

**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,**

1/26/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 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	<u>44,490</u>	<u>2,248,505</u>	<u>6,162,497</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>552,733</u>
Total funds available	<u>35,834</u>	<u>2,246,398</u>	<u>6,716,330</u>
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	<u>37,941</u>	<u>2,245,298</u>	<u>5,683,038</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>552,733</u>
Total expenditures and transfers out requiring appropriation	<u>37,941</u>	<u>2,245,298</u>	<u>6,235,771</u>
ENDING FUND BALANCES	<u>\$ (2,107)</u>	<u>\$ 1,100</u>	<u>\$ 480,559</u>
EMERGENCY RESERVE	\$ 100	\$ 100	\$ 400
AVAILABLE FOR OPERATIONS	(2,207)	1,000	995
DEBT SERVICE RESERVE	-	-	271,800
CAPITALIZED INTEREST	-	-	40,133
TOTAL RESERVE	<u>\$ (2,107)</u>	<u>\$ 1,100</u>	<u>\$ 313,328</u>

No assurance provided. See summary of significant assumptions.

**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,**

1/26/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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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,**

1/26/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 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	30,222	54,657
Total revenues	<u>44,490</u>	<u>33,207</u>	<u>65,295</u>
Total funds available	<u>35,834</u>	<u>31,100</u>	<u>66,395</u>
EXPENDITURES			
General and administrative			
Accounting	12,997	11,000	20,000
Auditing	-	-	5,000
County Treasurer's fee	7	41	145
Dues and membership	-	-	500
Insurance	-	1,000	2,000
Legal	24,338	12,500	30,000
Election	599	1,000	1,500
Contingency	-	4,459	5,855
Total expenditures	<u>37,941</u>	<u>30,000</u>	<u>65,000</u>
Total expenditures and transfers out requiring appropriation	<u>37,941</u>	<u>30,000</u>	<u>65,000</u>
ENDING FUND BALANCES	<u>\$ (2,107)</u>	<u>\$ 1,100</u>	<u>\$ 1,395</u>
EMERGENCY RESERVE	\$ 100	\$ 100	\$ 400
AVAILABLE FOR OPERATIONS	(2,207)	1,000	995
TOTAL RESERVE	<u>\$ (2,107)</u>	<u>\$ 1,100</u>	<u>\$ 1,395</u>

No assurance provided. See summary of significant assumptions.

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

1/26/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
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	-	-	3,413
Debt Service			
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	\$ -	\$ -	\$ 271,800
CAPITALIZED INTEREST	-	-	40,133
TOTAL RESERVE	\$ -	\$ -	\$ 311,933

No assurance provided. See summary of significant assumptions.

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

1/26/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	2,215,298	2,916,558
Bond issuance proceeds	-	-	3,010,000
Total revenues	<u>-</u>	<u>2,215,298</u>	<u>5,926,558</u>
Total funds available	<u>-</u>	<u>2,215,298</u>	<u>5,926,558</u>
EXPENDITURES			
General and Administrative			
Accounting	-	660	5,000
Capital Projects			
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	<u>-</u>	<u>2,215,298</u>	<u>5,373,825</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>552,733</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>2,215,298</u>	<u>5,926,558</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

Specific Ownership Taxes

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

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 - December 31, 2022	Additions *	Retirements/ Reductions	Balance - December 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	<u>\$ 76,000</u>	<u>\$ 45,882</u>	<u>\$ -</u>	<u>\$ 135,490</u>
	Balance - December 31, 2023	Additions	Retirements/ Reductions	Balance - December 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	<u>\$ 135,490</u>	<u>\$ 5,299,555</u>	<u>\$ 2,210,612</u>	<u>\$ 3,224,433</u>

*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, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

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

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

CONTRACTS^K:

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

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

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