2026 OPERATING PLAN AND BUDGET

FIRST AND MAIN NORTH BUSINESS IMPROVEMENT DISTRICT

City of Colorado Springs, El Paso County, Colorado

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2026
OPERATING PLAN FOR THE
FIRST AND MAIN 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 First and Main 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 2026 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 and landscaping consistent with prior years' activities.

D. *Ownership of Property or Major Assets.*

The District owns certain street improvements, parking facilities, water improvements, and drainage improvements.

E. ***Contracts and Agreements.***

Intergovernmental Agreement for Cost Sharing of Certain Public Improvements (effective January 1, 2024) between the District and First and Main Business Improvement District No. 2, whereby the District transfers certain revenues to First and Main Business Improvement District No. 2 and First and Main Business Improvement District No. 2 provides administrative and operational services on behalf of the District.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. ***Organization.***

The First and Main North Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-51 on April 27, 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
Gregory Barbuto, Treasurer

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

D. ***Term Limits.***

The District held a regular election in May 8, 2012, at which time a ballot question was presented to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The ballot 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.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

A copy of the current map of the District is attached as **EXHIBIT C**. The District does not anticipate inclusion or exclusion requests in the coming year.

4. PUBLIC IMPROVEMENTS

The District will be primarily concerned with the provision of public improvements and services within the boundaries of the District; however, there may be instances to provide improvements or services outside of the boundaries of the District. 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. *2026 Budget.*

The 2026 Budget for the District is attached as **EXHIBIT B.**

B. *Authorized Indebtedness.*

At an election held on May 4, 2004, the voters approved general obligation indebtedness of $2,100,000 for street improvements, $2,000,000 for parking facilities, and $5,000,000 for refinancing of District debt. The voters also approved an annual increase in taxes of $9,154, 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. On November 1, 2005, the District authorized additional indebtedness of $225,000 for water and $50,000 for storm drainage.

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. The Series 2005

Bond Resolution limits the mill levy to pay those bonds to 44.000 mills in 2005 and 2006, 39.000 mills for the years 2007 through 2015, and 34.000 mills for the years 2016 through 2034. Due to lower than projected revenues from the limited mill levy, the Board of Directors of the District approved keeping the mill levy at 39.000 mills. However, pursuant to the Second Amendment to Bond Resolution, Series 2005, dated November 29, 2017, the District authorized the mill levy limitation to not exceed 50.000 mills for payment of principal, premium, and interest on the bonds and any parity bonds. As set forth in the District's 2004 Operating Plan, the City has limited the amount of debt to be issued to a total of $2,200,000 in the authorized voted categories. This maximum debt authorization amount shall not be exceeded without express prior approval by the City.

C. ***Maximum Debt and Operating Mill Levies.***

The mill levy limitations in the original Operating Plan remain unchanged. The Maximum Debt Mill Levy is fifty (50) mills. The Maximum Operating Mill Levy is one (1) mill. 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, 2004. Such upward or downward adjustments are to be determined by the Board of Directors 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, 2004, are neither diminished nor enhanced as a result of such changes.

D. ***District Revenues.***

See 2026 Budget, which is attached hereto as **EXHIBIT B**.

E. ***Existing Debt Obligations.***

In 2005 the District issued its $1,927,000 Series 2005 Limited Tax General Obligation Bonds ("Series 2005 Bonds") with an interest rate of 6.00%. The Series 2005 Bonds financed public improvements, as were voted on at the November 2004 and November 2005 elections and approved by the City, which included streets, parking, water, and sewer improvements.

F. ***Future Debt Obligations.***

The District does not intend to issue debt in the coming year.

G. ***Developer Funding Agreements.***

The District and Development Management, Inc. entered into a Reimbursement Agreement, effective December 31, 2006, as Amended pursuant to an Amendment to Reimbursement Agreement, effective March 30, 2011. At the end of 2025, it is anticipated that the District will have an outstanding developer advance obligation in the amount of $162,383 in principal and $97,817 in interest. Interest accrues at a rate of 7%.

Any Developer Funding Agreements entered into by the 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 new Developer Funding Agreements 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.***

No other financial obligations of the District are anticipated in the coming year.

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 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 Fee Limitation.***

The District shall not impose an End User 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 31st of each year which is performed by an independent certified public accounting firm. Notwithstanding the foregoing, the District may submit a completed audit exemption application to the City Finance Department in lieu of an annual audit if the District qualifies for an audit exemption.

B. ***SID and Authority 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 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, this 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 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.***

This District will not utilize any revenues from a new, increased or expanded public improvement fee ("PIF") unless specifically authorized in this or a subsequent operating plan and budget, or separately approved by City Council. The imposition of a PIF and any provisions for adjustment of a PIF that have been previously approved by City Council shall not be subject to this restriction.

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 no issue debt for or otherwise fund any costs or expenses not allowed for by the Special District Policy.

H. ***Intergovernmental Agreements.***

The District and First and Main Business Improvement District No. 2 entered into an Intergovernmental Agreement for Operational Cost Sharing, which was effective January 1, 2024, whereby the District transfers certain revenue to the First and Main Business Improvement District No. 2, which is responsible for paying all operations and maintenance costs of the two districts.

I. ***Overlapping Districts.***

There are no districts that overlap with the District.

8. 2026 ACTIVITIES, PROJECTS AND CHANGES

A. ***Activities.***

The District does not anticipate activity for commercial development in 2026. Specific improvements and services the District provides through the agreement with First and Main Business Improvement District No. 2 include parking facilities, roadways, lighting, driveways, public utilities and landscaping consistent with prior years' activities.

B. ***Projects and Public Improvements.***

The District does not anticipate funding the design, installation or acquisition of additional public improvements during 2026. If the District acts to fund additional improvements during calendar year 2026, an amendment to this Operating Plan will be sought in accordance with the provisions of Section 31-25-1211, C.R.S.

C. ***Summary of 2026 Activities and Changes from Prior Year.***

The District's activities will focus on district administration and payment of its existing bonds, as well as operating and maintaining parking facilities, roadways, lighting, driveways, public utilities and landscaping services through First and Main BID No. 2.

Boundary changes: Not anticipated for the upcoming year.

Changes to board or governance structure: Not anticipated for the upcoming year.

Mill levy changes: In 2025 the mill levy imposed for operations and maintenance expenses was 1.042 and the debt service mill levy was 52.122 mills. In 2026, the District anticipates imposing a mill levy of 1.074 mills for operations and maintenance expenses and a debt service mill levy of 53.703 mills.

New, refinanced or fully discharged debt: Not anticipated for the upcoming year.

Elections: It is anticipated that the District's eligible electors will consider approval of the waiver of the 5.25% property tax limit as set forth in C.R.S. § 29-1-1702 at an election to be held on November 4, 2025. The District does not anticipate an election in 2026.

Major changes in development activity or valuation: Not anticipated for the upcoming year.

Ability to meet current financial obligations: See 2026 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 address is https://www.firstandmainbid.com/, which is a website for the District, the First and Main Business Improvement District, and First and Main Business Improvement District No. 2.

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
First and Main North Business Improvement District

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM	PHONE #/E-MAIL
Timothy Seibert Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2023-2027	(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	2023-2027	(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	2023-2027	(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	2025-2029	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com
Gregory Barbuto Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Treasurer	2025-2029	(w) 719-593-2600 (f) 719-633-0545 gbarbuto@nor-wood.com

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 (f) 719-633-0545 djohnson@nor-wood.com	CliftonLarsonAllen LLP 121 South Tejon Street, Suite 1100 Colorado Springs, CO 80906 (w) 719-635-0300

ACCOUNTANT:	AUDITOR:
Carrie Bartow, CPA CliftonLarsonAllen LLP 121 South Tejon, Suite 1100 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 (f) 719-576-0126

INSURANCE AND BONDS:	STAFF:
T. Charles Wilson Insurance Service 384 Inverness Parkway Centennial, CO 80112 303-368-5757	N/A

EXHIBIT B
2026 BID Budget

FIRST & MAIN NORTH

BUSINESS IMPROVEMENT DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

9/23/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 30,279	$ 47,132	$ 45,513	$ 45,513	$ 48,841
REVENUES					
Property taxes	161,526	153,455	153,223	153,455	160,238
Specific ownership taxes	15,111	15,346	7,298	14,578	15,223
Interest Income	4,508	2,000	3,080	3,300	2,000
Other Revenue	83	2,500	687	24	2,500
Total revenues	181,228	173,301	164,288	171,357	179,961
Total funds available	211,507	220,433	209,801	216,870	228,802
EXPENDITURES					
General Fund	15,752	20,854	11,264	17,910	20,865
Debt Service Fund	150,242	152,000	150,119	150,119	152,000
Total expenditures	165,994	172,854	161,383	168,029	172,865
Total expenditures and transfers out requiring appropriation	165,994	172,854	161,383	168,029	172,865
ENDING FUND BALANCES	$ 45,513	$ 47,579	$ 48,418	$ 48,841	$ 55,937

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

9/22/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION					
Commercial	$ 2,937,510	$ 2,886,450	$ 2,886,450	$ 2,886,450	$ 2,925,270
State assessed	90,420	-	-	-	-
	3,027,930	2,886,450	2,886,450	2,886,450	2,925,270
Certified Assessed Value	$ 3,027,930	$ 2,886,450	$ 2,886,450	$ 2,886,450	$ 2,925,270
MILL LEVY					
General	1.042	1.042	1.042	1.042	1.074
Debt Service	52.114	52.122	52.122	52.122	53.703
Total mill levy	53.156	53.164	53.164	53.164	54.777
PROPERTY TAXES					
General	$ 3,155	$ 3,008	$ 3,008	$ 3,008	$ 3,142
Debt Service	157,798	150,448	150,448	150,448	157,096
Levied property taxes	160,953	153,456	153,456	153,456	160,238
Adjustments to actual/rounding	-	(1)	(233)	(1)	-
Refunds and abatements	573	-	-	-	-
Budgeted property taxes	$ 161,526	$ 153,455	$ 153,223	$ 153,455	$ 160,238
BUDGETED PROPERTY TAXES					
General	**$ 3,166**	**$ 3,008**	**$ 3,003**	**$ 3,008**	**$ 3,142**
Debt Service	**158,360**	**150,447**	**150,220**	**150,447**	**157,096**
	$ 161,526	**$ 153,455**	**$ 153,223**	**$ 153,455**	**$ 160,238**

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

9/23/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ (2,735)	$ -	$ -	$ -	$ -
REVENUES					
Property taxes	3,166	3,008	3,003	3,008	3,142
Specific ownership taxes	15,111	15,346	7,298	14,578	15,223
Interest Income	127	-	276	300	-
Other Revenue	83	2,500	687	24	2,500
Total revenues	18,487	20,854	11,264	17,910	20,865
TRANSFERS IN					
Total funds available	15,752	20,854	11,264	17,910	20,865
EXPENDITURES					
General and administrative					
County Treasurer's Fee	47	45	45	45	47
Insurance	2,034	-	-	-	-
District management	468	-	-	-	-
Legal	438	-	-	-	-
Contingency	235	2,500	-	-	2,500
Intergovernmental Expenditures	12,530	18,309	11,219	17,865	18,318
Operations and maintenance					
Total expenditures	15,752	20,854	11,264	17,910	20,865
Total expenditures and transfers out requiring appropriation	15,752	20,854	11,264	17,910	20,865
ENDING FUND BALANCES	$ -	$ -	$ -	$ -	$ -

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

9/22/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 33,014	$ 47,132	$ 45,513	$ 45,513	$ 48,841
REVENUES					
Property taxes	158,360	150,447	150,220	150,447	157,096
Interest Income	4,381	2,000	2,804	3,000	2,000
Total revenues	162,741	152,447	153,024	153,447	159,096
Total funds available	195,755	199,579	198,537	198,960	207,937
EXPENDITURES					
General and administrative					
County Treasurer's Fee	2,377	2,257	2,254	2,254	2,356
Contingency	-	1,878	-	-	1,877
Debt Service					
Bond interest	73,518	69,058	69,058	69,058	64,329
Bond principal	74,347	78,807	78,807	78,807	83,438
Total expenditures	150,242	152,000	150,119	150,119	152,000
Total expenditures and transfers out requiring appropriation	150,242	152,000	150,119	150,119	152,000
ENDING FUND BALANCES	$ 45,513	$ 47,579	$ 48,418	$ 48,841	$ 55,937

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
2026 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, landscaping, water and storm sewer. 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 April 27, 2004.

At an election held on May 4, 2004, the voters approved general obligation indebtedness of $2,100,000 for street improvements, $2,000,000 for parking facilities and $5,000,000 for refinancing of District debt. On November 1, 2005, the District authorized additional indebtedness of $225,000 for water and $50,000 for storm drainage. The voters also approved an annual increase in taxes of $9,154, 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. The Series 2005 Bond Resolution limits the mill levy to pay those bonds to 44.000 mills in 2005 and 2006, 39.000 mills for the years 2007 through 2015, and 34.000 mills for the years 2016 through 2034. On November 29, 2017, the District's Board of Directors approved keeping the mill levy at 50.000 mills until further notice. As set forth in the District's 2004 operating plan, the City has limited the amount of debt to be issued to a total of $2,200,000 in the authorized voted categories, without future approval by the City.

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

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

Revenues - (Continued)

Property Taxes – (continued)

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.

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			Oil & Gas Production	87.50%

Specific Ownership Tax

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 9.5% 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%.

Expenditures

Intergovernmental Expenditures

Pursuant to an Intergovernmental Agreement entered into during 2023 with First & Main Business Improvement District No. 2 (F&M BID No. 2), the intergovernmental expenditures represent transfers to F&M BID No. 2 to provide funding for the overall administrative and operating costs of the District.

County Treasurer's Fees

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

Debt Service

Principal and interest payments in 2026 are provided based on the debt amortization schedule from the Series 2005 General Obligation Bonds.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

On March 25, 2005 the District issued $1,927,000 in General Obligation Limited Tax Bonds dated March 30, 2005 for infrastructure improvements. The bonds bear interest at a rate of 6.00%. Bond interest and principal payments are payable annually on July 1. Any accrued and unpaid interest will compound on July 1 of each year. The bonds are payable as funds are available from property taxes over 30 years with final maturity on March 30, 2035.

The District entered into a Reimbursement Agreement (Agreement) with the Developer. The District agrees to reimburse the Developer for operational advances made on behalf of the District. 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 multi-fiscal year obligation.

On March 30, 2011, the District entered into the Amendment to the Reimbursement Agreement to recognize advances, and accrued interest, made to the District prior to 2006. Such advances were originally recorded in the District's records as a contribution.

The District has no operating or capital leases.

The District has outstanding Developer Advances with anticipated activity as follows:

	Balance - December 31, 2024*	Additions	Retirements/ Reductions	Balance - December 31, 2025*
Developer Advances	$ 162,383	$ -	$ -	$ 162,383
Accrued Interest - Developer Advances	86,450	11,367	-	97,817
Total	$ 248,833	$ 11,367	$ -	$ 260,200

	Balance - December 31, 2025*	Additions	Retirements/ Reductions	Balance - December 31, 2026*
Developer Advances	$ 162,383	$ -	$ -	$ 162,383
Accrued Interest - Developer Advances	97,817	11,367	-	109,184
Total	$ 260,200	$ 11,367	$ -	$ 271,567

Reserves

Emergency Reserve

Pursuant to the Intergovernmental Agreement with F&M BID No. 2, the District transfers all available General Fund revenue to F&M BID No. 2. Therefore, no emergency reserve related to its revenue stream is captured in the District. The Emergency Reserve for the revenue is reflected in F&M BID No. 2.

This information is an integral part of the accompanying budget.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$1,927,000 General Obligation Bonds
Series 2005
Dated March 30, 2005
Principal and Interest due July 1
Interest Rate 6.0% Payable

Year Ended December 31,	Principal	Interest	Annual Debt Service
2026	$ 83,438	$ 64,329	$ 147,767
2027	88,444	59,323	147,767
2028	93,647	54,016	147,663
2029	99,266	48,397	147,663
2030	105,122	42,441	147,563
2031	111,429	36,134	147,563
2032	118,015	29,448	147,463
2033	125,095	22,368	147,463
2034	132,491	14,862	147,353
2035	115,206	4,877	120,083
	$ 1,072,153	$ 376,195	$ 1,448,348

EXHIBIT C
District Boundary Map

FIRST & MAIN NORTH BID

Tax Boundary

1 inch = 107.15 feet

08/24/2021 EPC Assessor's Office

NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet

Projection: Lambert_Conformal_Conic

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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 First and Main North Business Improvement District.

i. **End User** – A property owner anticipated to 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 Districts.

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 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 that 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 statues.

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.