

2024 OPERATING PLAN AND BUDGET

**INTERQUEST 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. 2
2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS 2
3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS 2
4. PUBLIC IMPROVEMENTS 3
5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE..... 3
6. FINANCIAL PLAN AND BUDGET 3
7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES 6
8. 2024 ACTIVITIES, PROJECTS AND CHANGES..... 7
 A. Activities. 7
 B. Projects and Public Improvements..... 7
 C. Summary of 2024 Activities and Changes from Prior Year. 7
9. DISCLOSURE AND COMMUNICATION 8
10. DISSOLUTION..... 8
11. CONCLUSION 8

EXHIBIT A - Director and Other Contact Information

EXHIBIT B - BID Budget 2024

 General Fund

 Debt Service Fund

 Capital Projects Fund

EXHIBIT C - District Boundary Map

EXHIBIT D – Terms and Definitions

2024
OPERATING PLAN FOR THE
INTERQUEST 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 Interquest 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 2004 and subsequent Operating Plans, previously approved by the City, are 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 prior years’ Operating Plans, the ongoing and/or contemplated purposes of this 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. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities, security, marketing, and landscaping consistent with prior years’ activities.

D. Ownership of Property or Major Assets.

The District owns the following real property: Tract A, Marketplace at Interquest Filing No. 9; Tract A, Marketplace at Interquest Filing No. 17; a portion of Tract B, Marketplace at Interquest Filing No. 17; Tract E, Marketplace at Interquest Filing No. 1; Tract A, Marketplace at Interquest Filing No. 4; Lots 2 and 3, Marketplace at Interquest Filing No. 18. The District also owns street, parking, landscaping, and drainage improvements.

E. Contracts and Agreements.

The District entered into that certain Maintenance Agreement with Nor’wood Limited, Inc. on May 27, 2020, pursuant to which Nor’wood Limited, Inc. agreed to operate and maintain the District’s property and easement areas, including, but not limited to, parking areas, drainage basins, retention and detention ponds, landscape areas, and signage.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. Organization.

The Interquest North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-237 on October 26, 2004.

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:

Timothy Seibert, President
Christopher S. Jenkins, Vice-President
David D. Jenkins, Secretary
Delroy L. Johnson, Assistant Secretary
Greg Barbuto

Director and other pertinent contact information are provided in **EXHIBIT A**.

D. Term Limits.

The District’s election in November 2, 2004 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 to date.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District map is depicted in **EXHIBIT C**. The District does not anticipate receiving any inclusion or exclusion requests in 2024.

4. PUBLIC IMPROVEMENTS

The District will be primarily concerned with the provision of public improvements and services within the boundaries of the District in 2024. 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 extraterritorial 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, marketing, streetscape improvements, 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.

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.

6. FINANCIAL PLAN AND BUDGET

A. *2024 Budget.*

The 2024 Budget for the District is attached as **EXHIBIT B**.

B. *Authorized Indebtedness.*

At an election held on November 2, 2004, the voters approved general obligation indebtedness of \$9,900,000 for street improvements. The voters also approved an annual increase in taxes of \$50,000 for general operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,100,000 for water and storm drainage.

On November 6, 2018, the District's electors authorized additional indebtedness of \$25,000,000 for water improvements, \$25,000,000 for sanitary sewer improvements, \$25,000,000 for street improvements, \$25,000,000 for traffic and safety improvements, \$25,000,000 for park and recreation improvements, \$25,000,000 for transportation improvements, \$25,000,000 for security improvements, \$25,000,000 for operations and maintenance, \$25,000,000 for refinancing debt, and \$25,000,000 for reimbursement agreements.

Per the approval of the City Council on October 23, 2018, the amount of authorized debt has been increased from \$13,000,000 to \$25,000,000 in order to accommodate the next phases of development occasioned by increased demand for public improvements to benefit the businesses

within the District related to the success of the project and anticipated business growth within the District. The debt limit of the District shall not exceed \$25,000,000 regardless of the amount of voted debt authorization without the City's express prior approval. The bonds of the District, including revenue bonds, will be limited to those that are payable either from ad valorem property taxes, assessments, PIF revenues, permitted user fees, reimbursements, interest and interest earnings of the District, and from other revenues made available to the District. The District will not impose a sales tax.

C. Maximum Debt and Operating Mill Levies.

The mill levy limitations in the District's original 2004 Operating Plan (being 50 mills for debt service and one (1) mill for general operations and administrative expenses, both subject to adjustment) remain unchanged. 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 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.

See the 2024 Budget attached hereto as **EXHIBIT B**.

E. Existing Debt Obligations.

On December 3, 2010, the District issued its \$6,500,000 Limited Tax General Obligation Bond, Series 2010 with an interest rate of 8.5% ("2010 Bonds"). The 2010 Bonds are subject to redemption at the District's option. This issuance was approved by the City Council by Resolution No. 185-10 as required by the 2010 Operating Plan.

On June 8, 2016, the District issued its \$4,765,000 Limited Tax General Obligation Bonds, Series 2016 with an interest rate of 6.5%. This issuance was approved by the City Council by Resolution No. 54-16 as required by the 2016 Operating Plan.

On September 15, 2020, the District issued its fill-up \$13,735,000 Limited Tax General Obligation Bonds, Series 2020 with an interest rate of 7.00% ("2020 Bonds"). The 2020 Bonds are subject to mandatory redemption starting on December 1, 2024 and are subject to optional redemption starting on January 1, 2027. The first draw in 2020 was approximately \$1,535,000, the second draw in 2021 was approximately \$6,340,000, and the third draw in 2023 was approximately \$5,742,000. The issuance of the 2020 Bonds was approved by the City Council by Resolution No. 68-20 as required by the 2020 Operating Plan.

The District will annually review the interest rate on its bonds regarding market interest rate and evaluate possibilities to refund such bonds to the extent allowed pursuant to the bond documents.

F. Future Debt Obligations.

In accordance with the City's Special District Policy, the 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 consistent 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. The District does not currently have any remaining authorized debt and does not anticipate issuing additional debt.

G. Developer Funding Agreements.

The District entered into that certain Facilities Funding and Reimbursement Agreement with Interquest Marketplace, LLC on February 22, 2017. At the end of 2024, it is anticipated that the District will have an outstanding total amount of developer advances of \$98,107, which accrues interest at a rate of 7%.

Developer Funding Agreements entered into by this 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 Developer Funding Agreements initially 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 Debt Service Fee Limitation

The District shall not impose an End User Debt Service 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 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, the District shall request and obtain approval from the 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 consistent 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.

The use of a public improvement fee ("PIF") is in place to provide necessary funding revenues for the improvements financed by the District. The District will utilize revenues from the PIF for such purposes.

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 party to any intergovernmental agreements and does not anticipate entering into any intergovernmental agreements in 2024.

I. Overlapping Districts.

There are no overlapping Districts within the District’s boundaries.

8. 2024 ACTIVITIES, PROJECTS AND CHANGES

A. Activities.

The District anticipates continued activity for commercial development in 2024 and will support such activity as provided in this Operating Plan and by statute. The District anticipates providing operation and maintenance services, including, but not limited to, parking and street maintenance and operations, including snow removal, landscaping, stormwater, marketing, common area maintenance, and security services as needed.

B. Projects and Public Improvements.

The District anticipates funding or acquiring the design, installation or acquisition of additional public improvements during 2024 as required to support development within the District and as anticipated pursuant to the 2020 bond issuance.

C. Summary of 2024 Activities and Changes from Prior Year.

The District’s activities will largely consist of district administration and payment of its existing bonds along with public improvement construction.

Boundary changes: The District does not anticipate boundary changes in 2024.

Changes to board or governance structure: No changes are anticipated.

Mill levy changes: The District imposed 1.000 mill for operations and maintenance and 17.000 mills for debt service in 2023. The District anticipates imposing 1.041 mills for operations and maintenance and 17.701 mills for debt service in 2024.

New, refinanced or fully discharged debt: Not anticipated for 2024.

Elections: The District does not anticipate holding any elections in 2024.

Major changes in development activity or valuation: The District will continue undertaking projects for public improvements during 2024 as needed.

Ability to meet current financial obligations: See 2024 Budget attached as **EXHIBIT B**.

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 District's website is interquestnorthbid.com.

10. DISSOLUTION

The District may be dissolved under the conditions of Section 31-25-1225, C.R.S. Perpetual existence is not contemplated at this time.

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
Interquest North Business Improvement District

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM(S)	PHONE #/E-MAIL
Timothy Seibert Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2020-2027	(w) 719-593-2600 (f) 719-633-0545 tseibert@nor-wood.com
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	2020-2027	(w) 719-593-2600 (f) 719-633-0545 chrisjenkins@nor-wood.com
David D. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Secretary	2020-2027	(w) 719-593-2600 (f) 719-633-0545 ddj@nor-wood.com
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2022-2025	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com
Greg Barbuto Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2022-2025	(w) 719-593-2600 (f) 719-633-0545 gbarbuto@nor-wood.dev

DISTRICT CONTACT:

DISTRICT MANAGER:

Delroy L. Johnson, Assistant Secretary Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903 (w) 719-593-2600 djohnson@nor-wood.com	Josh Miller CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 600 Greenwood Village, CO 80111 (w) 303-779-5710 josh.miller@claconnect.com
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ACCOUNTANT:

AUDITOR:

Carrie Bartow, CPA CliftonLarsonAllen LLP 102 South Tejon, Suite 350 Colorado Springs, CO 80903 (w) 719-635-0300 x 77839 (f) 719-473-3630 carrie.bartow@claconnect.com	BiggsKofford, PC 630 Southpointe Court, Suite 200 Colorado Springs, CO 80906 719-579-9090
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INSURANCE AND BONDS:**STAFF:**

T. Charles Wilson Insurance Service 384 Inverness Parkway Centennial, CO 80112 303-368-5757	N/A
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EXHIBIT B
2024 BID Budget

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

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

9/1/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 3,450,630	\$ 5,751,934	\$ 5,822,480	\$ 5,822,480	\$ 7,281,232
REVENUES					
Property taxes	1,385,245	585,325	598,284	598,284	944,715
Specific ownership taxes	145,792	58,533	29,562	58,533	94,471
Interest income	109,716	71,000	168,310	221,774	305,000
Developer advance	-	6,860,000	5,742,381	5,742,381	-
Other revenue	43,249	-	302	302	-
Bond issuance proceeds	-	5,860,000	5,742,000	5,742,000	-
PIF revenue	2,784,993	2,500,000	1,393,568	2,787,136	2,900,000
Total revenues	<u>4,468,995</u>	<u>15,934,858</u>	<u>13,674,407</u>	<u>15,150,410</u>	<u>4,244,186</u>
TRANSFERS IN	<u>-</u>	<u>1,179,810</u>	<u>-</u>	<u>356,558</u>	<u>340,000</u>
Total funds available	<u>7,919,625</u>	<u>22,866,602</u>	<u>19,496,887</u>	<u>21,329,448</u>	<u>11,865,418</u>
EXPENDITURES					
General Fund	439,334	355,000	95,870	387,286	492,520
Debt Service Fund	1,657,811	2,044,265	8,499	1,810,110	2,105,000
Capital Projects Fund	-	13,729,810	11,484,762	11,494,262	-
Total expenditures	<u>2,097,145</u>	<u>16,129,075</u>	<u>11,589,131</u>	<u>13,691,658</u>	<u>2,597,519</u>
TRANSFERS OUT	<u>-</u>	<u>1,179,810</u>	<u>-</u>	<u>356,558</u>	<u>340,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,097,145</u>	<u>17,308,885</u>	<u>11,589,131</u>	<u>14,048,216</u>	<u>2,937,519</u>
ENDING FUND BALANCES	<u>\$ 5,822,480</u>	<u>\$ 5,557,717</u>	<u>\$ 7,907,756</u>	<u>\$ 7,281,232</u>	<u>\$ 8,927,899</u>
EMERGENCY RESERVE AVAILABLE FOR OPERATIONS	\$ 6,700	\$ 7,900	\$ 2,100	\$ 13,200	\$ 15,100
DESIGNATED FOR CAPITAL OUTLAY OR FUTURE DEBT REDUCTION	(40,080)	6,147	(61,896)	4,207	11,731
TOTAL RESERVE	<u>\$ 5,791,815</u>	<u>\$ 5,557,074</u>	<u>\$ 7,876,698</u>	<u>\$ 7,281,232</u>	<u>\$ 8,927,899</u>

No assurance provided. See summary of significant assumptions.

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

9/1/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION					
Commercial	\$ 26,176,240	\$ 32,114,990	\$ 32,114,990	\$ 32,114,990	\$ 49,589,520
Vacant land	1,316,920	403,070	403,070	403,070	816,790
Certified Assessed Value	<u>\$ 27,493,160</u>	<u>\$ 32,518,060</u>	<u>\$ 32,518,060</u>	<u>\$ 32,518,060</u>	<u>\$ 50,406,310</u>
MILL LEVY					
General	1.000	1.000	1.000	1.000	1.041
Debt Service	50.000	17.000	17.000	17.000	17.701
Total mill levy	<u>51.000</u>	<u>18.000</u>	<u>18.000</u>	<u>18.000</u>	<u>18.742</u>
PROPERTY TAXES					
General	\$ 27,493	\$ 32,518	\$ 32,518	\$ 32,518	\$ 52,473
Debt Service	1,374,658	552,807	552,807	552,807	892,242
Levied property taxes	1,402,151	585,325	585,325	585,325	944,715
Refunds and abatements	(16,906)	-	12,959	12,959	-
Budgeted property taxes	<u>\$ 1,385,245</u>	<u>\$ 585,325</u>	<u>\$ 598,284</u>	<u>\$ 598,284</u>	<u>\$ 944,715</u>
BUDGETED PROPERTY TAXES					
General	\$ 27,162	\$ 32,518	\$ 33,238	\$ 33,238	\$ 52,473
Debt Service	1,358,083	552,807	565,046	565,046	892,242
	<u>\$ 1,385,245</u>	<u>\$ 585,325</u>	<u>\$ 598,284</u>	<u>\$ 598,284</u>	<u>\$ 944,715</u>

No assurance provided. See summary of significant assumptions.

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

9/1/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 183,964	\$ 116,496	\$ (33,380)	\$ (33,380)	\$ 17,407
REVENUES					
Property taxes	27,162	32,518	33,238	33,238	52,473
Specific ownership taxes	145,792	58,533	29,562	58,533	94,471
Interest income	5,787	1,000	6,352	11,000	15,000
Other revenue	43,249	-	302	302	-
Total revenues	<u>221,990</u>	<u>92,051</u>	<u>69,454</u>	<u>103,073</u>	<u>161,944</u>
TRANSFERS IN					
Transfers from other funds	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>335,000</u>	<u>340,000</u>
Total funds available	<u>405,954</u>	<u>378,547</u>	<u>36,074</u>	<u>404,693</u>	<u>519,351</u>
EXPENDITURES					
General and administrative					
Accounting	34,667	34,500	29,937	60,000	66,000
Auditing	4,150	5,000	4,650	4,650	5,500
County Treasurer's fee	408	488	500	500	787
PIF Collection Expense	25,537	25,000	3,889	15,000	16,500
Dues and membership	1,471	2,000	30	2,000	2,200
Insurance	1,878	3,000	1,932	1,932	3,300
District management	28,687	25,000	20,669	40,000	44,000
Legal	40,859	50,000	23,070	60,000	66,000
Miscellaneous	7,417	5,000	2,775	5,000	5,500
Election	1,041	10,000	6,918	7,500	-
Contingency	-	5,808	-	-	203
Operations and maintenance					
Repairs and maintenance	44,536	33,612	-	33,612	42,168
Engineering	-	-	1,500	1,500	-
Landscaping	111,846	32,167	-	32,167	43,925
Operations and Maintenance	35,040	-	-	-	-
Capital Reserve	-	35,140	-	35,140	35,140
Snow removal	22,664	22,613	-	22,613	34,437
Electricity	4,600	3,456	-	3,456	4,920
Other Grounds expense	13,907	14,437	-	14,437	14,407
Security	28,233	20,409	-	20,409	70,280
Management Staff	8,686	6,586	-	6,586	8,785
Marketing	14,010	11,069	-	11,069	14,056
Signage	2,231	1,041	-	1,041	1,757
Stormwater	-	3,518	-	3,518	3,870
Water - non utilities	7,466	5,156	-	5,156	8,785
Total expenditures	<u>439,334</u>	<u>355,000</u>	<u>95,870</u>	<u>387,286</u>	<u>492,520</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>439,334</u>	<u>364,500</u>	<u>95,870</u>	<u>387,286</u>	<u>492,520</u>
ENDING FUND BALANCES	<u>\$ (33,380)</u>	<u>\$ 14,047</u>	<u>\$ (59,796)</u>	<u>\$ 17,407</u>	<u>\$ 26,831</u>
EMERGENCY RESERVE	\$ 6,700	\$ 7,900	\$ 2,100	\$ 13,200	\$ 15,100
AVAILABLE FOR OPERATIONS	(40,080)	6,147	(61,896)	4,207	11,731
TOTAL RESERVE	<u>\$ (33,380)</u>	<u>\$ 14,047</u>	<u>\$ (59,796)</u>	<u>\$ 17,407</u>	<u>\$ 26,831</u>

No assurance provided. See summary of significant assumptions.

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

9/1/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 3,236,539	\$ 5,635,438	\$ 5,825,195	\$ 5,825,195	\$ 7,263,825
REVENUES					
Property taxes	1,358,083	552,807	565,046	565,046	892,242
PIF revenue	2,784,993	2,500,000	1,393,568	2,787,136	2,900,000
Interest income	103,391	70,000	161,184	210,000	290,000
Total revenues	<u>4,246,467</u>	<u>3,122,807</u>	<u>2,119,798</u>	<u>3,562,182</u>	<u>4,082,242</u>
TRANSFERS IN					
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,558</u>	<u>-</u>
Total funds available	<u>7,483,006</u>	<u>8,758,245</u>	<u>7,944,993</u>	<u>9,408,935</u>	<u>11,346,067</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	20,411	8,292	8,499	8,499	13,384
PIF Rebate	134,875	-	-	62,097	75,689
Contingency	-	262,290	-	-	2,662
Debt Service					
Bond interest	1,327,525	1,588,683	-	1,554,514	1,700,265
Bond Principal	175,000	185,000	-	185,000	313,000
Total expenditures	<u>1,657,811</u>	<u>2,044,265</u>	<u>8,499</u>	<u>1,810,110</u>	<u>2,105,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>1,170,310</u>	<u>-</u>	<u>335,000</u>	<u>340,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,657,811</u>	<u>3,214,575</u>	<u>8,499</u>	<u>2,145,110</u>	<u>2,445,000</u>
ENDING FUND BALANCES	<u>\$ 5,825,195</u>	<u>\$ 5,543,670</u>	<u>\$ 7,936,494</u>	<u>\$ 7,263,825</u>	<u>\$ 8,901,067</u>
DESIGNATED FOR CAPITAL OUTLAY OR FUTURE DEBT REDUCTION	<u>\$ 5,825,195</u>	<u>\$ 5,543,027</u>	<u>\$ 7,936,494</u>	<u>\$ 7,263,825</u>	<u>\$ 8,901,067</u>
TOTAL RESERVE	<u>\$ 5,825,195</u>	<u>\$ 5,543,027</u>	<u>\$ 7,936,494</u>	<u>\$ 7,263,825</u>	<u>\$ 8,901,067</u>

No assurance provided. See summary of significant assumptions.

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

9/1/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 30,127	\$ -	\$ 30,665	\$ 30,665	\$ -
REVENUES					
Interest income	538	-	774	774	-
Developer advance	-	6,860,000	5,742,381	5,742,381	-
Bond issuance proceeds	-	5,860,000	5,742,000	5,742,000	-
Total revenues	<u>538</u>	<u>12,720,000</u>	<u>11,485,155</u>	<u>11,485,155</u>	<u>-</u>
TRANSFERS IN					
Transfers from other funds	<u>-</u>	<u>1,009,810</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>30,665</u>	<u>13,729,810</u>	<u>11,515,820</u>	<u>11,515,820</u>	<u>-</u>
EXPENDITURES					
General and Administrative					
Accounting	-	2,500	-	2,500	-
Capital Projects					
Repay developer advance	-	6,860,310	5,742,381	5,742,381	-
Engineering	-	7,000	-	7,000	-
Capital outlay	-	6,860,000	5,742,381	5,742,381	-
Total expenditures	<u>-</u>	<u>13,729,810</u>	<u>11,484,762</u>	<u>11,494,262</u>	<u>-</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,558</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>13,729,810</u>	<u>11,484,762</u>	<u>11,515,820</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 30,665</u>	<u>\$ -</u>	<u>\$ 31,058</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST NORTH 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 October 26, 2004.

At an election held on November 2, 2004, the voters approved general obligation indebtedness of \$9,900,000 for street improvements. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,100,000 for water and storm drainage. The voters also approved an annual increase in taxes of \$50,000, at a mill levy rate not to exceed one mill, for general operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20, of the Colorado constitution. Pursuant to the District's operating plan filed annually with the City, the maximum debt service mill levy the District can impose is 50.000 mills. As set forth in the District's 2005 operating plan, the City has limited the amount of debt to be issued to a total of \$9,900,000 in the authorized voted categories, without future approval by the City. On November 6, 2018, the District's electors authorized additional indebtedness of \$25,000,000 for water improvements, \$25,000,000 for sanitary sewer improvements, \$25,000,000 for street improvements, \$25,000,000 for traffic and safety improvements, \$25,000,000 for park and recreation improvements, \$25,000,000 for transportation improvements, \$25,000,000 for security improvements, \$25,000,000 for operations and maintenance, \$25,000,000 for refinancing debt, and \$25,000,000 for reimbursement agreements.

Per the approval of the City Council on October 23, 2018, the amount of authorized debt has been increased from \$13,000,000 to \$25,000,000.

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

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 difference 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.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes – (continued)

The calculation of the taxes levied is displayed on the property tax summary information page 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 property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

PIF 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 at a rate of 1.25%.

Expenditures

Administrative Expenditures

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

County Treasurer's Fees

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (Continued)

Debt Service

Principal and interest payments in 2023 are provided based upon the debt amortization schedules of the Series 2010 General Obligation Bonds, the Series 2016 Limited Tax General Obligation Bonds and the Series 2020 Limited Tax General Obligation Bonds.

Debt and Leases

On December 3, 2010, the District issued \$6,500,000 in General Obligation Bonds. The Bonds mature on December 1, 2040, and bear an interest rate of 8.5% paid annually on December 1. The first interest payment was due on December 1, 2011. At the option of the District, on any date, the bonds are subject to redemption prior to maturity without redemption premium. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On June 8, 2016, the District issued \$4,765,000 in Limited Tax General Obligation Bonds. The Bonds mature on December 1, 2045, and bear an interest rate of 6.5% paid annually on December 1, with optional call date December 1, 2025. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On September 15, 2020, the District issued a \$13,735,000 Limited Tax General Obligation Drawdown Bonds. The initial Draw was for \$1,535,000. The Bonds mature on December 1, 2049, and bear an interest rate of 7% paid annually on December 1, with optional call date January 1, 2027. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

The District entered into a Facilities Funding and Reimbursement Agreement (Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 7% on the first day of the following year in which the advances were made. The Agreement does not constitute a multiple-fiscal year obligation.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The District's current debt service schedule is attached for the 2010 and 2016 Bonds. The exact timing of principal and interest payments for the 2020 Bonds is unknown as all draws have not yet been completed. The District has no capital or operational leases. The District drew \$6,340,000 during 2021 and \$5,742,000 during 2023.

The District has outstanding Developer Advances and activity as follows:

	Balance - December 31, 2022	Additions	Retirements/ Reductions	Balance - December 31, 2023*
Developer Advances	\$ 310	\$ 5,742,381	\$ 5,742,381	\$ 310
Accrued Interest - Developer Advances	97,755	21	-	97,776
Total	<u>\$ 98,065</u>	<u>\$ 5,742,402</u>	<u>\$ 5,742,381</u>	<u>\$ 98,086</u>
	Balance - December 31, 2023*	Additions	Retirements/ Reductions	Balance - December 31, 2024*
Developer Advances	\$ 310	-	-	\$ 310
Accrued Interest - Developer Advances	97,776	21	-	97,797
Total	<u>\$ 98,086</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 98,107</u>

* - Estimated

The District has no operating or capital leases.

Reserves

Emergency Reserve

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.

INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$6,500,000

Series 2010 General Obligation Refunding Bonds

Dated December 3, 2010

Interest Rate 8.50%

<u>Year Ended December 31,</u>	<u>Principal and Interest Due December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 165,000	\$ 452,625	\$ 617,625
2025	180,000	438,600	618,600
2026	195,000	423,300	618,300
2027	210,000	406,725	616,725
2028	230,000	388,875	618,875
2029	250,000	369,325	619,325
2030	270,000	348,075	618,075
2031	290,000	325,125	615,125
2032	315,000	300,475	615,475
2033	345,000	273,700	618,700
2034	375,000	244,375	619,375
2035	405,000	212,500	617,500
2036	355,000	178,075	533,075
2037	385,000	147,900	532,900
2038	415,000	115,175	530,175
2039	450,000	79,900	529,900
2040	490,000	41,650	531,650
	<u>\$ 5,325,000</u>	<u>\$ 4,746,400</u>	<u>\$ 10,071,400</u>

No assurance provided. See summary of significant assumptions.

INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$4,765,000

Series 2016 Limited Tax General Obligation Bonds

Dated June 8, 2016

Interest Rate 6.50%

<u>Year Ended December 31,</u>	<u>Principal and Interest Due December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 40,000	\$ 294,450	\$ 334,450
2025	40,000	291,850	331,850
2026	45,000	289,250	334,250
2027	45,000	286,325	331,325
2028	50,000	283,400	333,400
2029	50,000	280,150	330,150
2030	55,000	276,900	331,900
2031	60,000	273,325	333,325
2032	60,000	269,425	329,425
2033	70,000	265,525	335,525
2034	70,000	260,975	330,975
2035	70,000	256,425	326,425
2036	165,000	251,875	416,875
2037	180,000	241,150	421,150
2038	185,000	229,450	414,450
2039	200,000	217,425	417,425
2040	210,000	204,425	414,425
2041	515,000	190,775	705,775
2042	550,000	157,300	707,300
2043	585,000	121,550	706,550
2044	620,000	83,525	703,525
2045	665,000	43,225	708,225
	<u>\$ 4,530,000</u>	<u>\$ 5,068,700</u>	<u>\$ 9,598,700</u>

No assurance provided. See summary of significant assumptions.

INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$13,617,000

Series 2020 Limited Tax General Obligation Bonds - Draw 1 - 4

Dated September 15, 2020

Interest Rate 7.00%

<u>Year Ended December 31,</u>	<u>Principal and Interest Due December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 108,000	\$ 953,190	\$ 1,061,190
2025	117,000	945,630	1,062,630
2026	123,000	937,440	1,060,440
2027	136,000	928,830	1,064,830
2028	142,000	919,310	1,061,310
2029	154,000	909,370	1,063,370
2030	164,000	898,590	1,062,590
2031	178,000	887,110	1,065,110
2032	194,000	874,650	1,068,650
2033	198,000	861,070	1,059,070
2034	215,000	847,210	1,062,210
2035	237,000	832,160	1,069,160
2036	248,000	815,570	1,063,570
2037	261,000	798,210	1,059,210
2038	288,000	779,940	1,067,940
2039	306,000	759,780	1,065,780
2040	329,000	738,360	1,067,360
2041	592,000	715,330	1,307,330
2042	632,000	673,890	1,305,890
2043	677,000	629,650	1,306,650
2044	727,000	582,260	1,309,260
2045	773,000	531,370	1,304,370
2046	1,536,000	477,260	2,013,260
2047	1,643,000	369,740	2,012,740
2048	1,758,000	254,730	2,012,730
2049	1,881,000	131,670	2,012,670
	<u>\$ 13,617,000</u>	<u>\$ 19,052,320</u>	<u>\$ 32,669,320</u>

No assurance provided. See summary of significant assumptions.

EXHIBIT C
District Boundary
Map

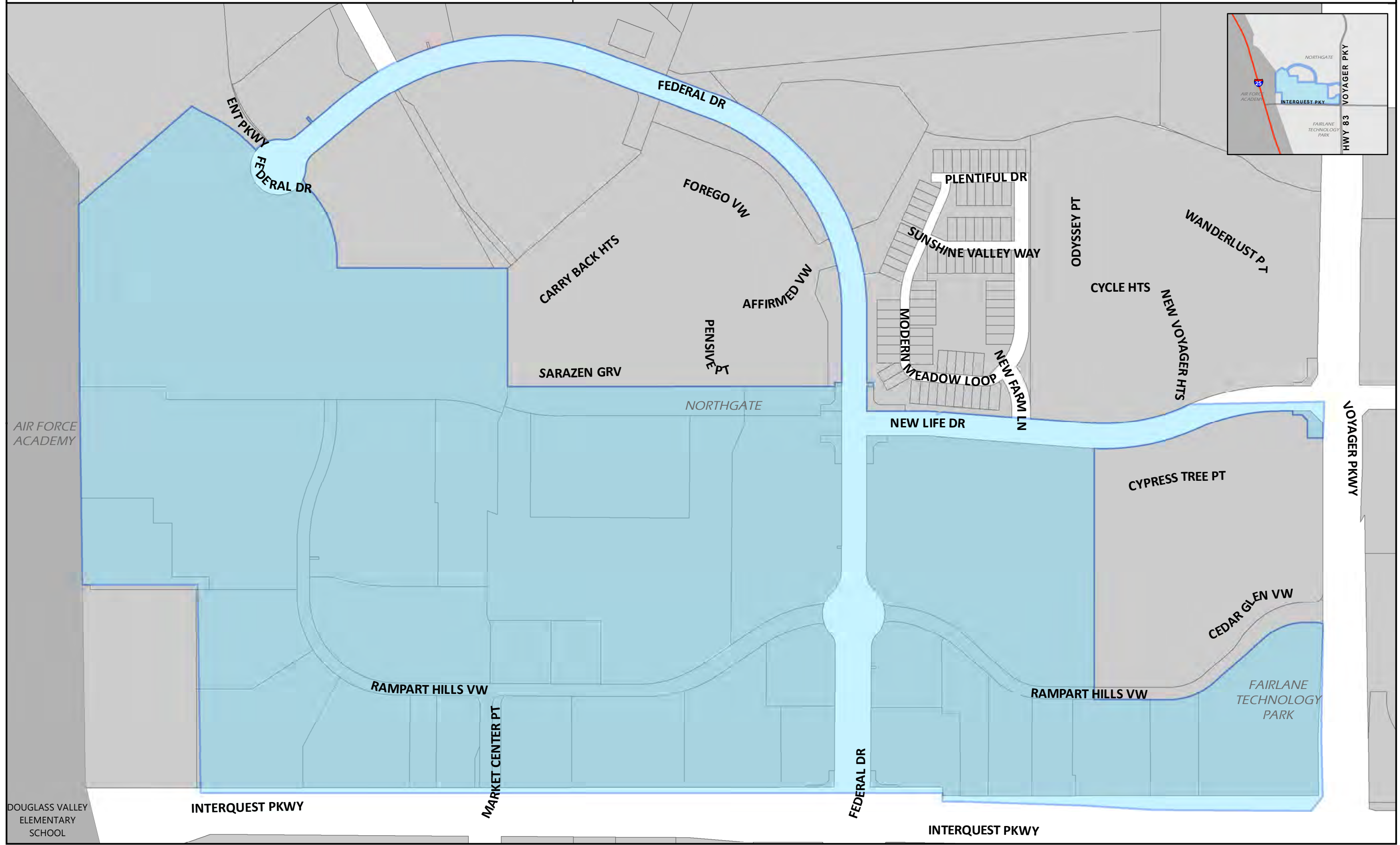
INTERQUEST NORTH BID

 Tax Boundary

1 inch = 272.82 feet

08/19/2022 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

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DOUGLASS VALLEY
ELEMENTARY
SCHOOL

INTERQUEST PKWY

INTERQUEST PKWY

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 Interquest 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 District.

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 the 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 the 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.