

**FITZSIMONS VILLAGE
METROPOLITAN DISTRICT NO. 3**

2022 ANNUAL REPORT

1. **BOUNDARY CHANGES MADE OR PROPOSED:** No boundary changes were made or proposed in 2022.
2. **INTERGOVERNMENTAL AGREEMENTS:** There were no intergovernmental agreements in 2022.
3. **COPIES OF DISTRICT'S RULES AND REGULATIONS:** The District approved a Joint Resolution Regarding the Imposition of Facilities Fees on 4/19/10; a Joint Operations and Maintenance Fee Resolution on 9/08/11; a First Amended and Restated Joint Operations and Maintenance Fee Resolution on 8/13/14; and a Joint Resolution Regarding the Imposition of Facilities Fees on 8/13/14.
4. **SUMMARY OF ANY LITIGATION:** In 2018, the District, Fitzsimons Village Metropolitan District Nos. 1 and 2, the Aurora Urban Renewal Authority, and the City of Aurora filed suit against the Arapahoe County Assessor and the Colorado State Property Tax Administrator ("the Defendants") arising from a tax dispute over the tax increment financing (the "TIF Litigation"). The District was dismissed from involvement in the TIF Litigation as the result of a motion to dismiss granted in favor of the Defendants on June 18, 2019. The Court granted summary judgment on June 10, 2020. Corporex Colorado LLC and Fitzsimons Village Metropolitan District Nos. 1-3 initiated an appeal of the Court's ruling before the Colorado Court of Appeals in July 2020. An appellate decision was entered on January 6, 2022, affirming the court in part, reversing the court in part, and remanding the case to the district court. The Court of Appeals decision is being reviewed by the Colorado Supreme Court and the matter is set for oral argument in September 2023.
5. **STATUS OF THE DISTRICT'S CONSTRUCTION OF THE PUBLIC IMPROVEMENTS:** Construction on the structured parking facility located within District No. 3 started in early 2022 and is still underway as of the date of this report. The structured parking facility is being constructed by District No. 1 and will be owned and operated by District No. 1, with funding being provided in coordination with District No. 3. Construction on the Promenade park is expected to commence in 2023..
6. **LIST OF ALL FACILITIES AND IMPROVEMENTS CONSTRUCTED BY THE DISTRICT THAT HAVE BEEN DEDICATED TO AND ACCEPTED BY THE CITY:** There was no construction or dedication of Public Improvements to the City in 2022.
7. **ASSESSED VALUATION:** Please see Certification of Valuation (See Exhibit A).
8. **CURRENT YEAR BUDGET:** Please see 2023 Budget (See Exhibit B).
9. **AUDIT / AUDIT EXEMPTIONS:** The District's 2022 Audit is not complete and will be filed separately when available.

10. NOTICE OF ANY UNCURED EVENTS OF DEFAULT: None.

11. ANY INABILITY OF THE DISTRICT TO PAY ITS OBLIGATIONS: None.

EXHIBIT A



PK Kaiser, MBA, MS

Assessor

November 23, 2022

OFFICE OF THE ASSESSOR

5334 S. Prince Street

Littleton, CO 80120-1136

Phone: 303-795-4600

TDD: Relay-711

Fax: 303-797-1295

<http://www.arapahoegov.com/assessor>

assessor@arapahoegov.com

AUTH 4323 FITZSIMONS VILLAGE METRO

DIST #3

CLIFTON LARSON ALLEN LLP

C/O ANNA JONES

8390 E CRESCENT PKY STE 300

GREENWOOD VILLAGE CO 80111

Code # 4323

RECERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2022 of:

\$1,939,300

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

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RECERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity

☐ YES ☒ NO

Date: November 23, 2022

NAME OF TAX ENTITY: FITZSIMONS VLG METRO DIST #3

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	1,798,560
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	1,939,300
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	100,086
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	1,839,214
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	6,673,954
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0
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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$	0
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT B

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2023

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (10,221)	\$ 22,884,780	\$ 20,021,924
REVENUES			
Property Taxes	7,732	80,936	82,764
Property Taxes - ARI	-	1,798	1,839
Specific Ownership Taxes	561	6,097	5,353
Public Improvement Fees	159,775	305,000	-
Interest Income	134	195,000	465,000
O&M Fee Pledge	62,290	62,604	68,084
Developer Advance - Corporex	-	17,912	70,326
AURA funding - Lodger Tax	-	-	297,330
AURA funding - Property Tax	-	-	650,000
AURA funding - Sales Tax	-	-	103,990
Transfer from AURA - ARI property taxes	3,703	4,407	4,365
Transfer from AURA - TIF property taxes	88,943	109,620	43,647
Transfer from Fitzsimons No. 1 - O&M Fee Pledge	33,000	12,000	-
Transfer from Fitzsimons No. 1 - AURA Funding	-	903,772	-
Transfer from Fitzsimons No. 1 - PIF	-	42,150	85,500
Transfer from Fitzsimons No. 1 - Excess Funds	16,437	-	-
Transfer from Fitzsimons No. 1 - Taxes	-	8,504	9,039
Transfer from Fitzsimons No. 2 - Taxes	-	70,336	68,206
Bond Issuance	47,915,000	-	-
Bond Premium	41,770	-	-
Total revenues	48,329,345	1,820,136	1,955,443
TRANSFERS IN	22,798,575	23,492	1,397,622
Total funds available	71,117,699	24,728,408	23,374,989
EXPENDITURES			
General Fund	62,936	67,395	102,000
Special Revenue Fund	64,957	60,000	125,000
Debt Service Fund - Series 2020A-1	19,536,564	2,430,597	1,677,000
Debt Service Fund - Series 2020A-2	-	-	554,000
Capital Projects Fund	5,769,887	2,125,000	15,348,492
Total expenditures	25,434,344	4,682,992	17,806,492
TRANSFERS OUT	22,798,575	23,492	1,397,622
Total expenditures and transfers out requiring appropriation	48,232,919	4,706,484	19,204,114
ENDING FUND BALANCES	\$ 22,884,780	\$ 20,021,924	\$ 4,170,875
EMERGENCY RESERVE	\$ -	\$ 2,400	\$ 2,400
DEBT SERVICE RESERVE	3,687,298	3,687,298	3,687,298
CAPITALIZED INTEREST RESERVE	2,186,389	573,917	-
SURPLUS FUND RESERVE	41,787	699,789	481,177
TOTAL RESERVE	\$ 5,915,474	\$ 4,963,404	\$ 4,170,875

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/21/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Commercial	\$ -	\$ -	\$ 3
State assessed	-	-	3,890
Vacant land	1,628,282	1,893,480	1,935,407
	1,628,282	1,893,480	1,939,300
TIF Increment	(81,836)	(94,920)	(100,086)
Certified Assessed Value	\$ 1,546,446	\$ 1,798,560	\$ 1,839,214

MILL LEVY

General	5.000	10.000	10.000
Debt Service	0.000	35.000	35.000
ARI	0.000	1.000	1.000
Total mill levy	5.000	46.000	46.000

PROPERTY TAXES

General	\$ 7,732	\$ 17,986	\$ 18,392
Debt Service	-	62,950	64,372
ARI	-	1,798	1,839
Levied property taxes	7,732	82,734	84,603
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 7,732	\$ 82,734	\$ 84,603

BUDGETED PROPERTY TAXES

General	\$ 7,732	\$ 17,986	\$ 18,392
Debt Service	-	62,950	64,372
ARI	-	1,798	1,839
	\$ 7,732	\$ 82,734	\$ 84,603

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (4,000)	\$ (26,118)	\$ 2,400
REVENUES			
Property taxes	7,732	17,986	18,392
Property Taxes - ARI	-	1,798	1,839
Specific ownership tax	561	1,458	1,280
Interest income	134	-	-
Developer advance - Corporex	-	17,912	70,326
Transfer from District No. 1 - Taxes	-	8,504	9,039
Transfer from AURA - ARI property taxes	3,703	4,407	4,365
Transfer from AURA - TIF property taxes	-	43,848	43,647
Total revenues	12,130	95,913	148,888
TRANSFERS IN			
Transfers from other funds	28,688	-	-
Total funds available	36,818	69,795	151,288
EXPENDITURES			
General and Administrative			
Accounting	34,555	36,750	36,750
ARI payment	-	1,772	1,811
Audit	3,000	3,250	4,600
County Treasurer's fee	118	263	303
Dues and membership	410	428	650
Election	-	344	2,000
Insurance	3,411	3,681	7,500
District management	532	6,000	30,000
Legal	15,930	7,500	10,000
Miscellaneous	829	2,500	3,521
PIF collection	448	500	500
Payment to ARTA - ARI property taxes	3,703	4,407	4,365
Total expenditures	62,936	67,395	102,000
TRANSFERS OUT			
Transfers to other fund	-	-	46,888
Total expenditures and transfers out requiring appropriation	62,936	67,395	148,888
ENDING FUND BALANCE	\$ (26,118)	\$ 2,400	\$ 2,400
EMERGENCY RESERVE	\$ -	\$ 2,400	\$ 2,400
TOTAL RESERVE	\$ -	\$ 2,400	\$ 2,400

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
SPECIAL REVENUE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (6,221)	\$ (4,576)	\$ 10,028
REVENUES			
O&M Fee Pledge	62,290	62,604	68,084
Transfer from Fitzsimons No. 1 - O&M Fee Pledge	33,000	12,000	-
Total revenues	95,290	74,604	68,084
TRANSFERS IN			
Transfers from other funds	-	-	46,888
Total funds available	89,069	70,028	125,000
EXPENDITURES			
Landscaping maintenance	8,213	10,000	15,000
Repairs and maintenance	25,494	5,000	50,000
Snow removal	31,250	45,000	60,000
Total expenditures	64,957	60,000	125,000
TRANSFERS OUT			
Transfers to other funds	28,688	-	-
Total expenditures and transfers out requiring appropriation	93,645	60,000	125,000
ENDING FUND BALANCE	\$ (4,576)	\$ 10,028	\$ -

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND - SERIES 2021A-1
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/28/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 5,915,474	\$ 4,961,004
REVENUES			
Property taxes	-	62,950	64,372
Specific ownership tax	-	4,639	4,073
Interest income	-	45,000	165,000
Public improvement fees	159,775	305,000	-
AURA funding - Lodger Tax	-	-	297,330
AURA funding - Property Tax	-	-	650,000
AURA funding - Sales Tax	-	-	103,990
Transfer from AURA - TIF property taxes	88,943	65,772	-
Transfer from Fitzsimons No. 1 - Excess Funds	16,437	-	-
Transfer from Fitzsimons No. 1 - AURA Funding	-	903,772	-
Transfer from Fitzsimons No. 1 - PIF	-	42,150	-
Transfer from Fitzsimons No. 2 - Taxes	-	70,336	68,206
Bond Issuance	47,915,000	-	-
Bond Premium	41,770	-	-
Total revenues	48,221,925	1,499,619	1,352,971
Total funds available	48,221,925	7,415,093	6,313,975
EXPENDITURES			
General and Administrative			
Paying agent fees	-	7,000	7,000
Debt Service			
County Treasurer's fee	-	944	966
Bond interest - Series 2021A-1	-	2,051,881	1,667,000
Bond issue costs	1,834,087	-	-
Transfers to Fitzsimons No. 1 - PIF	159,775	305,000	-
Transfers to Fitzsimons No. 1 - TIF Prop Tax	88,943	65,772	-
Transfers to Fitzsimons No. 1 - Refunding Escrow	17,453,759	-	-
Contingency	-	-	2,034
Total expenditures	19,536,564	2,430,597	1,677,000
TRANSFERS OUT			
Transfers to other funds	22,769,887	23,492	1,350,734
Total transfers out	22,769,887	23,492	1,350,734
Total expenditures and transfers out requiring appropriation	42,306,451	2,454,089	3,027,734
ENDING FUND BALANCE	\$ 5,915,474	\$ 4,961,004	\$ 3,286,241
DEBT SERVICE RESERVE	\$ 3,687,298	\$ 3,687,298	\$ 2,899,798
CAPITALIZED INTEREST RESERVE	2,186,389	573,917	-
SURPLUS FUND RESERVE	41,787	699,789	386,443
TOTAL RESERVE	\$ 5,915,474	\$ 4,961,004	\$ 3,286,241

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND - SERIES 2021A-2
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/28/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Transfer from Fitzsimons No. 1 - PIF	-	-	85,500
Total revenues	-	-	85,500
TRANSFERS IN			
Transfer from other funds	-	-	1,350,734
Total funds available	-	-	1,436,234
EXPENDITURES			
Debt Service			
Bond Interest - Series 2021A-2	-	-	551,250
Contingency	-	-	2,750
Total expenditures	-	-	554,000
Transfers to other funds	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	554,000
ENDING FUND BALANCE	\$ -	\$ -	\$ 882,234
DEBT SERVICE RESERVE	\$ -	\$ -	\$ 787,500
SURPLUS FUND RESERVE	-	-	94,734
TOTAL RESERVE	\$ -	\$ -	\$ 882,234

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/28/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 17,000,000	\$ 15,048,492
REVENUES			
Interest Income	-	150,000	300,000
Total revenues	-	150,000	300,000
TRANSFERS IN			
Transfers from other funds	22,769,887	23,492	-
Total funds available	22,769,887	17,173,492	15,348,492
EXPENDITURES			
Transfer to Fitzsimons Village No. 1	5,769,887	2,125,000	15,348,492
Total expenditures	5,769,887	2,125,000	15,348,492
TRANSFERS OUT			
Transfers to Other Fund	-	-	-
Total expenditures and transfers out requiring appropriation	5,769,887	2,125,000	15,348,492
ENDING FUND BALANCE	\$ 17,000,000	\$ 15,048,492	\$ -

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized in July 2006 for the purpose of financing and providing public improvements and related operations and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sewer, transportation and mosquito control. When appropriate, these improvements will be dedicated to the City of Aurora, Arapahoe County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District was organized in conjunction with two other related districts, Fitzsimons Village Metropolitan District No. 1 (District No. 1) and Fitzsimons Village Metropolitan District No. 2 (District No. 2). The District's service area is located within the City of Aurora, Arapahoe County, Colorado.

On May 2, 2006, District voters approved general obligation indebtedness of \$382,440,000 for street improvements, \$382,440,000 for parks and recreation, \$382,440,000 for water facilities, \$382,440,000 for sanitation system, \$382,440,000 for transportation, \$382,440,000 for mosquito control, \$382,440,000 for traffic and safety, \$382,440,000 for fire protection facilities or services, \$382,440,000 for television relay and translation facilities, \$5,000,000 for operations and maintenance, \$382,440,000 for intergovernmental contracts and \$382,449,000 for debt refunding. The District's service plan prohibits the District from providing fire protection and television relay and transmission facilities and services unless they are provided pursuant to an agreement with the City of Aurora. The election also approved an increase in ad valorem property taxes of up to \$5,000,000 annually and allows the District to collect fees of up to \$382,440,000 annually for operations and maintenance. The District's service plan limits total debt issuance to no more than \$382,440,000.

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

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

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes – (continued)

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy adopted 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 6% of the property taxes when calculated using the current year's gross taxable assessed valuation.

Interest Income

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

O&M Fee Pledge

Pursuant to the Fitzsimons Village Metropolitan District Nos. 1 – 3 Joint Operations and Maintenance Fee Resolution, an operations and maintenance fee is imposed on all applicable property located in all Districts' boundaries. For commercial property, the fee was initially set at a rate of \$0.01002 per square foot per month. For residential property, the fee was initially set at a rate of \$1.12 per residential unit per month. The fee rates shall increase on January 1 annually thereafter.

On August 13, 2014, Districts Nos. 1 – 3 amended the resolution to increase the fee rates starting in 2015. With the Phase 2 project (hotel, conference center, and parking structure) and future Phase 3 project, the Districts' operation and maintenance costs (benefitting the entire Fitzsimons Village) will increase, hence the need for the fee rate increase.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Transfer from Aurora Urban Renewal Authority (AURA) – ARI Property Taxes

Pursuant to the District's Service Plan, if it collects a debt service mill levy, the District is required to impose a 1.000 mill levy to finance the planning, designing, permitting, construction, and acquisition of the regional improvements described in the ARI Master Plan. The ARI Master Plan is one or more master plans adopted by an ARI Authority establishing Regional Improvements, which will benefit the taxpayers and service users of the districts which constitute such ARI Authority, which master plan will change from time to time.

Transfer from Aurora Urban Renewal Authority (AURA) – TIF Property Taxes

Pursuant to an intergovernmental agreement, the District anticipates receiving TIF property taxes from Aurora Urban Renewal Authority (AURA).

Aurora Urban Renewal Authority (AURA) Revenues

The District, the Developer and the Aurora Urban Renewal Authority (AURA) have entered into an agreement in which AURA will remit TIF Revenues (Pledged Lodger's Tax Revenues, Pledged Property Tax Revenues, Pledged Sales Tax Revenues and Pledged Use Tax Revenues) to the District to be used for the payment of principal and interest on the bonds issued for the construction of public improvements within the boundaries of District No. 2. The TIF Revenues are pledged to the 2021 Bonds issued by the District on December 28, 2021.

Transfer from District No. 1 – PIF

Pursuant to a Capital Pledge Agreement with Fitzsimons Village Metropolitan District No. 1, the District anticipates receiving certain revenues from District No. 1 that are pledged towards payment of the 2021 Bonds issued by the District on December 28, 2021.

Transfer from District No.1 – Taxes

Pursuant to certain agreements, District No. 1 remits to the District net tax revenues to cover its share of the operations and maintenance costs.

Transfer from District No. 2 - Taxes

Pursuant to a Capital Pledge Agreement with Fitzsimons Village Metropolitan District No. 2, the District anticipates receiving net tax revenues from District No. 2 towards payment of the 2021 Bonds issued by the District on December 28, 2021.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General, Administrative, Operations and Maintenance Expenditures

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, membership dues, meeting and other administrative expenditures. Estimated operating expenditures related to landscaping, snow removal, and repairs and maintenance are included in the Special Revenue Fund budget.

County Treasurer's Fees

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

Payment to ARTA – ARI Property Taxes

During 2023, revenues collected from AURA related to the ARI mill levy will be disbursed for the benefit of the Aurora Regional Improvement Authority, pursuant to the District's Service Plan.

Debt Service

Principal and interest payments are provided based on the debt amortization schedules from the Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 and the Taxable Parking/Limited General Obligation and Special Revenue Bonds, Series 2021A-2. See debt service schedules attached.

Debt and Leases

The District issued Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the "2021A-1 Bonds") and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the "2021A-2 Taxable Bonds" and, together with the 2021A-1 Bonds, the "Bonds") on December 28, 2021, in the par amounts of \$40,040,000 for the 2021A-1 Bonds and \$7,875,000 for the 2021A-2 Taxable Bonds.

Use of Proceeds

Proceeds from the sale of the 2021A-1 Bonds were used for the purposes of:

- (a) currently refunding District No. 1's Tax Increment/Public Improvement Fee Supported Junior Revenue Bonds, Series 2010B (the "2010B Bonds") and District No. 1's Refunding Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2020 (the "2020 Bonds" and, together with the 2010B Bonds, the "Refunded Bonds");
- (b) financing public improvements, including a portion of the costs of a parking structure;
- (c) funding a portion of interest to accrue on the Series 2021A-1 Bonds;
- (d) funding the Reserve Fund; and
- (e) paying costs incurred in connection with the issuance of the 2021A-1 Bonds and the refunding of the Refunded Bonds.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

Proceeds from the sale of the 2021A-2 Taxable Bonds were used for the purposes of:

- (a) financing public improvements, including a portion of the costs of a parking structure;
- (b) funding a portion of interest to accrue on the 2021A-2 Taxable Bonds;
- (c) funding the Taxable Reserve Fund; and
- (d) paying costs incurred in connection with the issuance of the 2021A-2 Taxable Bonds.

Bonds Details

The 2021A-1 Bonds and the 2021A-2 Taxable Bonds bear interest at rates ranging from 4.00% to 4.25%, and 7.00%, respectively, payable semiannually on June 1 and December 1, beginning on June 1, 2022, to the extent of available 2021A-1 Pledged Revenue with respect to the 2021A-1 Bonds and 2021A-2 Pledged Revenue with respect to the 2021A-2 Taxable Bonds. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025 for the 2021A-1 Bonds and the 2021A-2 Taxable Bonds. The last maturity of the 2021A-1 Bonds is on December 1, 2055 and the 2021A-2 Taxable Bonds mature on December 1, 2041.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid and is to continue to bear interest at the rate then borne by the Bond. To the extent interest on the Bonds is not paid when due, such interest shall compound on each June 1 and December 1, at the rate then borne by the Bonds.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable solely from the revenues pledged in accordance with the applicable Indenture. Both the 2021A-1 Pledged Revenue and the 2021A-2 Pledged Revenue include the Shared Pledged Revenue.

A portion of the 2021A-1 Pledged Revenue and the 2021A-2 Pledged Revenue consist of revenues of District No. 1 and District No. 2, which are pledged by such Districts to the District in accordance with Capital Pledge Agreements.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

2021A-1 Pledged Revenue

The 2021A-1 Pledged Revenue (securing payment of the Series 2021A-1 Bonds) additionally includes the District No. 3 PIF Revenues, the District No. 2 Capital Fees and the District No. 3 Capital Fees.

2021A-2 Pledged Revenue

The 2021A-2 Pledged Revenue (securing payment of the Series 2021A-2 Taxable Bonds) additionally includes the Parking Fees of District No. 1, and the District No. 2 PIF Revenues.

Shared Pledged Revenue

The Shared Pledged Revenue includes the District No. 1 Shared Pledged Revenue and the District Nos. 2 and 3 Shared Pledged Revenue. Generally, Shared Pledged Revenue is anticipated to be applied to the payment of the Series 2021A-2 Taxable Bonds only in the event that Parking Fees and District No. 2 PIF Revenues on deposit with the Trustee as of May 15 and November 15 are not anticipated to be sufficient to pay debt service on the Series 2021A-2 Taxable Bonds when due on the succeeding June 1 and December 1, respectively.

Required Mill Levy

District No. 2 and the District have covenanted to levy the Required Mill Levy generally meaning an ad valorem mill levy imposed upon all taxable property of District No. 2 and the District each year in an amount which would generate Property Tax Revenues (including any payments in lieu of taxes relating to such Property Tax Revenues) in the succeeding calendar year equal to the sum of (a) with respect to the Series 2021A-1 Bonds an amount equal to the Annual Tax-Exempt Financing Costs, plus (b) with respect to the Series 2021A-2 Taxable Bonds, an amount equal to the Annual Net Taxable Financing Costs, but (i) not in excess of 50.000 mills (subject to adjustment), and (ii) for so long as the Tax-Exempt Surplus Fund and the Taxable Surplus Fund are required to be maintained and are not fully funded to the Tax-Exempt Maximum Surplus Amount or Taxable Maximum Surplus Amount, respectively, the Required Mill Levy is to be not less than 35.000 mills (subject to adjustment).

Mill levies to be imposed for debt service by District No. 2 and the District are subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2022, at which time the residential assessment rate was 7.15%. Such mill levies may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Boards in good faith so that to the extent possible, the actual tax revenues generated by such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. The minimum and maximum mill levies at December 31, 2022 for collection in 2023 were 35.000 and 50.000 mills, respectively.

A portion of Property Tax Revenues resulting from imposition of the Required Mill Levy by District No. 2 and the District will, for a period of time, constitute tax increment revenues initially payable to AURA in accordance with the Urban Renewal Law. AURA has agreed to remit such incremental property tax revenues to District No. 1 or the District in accordance with the 2008 Public Finance Agreement.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The following is an analysis of the District's long-term obligations through the year ended December 31, 2023:

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
Limited Tax G.O. and Special Revenue Refunding and Improvement Bonds, Series 2021A-1	\$40,040,000	\$ -	\$ -	\$ 40,040,000	\$ -	\$ -	\$ 40,040,000
Taxable Parking/Limited Tax G.O. and Special Revenue Bonds, Series 2021A-2	7,875,000	-	-	7,875,000	-	-	7,875,000
Bond Premium - Series 2021A-1	41,770	-	1,666	40,104	-	1,801	38,303
Bond Discount - Series 2021A-2	(157,500)	9,887	-	(147,613)	10,689	-	(136,924)
Total Bonds Payable	47,799,270	9,887	1,666	47,807,491	10,689	1,801	47,816,379
Developer Advances - O&M	74,403	17,912	-	92,315	70,326	-	162,641
Developer Advances - O&M Interest	22,221	5,836	-	28,057	9,352	-	37,409
Total	\$47,895,894	\$ 33,635	\$ 1,666	\$ 47,927,863	\$ 90,367	\$ 1,801	\$ 48,016,429
* Estimate							

The District has no operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserve. This reserve must be at least 3% of fiscal year spending.

This information is an integral part of the accompanying budget.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
SCHEDULE OF ESTIMATED DEBT SERVICE REQUIREMENTS TO MATURITY

\$40,040,000

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds

Series 2021A-1

Dated December 28, 2021

Principal Due December 1

4.00% - 4.25% Interest Payable June 1 and December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 1,667,000	\$ 1,667,000
2024	-	1,667,000	1,667,000
2025	1,965,000	1,667,000	3,632,000
2026	1,815,000	1,588,400	3,403,400
2027	120,000	1,515,800	1,635,800
2028	430,000	1,511,000	1,941,000
2029	455,000	1,493,800	1,948,800
2030	515,000	1,475,600	1,990,600
2031	535,000	1,455,000	1,990,000
2032	595,000	1,433,600	2,028,600
2033	620,000	1,409,800	2,029,800
2034	685,000	1,385,000	2,070,000
2035	710,000	1,357,600	2,067,600
2036	780,000	1,329,200	2,109,200
2037	810,000	1,298,000	2,108,000
2038	885,000	1,265,600	2,150,600
2039	920,000	1,230,200	2,150,200
2040	1,000,000	1,193,400	2,193,400
2041	1,040,000	1,153,400	2,193,400
2042	1,125,000	1,111,800	2,236,800
2043	1,175,000	1,063,988	2,238,988
2044	1,270,000	1,014,050	2,284,050
2045	1,325,000	960,075	2,285,075
2046	1,425,000	903,763	2,328,763
2047	1,485,000	843,200	2,328,200
2048	1,595,000	780,088	2,375,088
2049	1,665,000	712,300	2,377,300
2050	1,780,000	641,538	2,421,538
2051	1,855,000	565,888	2,420,888
2052	1,985,000	487,050	2,472,050
2053	2,070,000	402,688	2,472,688
2054	2,205,000	314,713	2,519,713
2055	5,200,000	221,000	5,421,000
	<u>\$ 40,040,000</u>	<u>\$ 37,118,538</u>	<u>\$ 77,158,538</u>

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
SCHEDULE OF ESTIMATED DEBT SERVICE REQUIREMENTS TO MATURITY

\$7,875,000

Taxable Parking/Limited General Obligation and Special Revenue Bonds

Series 2021A-2

Dated December 28, 2021

Principal Due December 1

7.00% Interest Payable June 1 and December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 551,250	\$ 551,250
2024	-	551,250	551,250
2025	65,000	551,250	616,250
2026	180,000	546,700	726,700
2027	215,000	534,100	749,100
2028	250,000	519,050	769,050
2029	275,000	501,550	776,550
2030	305,000	482,300	787,300
2031	330,000	460,950	790,950
2032	365,000	437,850	802,850
2033	395,000	412,300	807,300
2034	435,000	384,650	819,650
2035	470,000	354,200	824,200
2036	510,000	321,300	831,300
2037	555,000	285,600	840,600
2038	605,000	246,750	851,750
2039	655,000	204,400	859,400
2040	710,000	158,550	868,550
2041	1,555,000	108,850	1,663,850
	<u>\$ 7,875,000</u>	<u>\$ 7,612,850</u>	<u>\$ 15,487,850</u>

No assurance provided. See summary of significant assumptions.