

**PARK UNION BUSINESS IMPROVEMENT DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

12/14/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ (431,030)	\$ 8,677,951	\$ 795,842
<b>REVENUES</b>			
Property taxes	68,889	64,774	60,137
Specific ownership tax	7,514	6,477	6,014
Interest income	7,488	4,312	1,590
TIF revenue	-	195,000	195,000
PIF revenue	3,914	36,000	84,000
Developer advance	8,071,968	5,155,000	175,000
Parking revenue	22,557	282,000	300,000
Parking charge - USOPM	15,000	36,000	36,000
Other revenue	-	753	1,613
Bond issuance	26,500,000	1,000,000	3,000,000
Intergovernmental revenues	88,230	112,364	173,251
Event revenue	-	-	20,000
Total revenues	<u>34,785,560</u>	<u>6,892,680</u>	<u>4,052,605</u>
TRANSFERS IN	<u>5,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>34,359,530</u>	<u>15,570,631</u>	<u>4,848,447</u>
<b>EXPENDITURES</b>			
General Fund	258,063	520,000	623,000
Debt Service Fund	158,656	208,000	249,698
Capital Projects Fund	25,259,860	14,046,789	3,826,500
Total expenditures	<u>25,676,579</u>	<u>14,774,789</u>	<u>4,699,198</u>
TRANSFERS OUT	<u>5,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>25,681,579</u>	<u>14,774,789</u>	<u>4,699,198</u>
ENDING FUND BALANCES	<u>\$ 8,677,951</u>	<u>\$ 795,842</u>	<u>\$ 149,249</u>
EMERGENCY RESERVE	\$ 2,600	\$ 12,000	\$ 15,000
AVAILABLE FOR OPERATIONS	56,646	83,842	134,249
TOTAL RESERVE	<u>\$ 59,246</u>	<u>\$ 95,842</u>	<u>\$ 149,249</u>

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION - EL PASO</b>			
Vacant land	\$ 280,800	\$ 280,800	\$ 1,381,790
Commercial	2,484,460	2,310,150	1,023,670
Certified Assessed Value	<u>\$ 2,765,260</u>	<u>\$ 2,590,950</u>	<u>\$ 2,405,460</u>
<b>MILL LEVY</b>			
General	5.000	5.000	5.000
Debt Service	20.000	20.000	20.000
Total mill levy	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>
<b>PROPERTY TAXES</b>			
General	\$ 13,826	\$ 12,955	\$ 12,028
Debt Service	55,305	51,819	48,109
Adjustments to actual/rounding	1,358	-	-
Refund and abatements	(1,600)	-	-
Levied property taxes	<u>68,889</u>	<u>64,774</u>	<u>60,137</u>
Budgeted property taxes	<u>\$ 68,889</u>	<u>\$ 64,774</u>	<u>\$ 60,137</u>
<b>BUDGETED PROPERTY TAXES</b>			
<b>General</b>	<b>\$ 13,778</b>	<b>\$ 12,955</b>	<b>\$ 12,028</b>
<b>Debt Service</b>	<b>55,111</b>	<b>51,819</b>	<b>48,109</b>
	<u><b>\$ 68,889</b></u>	<u><b>\$ 64,774</b></u>	<u><b>\$ 60,137</b></u>

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (7,787)	\$ 59,246	\$ 95,842
<b>REVENUES</b>			
Property taxes	13,778	12,955	12,028
Specific ownership tax	7,514	6,477	6,014
Interest income	67	70	50
Developer advance	240,157	155,000	175,000
Parking charge - USOPM	15,000	36,000	36,000
Parking revenue	22,557	282,000	300,000
PIF revenue	3,914	36,000	84,000
Intergovernmental revenues	22,109	28,094	26,077
Event revenue	-	-	20,000
Total revenues	<u>325,096</u>	<u>556,596</u>	<u>659,169</u>
Total funds available	<u>317,309</u>	<u>615,842</u>	<u>755,011</u>
<b>EXPENDITURES</b>			
General and administrative			
Accounting	54,278	45,400	51,000
Auditing	3,534	3,000	3,300
County Treasurer's fee	207	194	180
PIF collection expense	1,660	2,700	3,000
Dues and licenses	1,803	1,500	1,700
District management	33,267	30,700	33,800
Election expense	3,633	-	10,000
Engineering	-	18,150	20,000
Insurance and bonds	16,357	27,000	29,700
Legal services	41,523	18,300	30,000
Miscellaneous	1,385	1,500	10,000
Contingency	-	22,356	19,790
Operations and maintenance			
Security	-	81,200	89,300
Landscaping	5,625	34,200	38,500
Streets repairs and maintenance	463	20,600	22,700
Fence and sign maintenance	-	3,800	4,200
Utilities	12,729	13,200	14,500
Marketing	-	25,000	48,530
Equipment acquisition	57,171	5,000	10,000
Parking admin expense	13,128	50,000	55,000
Snow removal	11,300	116,200	127,800
Total expenditures	<u>258,063</u>	<u>520,000</u>	<u>623,000</u>
Total expenditures and transfers out requiring appropriation	<u>258,063</u>	<u>520,000</u>	<u>623,000</u>
ENDING FUND BALANCE	<u>\$ 59,246</u>	<u>\$ 95,842</u>	<u>\$ 132,011</u>
EMERGENCY RESERVE	\$ 2,600	\$ 12,100	\$ 14,600
AVAILABLE FOR OPERATIONS	56,646	83,742	117,411
TOTAL RESERVE	<u>\$ 59,246</u>	<u>\$ 95,842</u>	<u>\$ 132,011</u>

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
DEBT SERVICE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

12/14/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 32,922	\$ 1,116	\$ -
REVENUES			
Property taxes	55,111	51,819	48,109
TIF Revenue	-	70,000	70,000
Intergovernmental revenues	66,121	84,270	129,936
Other revenue	-	753	1,613
Interest income	618	42	40
Total revenues	<u>121,850</u>	<u>206,884</u>	<u>249,698</u>
TRANSFERS IN			
Transfers from other funds	<u>5,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>159,772</u>	<u>208,000</u>	<u>249,698</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	827	777	722
Bond interest - 2020A Bonds	152,829	140,270	179,939
Paying agent fees	5,000	5,000	5,000
Administrative fees	-	61,200	62,424
Contingency	-	753	1,613
Total expenditures	<u>158,656</u>	<u>208,000</u>	<u>249,698</u>
Total expenditures and transfers out requiring appropriation	<u>158,656</u>	<u>208,000</u>	<u>249,698</u>
ENDING FUND BALANCE	<u>\$ 1,116</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
CAPITAL PROJECTS FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

12/14/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (456,165)	\$ 8,617,589	\$ 700,000
<b>REVENUES</b>			
Interest income	6,803	4,200	1,500
Developer advance	7,831,811	5,000,000	-
Bond issuance	26,500,000	1,000,000	3,000,000
TIF Revenue	-	125,000	125,000
Total revenues	<u>34,338,614</u>	<u>6,129,200</u>	<u>3,126,500</u>
Total funds available	<u>33,882,449</u>	<u>14,746,789</u>	<u>3,826,500</u>
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	7,830	2,800	10,000
Legal services	66,165	7,200	15,000
Capital Projects			
Project manager	159,942	-	-
Construction management	655,362	-	-
Repay developer advance	8,563,855	5,000,000	-
Engineering/soft costs	3,120,740	1,500	-
Museum & park fees	75,000	-	-
Equipment	63,841	30,000	-
Bridges	4,102,584	4,300,000	-
Bond issue costs	271,000	-	-
Design	95,206	1,600,000	-
Streets	8,078,335	400,000	-
District projects	-	2,600,000	3,700,000
Capital outlay	-	97,789	93,850
Administrative fees	-	7,500	7,650
Total expenditures	<u>25,259,860</u>	<u>14,046,789</u>	<u>3,826,500</u>
<b>TRANSFERS OUT</b>			
Transfers to other fund	<u>5,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>25,264,860</u>	<u>14,046,789</u>	<u>3,826,500</u>
ENDING FUND BALANCE	<u>\$ 8,617,589</u>	<u>\$ 700,000</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Park Union Business Improvement District, formerly known as SW Downtown Business Improvement District (the "District") was organized by Ordinance of the City of Colorado Springs (the "City") on October 12, 2017 and is governed pursuant to provisions of the Colorado Business Improvement Act (Title 31). The District's service area is located entirely within the City in El Paso County, Colorado. 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, 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.

At an election held on November 7, 2017, the voters approved general indebtedness of \$440,000,000 at a maximum interest rate of 18% for each of the following improvements and services: streets, water supply, sanitary sewer, traffic and safety controls, parks and recreation, mosquito control, television relay and translation, public transportation, security services, and fire protection/medical emergency services. The election authorized indebtedness of \$440,000,000 each for operations and maintenance, reimbursement agreements, and debt refunding. The voters also approved an annual increase in taxes of up to \$5,000,000 at a mill levy rate without limitation or with such limitations as may be determined by the board for the purpose of the District's operations, maintenance, and other expenses. 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 mill levy is 50 mills, and the maximum operating mill levy for the payment of operating and maintenance expenses is 10 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2006). The maximum debt authorization for the District is \$105,000,000.

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.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.

**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 Advances**

Since the District is in the development stage, operational expenditures are anticipated to be funded by the Developer. Developer advances are to be recorded as revenues for budget purposes and may be repaid to the Developer from unpledged revenue in future years. The District entered into a Reimbursement Agreement for Operations with the Developer on December 14, 2017. Advances under the agreement bear simple interest at the rate of 6% per annum beginning on the date of advance to the date of repayment.

**Intergovernmental Revenues**

Intergovernmental revenues represent transfers from Park Union Metropolitan District No. 1, formerly known as SW Downtown Metropolitan District No. 1, to provide funding for the overall administrative and operating costs for the Districts.

**Bond Issuance**

During 2020 and 2021, the District issued Series 2020A Limited Tax Supported and Special Revenue Senior Bonds. Bond proceeds was used to repay Developer Advances, will be used to fund the SW Downtown development and bond issue costs.



**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Urban Renewal TIF**

Pursuant to the Urban Renewal Plan, the City-Authority Agreement, the Redevelopment Agreement, and the Cooperation Agreement, with the Colorado Springs Urban Renewal Authority ("CSURA"), the District will receive tax increment financing ("TIF") generated from the District's project to be used toward the repayment of the District's bonds.

**Expenditures**

**Administrative Expenditures**

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, landscape maintenance, and other administrative expenses.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Administrative Fee to CSURA**

Commencing in the calendar year 2020, an administrative fee in the amount of \$60,000, escalating at a rate of 2% annually in each subsequent year, shall be collected annually by CSURA from the total TIF Revenue generated by the District. Until such time as the TIF Revenue is annually in excess of an amount require to fund an administrative fee of not less than the applicable amount, the Developer will pay to CSURA in such amount annually.

**Capital Outlay**

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

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedules from the Series 2020A Bonds (discussed under Debt and Leases).

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**2020A Bonds**

On June 30, 2020, The Districts issued Series 2020A Limited Tax Supported and Special Revenue Senior Bonds in the par amount of \$30,500,000. The Bonds will be issued on a “drawdown” basis, so that advances of the purchase price of the Bonds will be made by the Bond Purchaser to the Trustee in multiple installments in accordance with the terms and provisions of the 2020A Supplemental Indenture.

The initial drawdown was directly placed with the Bond Purchaser on the closing date of June 30, 2020 in the amount of \$15,500,000. The minimum drawdown amount is \$1,000,000, except for the last drawdown. As of June 30, 2021, the total draws were in the amount of \$26,500,000. The District anticipates drawing an additional \$1,000,000 during 2021 and \$3,000,000 during 2022.

The Bonds were issued for the purposes of: (a) financing certain Public Improvements related to the Development, and (b) paying the costs of issuing the Bonds.

The Bonds bear interest at the rate of 8.0% per annum and are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the Bonds prior to their maturity date of December 1, 2049. Instead, interest is payable on June 1 and December 1 (“Interest Payment Date”) and principal is payable on each December 1 pursuant to a mandatory redemption from available Pledged Revenue, if any. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the Bonds.

**Developer Advances**

The District entered into an Operations Reimbursement Agreement (Operations Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 6% beginning on the date the advance were made to the date of repayment. The Operations Agreement does not constitute a multiple-fiscal year obligation.

The District entered into a Facilities Funding and Acquisition Agreement (Facilities Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 8% beginning on the date the advance were made to the date of repayment. The Facilities Agreement does not constitute a multiple-fiscal year obligation.

The District has no operating or capital leases.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
<b>Governmental Activities:</b>				
<b>Bonds from Direct Placements</b>				
Special Revenue Bonds Series 2020A	\$ 26,500,000	\$ 1,000,000	\$ -	\$ 27,500,000
<b>Subtotal of Bonds from Direct Placements</b>	<u>26,500,000</u>	<u>1,000,000</u>	<u>-</u>	<u>27,500,000</u>
<b>Other Debts</b>				
Developer Advances - Operations	335,667	155,000	-	490,667
Accrued Interest: Developer Advances - Operations	16,318	24,087	-	40,405
Developer Advances - Capital	-	5,000,000	5,000,000	-
Accrued Interest: Developer Advances - Capital	570,880	-	-	570,880
<b>Subtotal of Other Debts</b>	<u>922,865</u>	<u>5,179,087</u>	<u>5,000,000</u>	<u>1,101,952</u>
<b>Total Long-Term Debt</b>	<u>\$ 27,422,865</u>	<u>\$ 6,179,087</u>	<u>\$ 5,000,000</u>	<u>\$ 28,601,952</u>
	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
<b>Governmental Activities:</b>				
<b>Bonds from Direct Placements</b>				
Special Revenue Bonds Series 2020A	\$ 27,500,000	\$ 3,000,000	\$ -	\$ 30,500,000
<b>Subtotal of Bonds from Direct Placements</b>	<u>27,500,000</u>	<u>3,000,000</u>	<u>-</u>	<u>30,500,000</u>
<b>Other Debts</b>				
Developer Advances - Operations	490,667	175,000	-	665,667
Accrued Interest: Developer Advances - Operations	40,405	33,403	-	73,808
Developer Advances - Capital	-			-
Accrued Interest: Developer Advances - Capital	570,880	-	-	570,880
<b>Subtotal of Other Debts</b>	<u>1,101,952</u>	<u>208,403</u>	<u>-</u>	<u>1,310,355</u>
<b>Total Long-Term Debt</b>	<u>\$ 28,601,952</u>	<u>\$ 3,208,403</u>	<u>\$ -</u>	<u>\$ 31,810,355</u>

**PARK UNION BUSINESS IMPROVEMENT DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

**This information is an integral part of the accompanying budget.**