

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

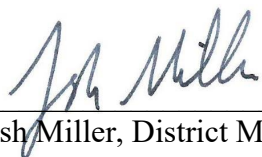
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for PARK UNION BUSINESS IMPROVEMENT DISTRICT in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 2, 2022. If there are any questions on the budget, please contact:

Josh Miller, District Manager
c/o CliftonLarsonAllen LLP
121 S. Tejon Street, Suite 1100
Colorado Springs, CO 80903
Telephone number: 303-779-5710

I, Josh Miller, District Manager of the Park Union Business Improvement District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By:



Josh Miller, District Manager

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
PARK UNION BUSINESS IMPROVEMENT DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE PARK UNION BUSINESS IMPROVEMENT DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Park Union Business Improvement District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 2, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$695,800; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$199,431; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$3,978,000; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$2,396,820; and

WHEREAS, at an election held on November 7, 2021, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK UNION BUSINESS IMPROVEMENT DISTRICT OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Park Union Business Improvement District for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the

following "Certification of Tax Levies," there is hereby levied a tax of 20.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 2nd day of November 2022.

PARK UNION BUSINESS
IMPROVEMENT DISTRICT

DocuSigned by:

Christopher Jenkins

1510F4AC1F2745A...

President

ATTEST:

DocuSigned by:

David Jenkins

5B54775D758F4FF...

Secretary

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

PARK UNION BUSINESS IMPROVEMENT DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**PARK UNION BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 8,677,951	\$ 2,347,139	\$ 1,030,237
REVENUES			
Property taxes	64,634	60,136	71,905
Specific ownership tax	7,607	6,014	7,249
Interest income	2,884	7,500	10,088
TIF revenue	-	-	70,000
PIF Revenue	43,097	45,000	84,000
Developer advance	6,408,801	-	255,000
Parking revenue	292,669	296,000	207,000
Parking charge - USOPM	36,000	21,600	16,800
Other revenue	200	30,000	7,356
Bond issuance	-	-	3,000,000
Intergovernmental revenues	114,006	104,390	104,097
Event revenue	-	20,000	30,000
Total revenues	<u>6,969,898</u>	<u>590,640</u>	<u>3,863,495</u>
TRANSFERS IN	<u>61,200</u>	<u>124,430</u>	<u>-</u>
Total funds available	<u>15,709,049</u>	<u>3,062,209</u>	<u>4,893,732</u>
EXPENDITURES			
General Fund	851,561	572,000	695,800
Debt Service Fund	198,130	190,542	199,431
Capital Projects Fund	12,251,019	1,145,000	3,978,000
Total expenditures	<u>13,300,710</u>	<u>1,907,542</u>	<u>4,873,231</u>
TRANSFERS OUT	<u>61,200</u>	<u>124,430</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>13,361,910</u>	<u>2,031,972</u>	<u>4,873,231</u>
ENDING FUND BALANCES	<u>\$ 2,347,139</u>	<u>\$ 1,030,237</u>	<u>\$ 20,501</u>
EMERGENCY RESERVE	\$ 12,700	\$ 13,800	\$ 12,200
AVAILABLE FOR OPERATIONS	99,217	45,001	8,301
TOTAL RESERVE	<u>\$ 111,917</u>	<u>\$ 58,801</u>	<u>\$ 20,501</u>

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION - EL PASO			
Commercial	\$ 2,310,150	\$ 1,381,790	\$ 1,388,540
State Assessed	-	-	3,970
Vacant land	280,800	1,023,670	1,023,670
	<u>2,590,950</u>	<u>2,405,460</u>	<u>2,416,180</u>
Adjustments TIF	-	-	(19,360)
Certified Assessed Value	<u>\$ 2,590,950</u>	<u>\$ 2,405,460</u>	<u>\$ 2,396,820</u>
MILL LEVY			
General	5.000	5.000	10.000
Debt Service	20.000	20.000	20.000
Total mill levy	<u>25.000</u>	<u>25.000</u>	<u>30.000</u>
PROPERTY TAXES			
General	\$ 12,955	\$ 12,028	\$ 23,968
Debt Service	51,819	48,109	47,937
Adjustments to actual/rounding	(140)	(1)	-
Levied property taxes	<u>64,634</u>	<u>60,136</u>	<u>71,905</u>
Budgeted property taxes	<u>\$ 64,634</u>	<u>\$ 60,136</u>	<u>\$ 71,905</u>
BUDGETED PROPERTY TAXES			
General	\$ 12,927	\$ 12,027	\$ 23,968
Debt Service	51,707	48,109	47,937
	<u>\$ 64,634</u>	<u>\$ 60,136</u>	<u>\$ 71,905</u>

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 59,246	\$ 111,917	\$ 58,801
REVENUES			
Property taxes	12,927	12,027	23,968
Specific ownership tax	7,607	6,014	7,249
Interest income	107	140	100
Developer advance	483,122	-	255,000
Parking charge - USOPM	36,000	21,600	16,800
Parking Revenue	292,669	296,000	207,000
PIF Revenue	43,097	45,000	84,000
Other revenue	200	30,000	7,356
Intergovernmental revenues	28,503	26,097	26,027
Event revenue	-	20,000	30,000
Total revenues	904,232	456,878	657,500
TRANSFERS IN			
Transfers from other funds	-	62,006	-
Total funds available	963,478	630,801	716,301
EXPENDITURES			
General and administrative			
Accounting	43,901	57,000	60,000
Auditing	3,000	3,225	3,500
County Treasurer's fee	194	180	360
PIF collection expense	2,371	7,000	8,000
Dues and licenses	1,768	1,700	1,700
District management	36,621	26,000	30,000
Election expense	-	1,576	5,000
Insurance and bonds	26,535	28,147	30,000
Legal services	25,832	15,000	30,000
Consulting services	319,407	-	-
Miscellaneous	2,883	3,000	10,000
Contingency	-	3,572	7,440
Operations and maintenance			
Security	79,246	117,000	100,000
Landscaping	41,114	55,000	50,000
Lease expense	47,470	-	-
Streets repairs and maintenance	48,471	40,000	42,000
Fence and sign maintenance	9,170	4,200	4,500
Elevator maintenance	-	-	10,000
Building improvements	-	-	20,000
Utilities	24,711	53,000	55,000
Trash and recycling	4,401	4,400	4,500
Internet	3,994	-	-
Stormwater	18	-	-
Marketing	6,628	-	-
Equipment Acquisition	6,761	-	-
Parking admin expense	58,457	77,000	84,500
Snow Removal	58,608	75,000	139,300
Total expenditures	851,561	572,000	695,800
Total expenditures and transfers out requiring appropriation	851,561	572,000	695,800
ENDING FUND BALANCE	\$ 111,917	\$ 58,801	\$ 20,501
EMERGENCY RESERVE	\$ 12,700	\$ 13,800	\$ 12,200
AVAILABLE FOR OPERATIONS	99,217	45,001	8,301
TOTAL RESERVE	\$ 111,917	\$ 58,801	\$ 20,501

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,116	\$ 1,456	\$ -
REVENUES			
Property taxes	51,707	48,109	47,937
TIF Revenue	-	-	70,000
Intergovernmental revenues	85,503	78,293	78,070
Interest income	60	260	3,424
Total revenues	<u>137,270</u>	<u>126,662</u>	<u>199,431</u>
TRANSFERS IN			
Transfers from other funds	<u>61,200</u>	<u>62,424</u>	<u>-</u>
Total funds available	<u>199,586</u>	<u>190,542</u>	<u>199,431</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	776	722	719
Bond interest - 2020A Bonds	132,154	122,396	130,040
Paying agent fees	4,000	5,000	5,000
Administrative Fees	61,200	62,424	63,672
Total expenditures	<u>198,130</u>	<u>190,542</u>	<u>199,431</u>
Total expenditures and transfers out requiring appropriation	<u>198,130</u>	<u>190,542</u>	<u>199,431</u>
ENDING FUND BALANCE	<u>\$ 1,456</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 8,617,589	\$ 2,233,766	\$ 971,436
REVENUES			
Interest income	2,717	7,100	6,564
Developer advance	5,925,679	-	-
Bond issuance	-	-	3,000,000
Total revenues	<u>5,928,396</u>	<u>7,100</u>	<u>3,006,564</u>
Total funds available	<u>14,545,985</u>	<u>2,240,866</u>	<u>3,978,000</u>
EXPENDITURES			
General and Administrative			
Accounting	2,945	10,000	10,000
Legal services	4,388	-	15,000
Cost verification	1,500	-	-
Capital Projects			
Repay developer advance	5,925,679	-	-
Engineering/Soft Costs	6,600	1,000	1,000
Equipment	54,260	4,000	5,000
Bridges	5,925,679	-	-
Security cameras	-	-	250,000
District Projects	-	1,000,000	3,697,000
Contributions to other governments	157,000	-	-
Design	3,488	-	-
Streets	169,480	30,000	-
Capital outlay	-	100,000	-
Total expenditures	<u>12,251,019</u>	<u>1,145,000</u>	<u>3,978,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>61,200</u>	<u>124,430</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>12,312,219</u>	<u>1,269,430</u>	<u>3,978,000</u>
ENDING FUND BALANCE	<u>\$ 2,233,766</u>	<u>\$ 971,436</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT
2023 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
2023 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

The District anticipates issuing \$3,000,000 in Bonds during 2023.

**PARK UNION BUSINESS IMPROVEMENT DISTRICT
2023 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, to be paid to the 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
2023 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, 2022, the total draws were in the amount of \$26,500,000. The District anticipates drawing an additional \$3,000,000 during 2023.

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
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)				
	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
Governmental Activities:				
Bonds from Direct Placements				
Special Revenue Bonds Series 2020A	\$ 26,500,000	\$ -	\$ -	\$ 26,500,000
Subtotal of Bonds from Direct Placements	26,500,000	-	-	26,500,000
Other Debts				
Developer Advances - Operations	818,789	-	-	818,789
Accrued Interest: Developer Advances - Operations	44,948	49,127	-	94,075
Accrued Interest: Developer Advances - Capital	570,880	-	-	570,880
Subtotal of Other Debts	1,434,617	49,127	-	1,483,744
Total Long-Term Debt	\$ 27,934,617	\$ 49,127	\$ -	\$ 27,983,744
	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023
Governmental Activities:				
Bonds from Direct Placements				
Special Revenue Bonds Series 2020A	\$ 26,500,000	\$ 3,000,000	\$ -	\$ 29,500,000
Subtotal of Bonds from Direct Placements	26,500,000	3,000,000	-	29,500,000
Other Debts				
Developer Advances - Operations	818,789	255,000	-	1,073,789
Accrued Interest: Developer Advances - Operations	94,075	56,777	-	150,852
Accrued Interest: Developer Advances - Capital	570,880	-	-	570,880
Subtotal of Other Debts	1,483,744	311,777	-	1,795,521
Total Long-Term Debt	\$ 27,983,744	\$ 3,311,777	\$ -	\$ 31,295,521

**PARK UNION BUSINESS IMPROVEMENT DISTRICT
2023 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 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the PARK UNION BUSINESS IMPROVEMENT DISTRICT,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the PARK UNION BUSINESS IMPROVEMENT DISTRICT
(local government)^C


Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,416,180 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 2,396,820 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/07/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.000</u> mills	\$ <u>23,968</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 23,968
3. General Obligation Bonds and Interest ^J	<u>20.000</u> mills	\$ <u>47,937</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	30.000 mills	\$ 71,905

Contact person: Carrie Bartow Daytime phone: (719) 635-0330
(print)

Signed:  Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ 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.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** 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:

BONDS^J:

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | Public infrastructure improvements |
| | Series: | Limited Tax Supported and Special Revenue Senior Bonds, Series
2020A |
| | Date of Issue: | 06/30/2020 |
| | Coupon Rate: | 8% |
| | Maturity Date: | 12/01/2049 |
| | Levy: | 20.000 |
| | Revenue: | \$47,937 |
| | | |
| 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.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity*'s boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity*'s mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity*'s total mills upon the *taxing entity*'s *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity*'s mill levy applied against the *taxing entity*'s gross assessed value after subtracting the *taxing entity*'s revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO, } ss.
COUNTY OF EL PASO }

I, Amy Sweet, Publisher and Executive Editor, or the undersigned Authorized Agent of the Publisher and Executive Editor, do solemnly swear that I am the Publisher and Executive Editor, or Authorized Agent of the Publisher and Executive Editor of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

26, OCTOBER, A.D. 2022.

And that the last publication of said notice was in the issue of said newspaper dated:

26, OCTOBER, A.D. 2022.

In witness whereof, I have hereunto set my hand this 26th day of October, A.D. 2022.

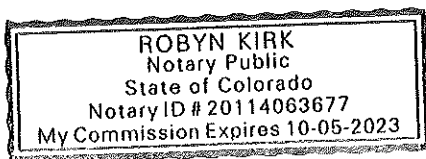
Amy Sweet

Publisher and Executive Editor / Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 26th day of October, A.D. 2022.

Robyn Kirk

Notary Public



NOTICE OF HEARING
ON PROPOSED 2023
BUDGET AND 2022
BUDGET AMENDMENT

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2023 has been submitted to the Park Union Business Improvement District ("District"). Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held at 9:30 a.m. on November 2, 2022 via telephone and videoconference. To attend and participate by telephone, dial (720) 547-5281 and enter conference ID: 505 813 516#. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting and public hearing online at www.parkunionbid.com or by contacting Hannah Phillips by email at Hannah.phillips@claconnect.com or by telephone at (719) 635-0330.

NOTICE IS FURTHER GIVEN that an amendment to the 2022 budget of the District may also be considered at the above-referenced meeting and public hearing of the Board of Directors of the District. A copy of the proposed 2023 budget and the amended 2022 budget, if required, are available for public inspection at the offices of CliftonLarsonAllen, LLP at 121 South Tejon Street Suite 1100, Colorado Springs, Colorado 80903. Any interested elector within the District may, at any time prior to final adoption of the 2023 budget and the amended 2022 budget, if required, file or register any objections thereto.

PARK UNION
BUSINESS
IMPROVEMENT DISTRICT
By: /s/ Christopher Jenkins
President

Publication Date: October 26, 2022
Published in The Transcript
DT41946