	
ope	vey Question: Does the taxing entity have rating levy to account for changes to asses ude one copy of this tax entity's completed form when filing	sment rates?	,	<b>□ Yes</b> per 29-1-113 C.R.	□ <b>No</b> S., with the

Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

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<sup>&</sup>lt;sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> Levies must be rounded to <u>three</u> decimal places and revenue must be calculated from the total <u>NET assessed valuation</u> (Line 4 of Form DLG57 on the County Assessor's <u>FINAL</u> 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:

BONE	)S <sup>J</sup> :	
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:	
COM		
	TRACTS <sup>k</sup> :	
3.	1	-
	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.

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