

BNC METROPOLITAN DISTRICT NO. 3

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 . 800-741-3254
Fax: 303-987-2032

NOTICE OF A CONTINUED SPECIAL MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expires</u>
Janis L. Emanuel	President	2025/May 2025
Robert J. Bol	Treasurer	2027/May 2027
Theodore Antenucci	Assistant Secretary	2025/May 2025
VACANT		2027/May 2025
VACANT		2027/May 2025
David Solin	Secretary	

DATE: December 4, 2023

TIME: 11:00 a.m.

PLACE: Via Zoom:

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>

Dial In: 1-719-359-4580

Meeting ID: 546 911 9353

Passcode: 912873

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda; confirm location of the meeting and posting of meeting notices.

II. FINANCIAL MATTERS

A. Conduct continued Public Hearing on the proposed 2024 Budget and consider adoption of Resolution to Adopt the 2024 Budget and Appropriate Sums of Money, and Resolution to Set Mill Levies, for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – preliminary AV, draft 2024 Budget, and Resolutions).

1. Review and consider adoption of Resolution No. 2023-12-_____, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan (enclosure).

- B. Authorize District Accountant to prepare and sign the DLG-70 Certification of Tax Levies form (“Certification”). Direct District Accountant to file the Certification with the Board of County Commissioners and other interested parties.
-

III. LEGAL MATTERS

- A. Review and consider approval of Third Amendment to 2019-2021 Operation Funding Agreement between the District and Catellus CC Note, LLC (enclosure).
-

IV. OTHER BUSINESS

- A. _____
-

- V. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2023.**

Ken Musso
ASSESSOR



Assessor's Office
4430 South Adams County Parkway
2nd Floor, Suite C2100
Brighton, CO 80601-8201
PHONE 720.523.6038
FAX 720.523.6037
www.adcogov.org

AUG 28 2023

August 25, 2023

BNC METRO DISTRICT 3
SPECIAL DISTRICT MANAGEMENT SERVICES INC
Attn: ANN E FINN
141 UNION BLVD STE 150
LAKEWOOD CO 80228-1898

To ANN E FINN:

Enclosed is the 2023 preliminary valuation. This valuation along with all other statutory requirements is on the enclosed form. A final certification of value will be sent out on or before December 10, 2023.

This value is subject to change by the County Board of Equalization, Board of Assessment Appeals and the State Board of Equalization as provided by law.

Sincerely,

A handwritten signature in black ink, appearing to read 'KM', written over a horizontal line.

Ken Musso
Adams County Assessor
KM/rmb

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **223 - BNC METRO DISTRICT 3**

IN ADAMS COUNTY ON 8/24/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (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 2023 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$71,070
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *		\$534,920
3. LESS TIF DISTRICT INCREMENT, IF ANY:		\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$534,920
5. NEW CONSTRUCTION: **		\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #		\$0
7. ANNEXATIONS/INCLUSIONS:		\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #		\$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.):		\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):		\$0.00
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.):		\$0.00

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

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

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @		\$1,468,746
ADDITIONS TO TAXABLE REAL PROPERTY:		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !		\$0
3. ANNEXATIONS/INCLUSIONS:		\$0
4. INCREASED MINING PRODUCTION: %		\$0
5. PREVIOUSLY EXEMPT PROPERTY:		\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:		\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:		\$0

(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.)

DELETIONS FROM TAXABLE REAL PROPERTY:

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

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, 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:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** 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 f(3). C.R.S.	

BNC METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**BNC METROPOLITAN DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

10/11/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 7/31/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 4,045,521	\$ 9,444,462	\$ 9,441,398	\$ 9,441,398	\$ 7,795,349
REVENUES					
Property taxes	38,895	4,984	4,984	4,984	37,517
Specific ownership taxes	2,645	349	338	579	2,627
Interest income	69,757	95,000	223,200	350,000	240,000
Developer advance	11,307,666	5,457,000	21,000	1,742,736	3,653,000
Bond issuance	16,605,298	-	-	-	-
Total revenues	<u>28,024,261</u>	<u>5,557,333</u>	<u>249,522</u>	<u>2,098,299</u>	<u>3,933,144</u>
Total funds available	<u>32,069,782</u>	<u>15,001,795</u>	<u>9,690,920</u>	<u>11,539,697</u>	<u>11,728,493</u>
EXPENDITURES					
General Fund	60,873	63,000	46,750	105,000	163,000
Debt Service Fund	-	-	-	-	7,417
Capital Projects Fund	22,567,511	14,937,972	33,525	3,639,348	11,534,934
Total expenditures	<u>22,628,384</u>	<u>15,000,972</u>	<u>80,275</u>	<u>3,744,348</u>	<u>11,705,351</u>
Total expenditures and transfers out requiring appropriation	<u>22,628,384</u>	<u>15,000,972</u>	<u>80,275</u>	<u>3,744,348</u>	<u>11,705,351</u>
ENDING FUND BALANCES	<u>\$ 9,441,398</u>	<u>\$ 823</u>	<u>\$ 9,610,645</u>	<u>\$ 7,795,349</u>	<u>\$ 23,142</u>
EMERGENCY RESERVE	<u>\$ 1,246</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 400</u>

No assurance provided. See summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

10/11/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 7/31/2023	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION					
Agricultural	\$ 1,980	\$ 4,090	\$ 4,090	\$ 4,090	\$ 2,850
State assessed	5,390	4,340	4,340	4,340	4,770
Vacant land	-	-	-	-	403,460
Personal property	546,180	62,640	62,640	62,640	123,840
Certified Assessed Value	<u>\$ 553,550</u>	<u>\$ 71,070</u>	<u>\$ 71,070</u>	<u>\$ 71,070</u>	<u>\$ 534,920</u>
MILL LEVY					
General	70.135	70.135	70.135	70.135	18.148
Debt Service	0.000	0.000	0.000	0.000	51.987
Total mill levy	<u>70.135</u>	<u>70.135</u>	<u>70.135</u>	<u>70.135</u>	<u>70.135</u>
PROPERTY TAXES					
General	\$ 38,823	\$ 4,984	\$ 4,984	\$ 4,984	\$ 9,708
Debt Service	-	-	-	-	27,809
Levied property taxes	38,823	4,984	4,984	4,984	37,517
Adjustments to actual/rounding	72	-	-	-	-
Budgeted property taxes	<u>\$ 38,895</u>	<u>\$ 4,984</u>	<u>\$ 4,984</u>	<u>\$ 4,984</u>	<u>\$ 37,517</u>
BUDGETED PROPERTY TAXES					
General	\$ 38,895	\$ 4,984	\$ 4,984	\$ 4,984	\$ 9,708
Debt Service	-	-	-	-	27,809
	<u>\$ 38,895</u>	<u>\$ 4,984</u>	<u>\$ 4,984</u>	<u>\$ 4,984</u>	<u>\$ 37,517</u>

No assurance provided. See summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

10/11/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 7/31/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (5,815)	\$ 1,490	\$ (9,648)	\$ (9,648)	\$ 415
REVENUES					
Property taxes	38,895	4,984	4,984	4,984	9,708
Specific ownership taxes	2,645	349	338	579	680
Developer advance	15,500	57,000	21,000	109,500	153,000
Total revenues	<u>57,040</u>	<u>62,333</u>	<u>26,322</u>	<u>115,063</u>	<u>163,388</u>
Total funds available	<u>51,225</u>	<u>63,823</u>	<u>16,674</u>	<u>105,415</u>	<u>163,803</u>
EXPENDITURES					
General and administrative					
Accounting	18,360	18,500	14,116	24,000	25,000
Auditing	5,500	6,100	-	6,100	7,000
County Treasurer's fees	583	75	75	75	146
Directors' fees	200	100	200	300	200
Dues and membership	312	400	311	311	400
Insurance	2,481	4,000	3,271	3,271	4,500
District management	14,535	17,500	8,547	15,000	17,000
Legal	17,366	13,000	14,242	25,000	25,000
Legal - Special Counsel	-	-	4,249	25,000	25,000
Miscellaneous	315	500	811	1,000	1,000
Election	1,221	2,000	928	928	-
Contingency	-	825	-	4,015	2,654
Operations and maintenance					
Landscaping	-	-	-	-	30,000
Repairs and maintenance	-	-	-	-	1,000
Pest control	-	-	-	-	1,000
Pet waste service	-	-	-	-	1,500
Snow removal	-	-	-	-	6,000
Water/ irrigation	-	-	-	-	11,400
Electricity	-	-	-	-	1,200
Storm drainage maintenance	-	-	-	-	3,000
Total expenditures	<u>60,873</u>	<u>63,000</u>	<u>46,750</u>	<u>105,000</u>	<u>163,000</u>
Total expenditures and transfers out requiring appropriation	<u>60,873</u>	<u>63,000</u>	<u>46,750</u>	<u>105,000</u>	<u>163,000</u>
ENDING FUND BALANCES	<u>\$ (9,648)</u>	<u>\$ 823</u>	<u>\$ (30,076)</u>	<u>\$ 415</u>	<u>\$ 803</u>
EMERGENCY RESERVE	<u>\$ 1,246</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 400</u>

No assurance provided. See summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

10/11/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 7/31/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	-	-	-	-	27,809
Specific ownership taxes	-	-	-	-	1,947
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,756</u>
Total funds available	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,756</u>
EXPENDITURES					
General and administrative					
County Treasurer's fees	-	-	-	-	417
Paying agent fees	-	-	-	-	7,000
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,417</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,417</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,339</u>

No assurance provided. See summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

10/11/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 7/31/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 4,051,336	\$ 9,442,972	\$ 9,451,046	\$ 9,451,046	\$ 7,794,934
REVENUES					
Interest income	69,757	95,000	223,200	350,000	240,000
Developer advance	11,292,166	5,400,000	-	1,633,236	3,500,000
Bond issuance	16,605,298	-	-	-	-
Total revenues	<u>27,967,221</u>	<u>5,495,000</u>	<u>223,200</u>	<u>1,983,236</u>	<u>3,740,000</u>
Total funds available	<u>32,018,557</u>	<u>14,937,972</u>	<u>9,674,246</u>	<u>11,434,282</u>	<u>11,534,934</u>
EXPENDITURES					
General and Administrative					
Accounting	-	5,000	-	-	-
Bond issue costs	288,553	34,070	31,050	31,050	-
Engineering	6,683	5,000	2,475	8,828	10,000
Capital Projects					
Repay Developer advance	10,980,109	5,400,000	-	1,966,234	3,500,000
Capital outlay	11,292,166	9,493,902	-	1,633,236	8,024,934
Total expenditures	<u>22,567,511</u>	<u>14,937,972</u>	<u>33,525</u>	<u>3,639,348</u>	<u>11,534,934</u>
Total expenditures and transfers out requiring appropriation	<u>22,567,511</u>	<u>14,937,972</u>	<u>33,525</u>	<u>3,639,348</u>	<u>11,534,934</u>
ENDING FUND BALANCES	<u>\$ 9,451,046</u>	<u>\$ -</u>	<u>\$ 9,640,721</u>	<u>\$ 7,794,934</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation, was formed by Court Order issued on January 8, 2004 and recorded on January 27, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Commerce City, Adams County, Colorado.

The District was established to provide for acquisition, construction, and installation of water, sanitation, drainage, street improvements, parks and recreational facilities, television relay and translation, and mosquito control.

On November 4, 2003, voters of the District elected to approve general obligation indebtedness not to exceed \$60,000,000 at an interest rate not to exceed 15%. They also passed an election question to increase property taxes \$500,000 annually, without limitation of rate, to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue, other than ad valorem taxes, without regard to any limitations under TABOR.

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 material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District is required to impose a maximum Required Mill Levy of 50.283 mills for collection in 2024. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up and deficiencies in the Reserve Fund].

The calculation of the taxes levied is displayed on Property Tax Summary page of the budget at the adopted total mill levy of 70.135 mills.

**BNC METROPOLITAN DISTRICT NO. 3
2024 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 2024, the assessment rate for single family residential property decreases to 6.765% from 6.95%. The rate for multifamily residential property, the newly created subclass, decreases to 6.765% from 6.80%. Agricultural and renewable energy production property remains at 26.4%. Producing oil and gas remains at 87.5%. All other nonresidential property decreases to 27.90% from 29%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

Expenditures

Administrative and Operating Expenditures

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Operations and maintenance expenditures related to streetscape, landscaping, snow removal, and utilities are also included.

County Treasurer's Fees

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

**BNC METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Capital Outlay

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

Debt and Leases

On December 29, 2022 the District issued the Limited Tax General Obligation Bonds, Series 2022A (the "Senior Bonds") and Subordinate Cash Flow Bonds, Series 2022B (the "Subordinate Bonds"), in the respective amounts of \$11,815,297.50 and \$4,790,000.

Proceeds of the Senior and Subordinate Bonds will be used for the purpose of paying Project Costs, which are the costs attributing to the acquisition, construction, and installation of approved public facilities and costs of issuing the Senior and Subordinate Bonds.

The District has outstanding Developer advances. The anticipated Developer advances are as follows:

	Balance - December 31, 2022	Additions	Reductions	Balance - December 31, 2023*	Additions	Reductions	Balance - December 31, 2024*
Developer Advances:							
Operations	\$ 241,141	\$ 109,500	\$ -	\$ 350,641	\$ 153,000	\$ -	\$ 503,641
Capital	312,057	1,633,236	1,945,293	-	3,500,000	3,500,000	-
Accrued Interest on Developer Advances:							
Operations	143,247	23,671	-	166,918	34,171	-	201,090
Capital	137	20,804	20,941	-	-	-	-
Total	\$ 696,582	\$ 1,787,211	\$ 1,966,234	\$ 517,559	\$ 3,687,171	\$ 3,500,000	\$ 704,731

*Estimated balances

Reserves

Emergency Reserve Funds

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2024, as defined under TABOR.

This information is an integral part of the accompanying budget.

BNC METROPOLITAN DISTRICT NO. 3

\$11,815,297.50 (Value at Issuance)
 \$12,750,000 (Value at Conversion Date)
 General Obligation Limited Tax
 Convertible Capital Appreciation Bonds
 Series 2022A
 Dated December 29, 2022
 Interest Rate 4.00%
 Principal Due December 1
 Interest Payable June 1 and December 1

<u>Year Ending December 31.</u>	<u>Value at Issuance</u>	<u>Accretion</u>	<u>Accreted Value</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$11,815,297.50	\$ 495,210	\$ 12,750,000	\$ -	\$ -	\$ -
2025				-	510,000	510,000
2026				180,000	510,000	690,000
2027				200,000	502,800	702,800
2028				225,000	494,800	719,800
2029				230,000	485,800	715,800
2030				255,000	476,600	731,600
2031				265,000	466,400	731,400
2032				290,000	455,800	745,800
2033				305,000	444,200	749,200
2034				330,000	432,000	762,000
2035				345,000	418,800	763,800
2036				375,000	405,000	780,000
2037				390,000	390,000	780,000
2038				420,000	374,400	794,400
2039				435,000	357,600	792,600
2040				470,000	340,200	810,200
2041				490,000	321,400	811,400
2042				525,000	301,800	826,800
2043				545,000	280,800	825,800
2044				585,000	259,000	844,000
2045				605,000	235,600	840,600
2046				650,000	211,400	861,400
2047				675,000	185,400	860,400
2048				720,000	158,400	878,400
2049				745,000	129,600	874,600
2050				795,000	99,800	894,800
2051				825,000	68,000	893,000
2052				875,000	35,000	910,000
Total				<u>\$ 12,750,000</u>	<u>\$ 9,350,600</u>	<u>\$ 22,100,600</u>

No assurance provided. See summary of significant assumptions.

RESOLUTION NO. 2023-11-__
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BNC METROPOLITAN DISTRICT NO. 3
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the BNC Metropolitan District No. 3 (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 16, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the BNC Metropolitan District No. 3:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the BNC Metropolitan District No. 3 for the 2024 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 16th day of November, 2023.

Secretary

EXHIBIT A
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the BNC Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the BNC Metropolitan District No. 3 held on November 16, 2023.

By: _____
Secretary

RESOLUTION NO. 2023-11-___
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BNC METROPOLITAN DISTRICT NO. 3
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the BNC Metropolitan District No. 3 (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on November 16, 2023; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BNC Metropolitan District No. 3:

1. That for the purposes of meeting all general fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 16th day of November, 2023.

Secretary

EXHIBIT A
(Certification of Tax Levies)

I, David Solin, hereby certify that I am the duly appointed Secretary of the BNC Metropolitan District No. 3, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the BNC Metropolitan District No. 3 held on November 16, 2023.

Secretary

RESOLUTION NO. 2023-11-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF BNC METROPOLITAN
DISTRICT NO. 3 AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN
ACCORDANCE WITH THE SERVICE PLAN**

A. BNC Metropolitan District No. 3 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. The District operates pursuant to its Amended and Restated Service Plan approved by Commerce City, on September 15, 2003, (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.

C. The Service Plan authorizes a maximum debt service mill levy of fifty (50) mills (“**Maximum Debt Mill Levy**”). The Service Plan does not impose a cap on the District’s ability to impose an operation and maintenance mill levy (“**Operation and Maintenance Mill Levy**”).

D. Section VI.C. of the Service Plan authorizes adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after August 21, 2000 (the “**Baseline Year**”), by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The Maximum Debt Mill Levy may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board of Directors (“**Board**”) in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

E. The Service Plan provides that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

F. The history of the residential assessment ratio in Colorado since property tax assessment year 1995, as set by the Colorado General Assembly, or as voted by the electors of the State of Colorado, is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference.

G. At the time of the Baseline Year, the residential assessment ratio set by the Colorado General Assembly was 9.74%.

H. In 2022, the Colorado General Assembly (the “**General Assembly**”) passed Senate Bill 22-238, which amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for:

1. Multi-family residential real property at 6.80% for property tax assessment years 2022 and 2024;
2. Multi-family residential real property at 6.765% for property tax assessment year 2023;
3. Residential real property other than multi-family residential real property at 6.95% for property tax assessment year 2022; and
4. Residential real property other than multi-family residential real property at 6.765% for property tax assessment year 2023.

I. In 2023, the General Assembly passed Senate Bill 23-303, which referred a ballot issue, known as Proposition HH, to the electors of the State of Colorado for the November 7, 2023 election. If Proposition HH passes, the residential assessment rate for both multi-family residential real property and residential real property, other than multi-family residential real property, will be 6.70% for property tax assessment year 2023.

J. Proposition HH did not pass at the November 7, 2023 election and, as a result, the residential assessment rate for both multi-family residential real property and residential real property, other than multi-family residential real property, will be 6.765% for property tax assessment year 2023 as set forth in Senate Bill 22-238.

K. In compliance with the Service Plan, in order to mitigate the effect of the reduction in the ratio of valuation for residential real property set by Senate Bill 22-238 for property tax assessment year 2023, the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public, to adjust the Maximum Debt Mill Levy, so that the actual tax revenues to be received by the District are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment since the Baseline Year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BNC Metropolitan District No. 3, Adams County, Colorado:

1. The Board hereby authorizes the adjustment of the Maximum Debt Mill Levy to reflect that Senate Bill 22-238 set the residential assessment rate for both multi-family residential real property and residential real property, other than multi-family residential real property, at 6.765% for property tax assessment year 2023, which is a change from the 9.74% ratio of valuation for assessment of residential property as of the Baseline Year.
2. The Service Plan allows for a total mill levy imposition of **70.135 mills** (the “**Adjusted Mill Levy**”) so that District revenues shall be neither diminished nor enhanced as a result of the ratio of valuation for assessment being set at 6.765% for collection year 2024.
3. The Adjusted Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the Adams County Board of County Commissioners on or before December 15, 2023, for collection in 2024.

**[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN]**

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 16, 2023.

BNC METROPOLITAN DISTRICT NO. 3

President

Attest:

Secretary

EXHIBIT A

History of Residential Assessment Ratio

<u>Tax Levy/Assessment Year</u>	<u>Tax Collection Year</u>	<u>Residential Assessment Ratio</u>
1995	1996	10.36%
1996	1997	
1997	1998	9.74%
1998	1999	
1999	2000	
2000	2001	
2001	2002	9.15%
2002	2003	
2003	2004	7.96%
2004	2005	
2005	2006	
2006	2007	
2007	2008	
2008	2009	
2009	2010	
2010	2011	
2011	2012	
2012	2013	
2013	2014	
2014	2015	
2015	2016	

<u>Tax Levy/Assessment Year</u>	<u>Tax Collection Year</u>	<u>Residential Assessment Ratio</u>
2016	2017	
2017	2018	7.20%
2018	2019	
2019	2020	7.15%
2020	2021	
2021	2022	
2022	2023	6.95% (other than multi-family) 6.80% (multi-family)
2023	2024	6.765%

THIRD AMENDMENT TO 2019-2021 OPERATION FUNDING AGREEMENT

This **THIRD AMENDMENT TO 2019-2021 OPERATION FUNDING AGREEMENT** (“**Third Amendment**”) is entered into this 16th day of November, 2023, by and between **BNC METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **CATELLUS CC NOTE, LLC**, a Delaware limited liability company (the “**Developer**”) (each a “**Party**”, and collectively, the “**Parties**”).

RECITALS

A. The District and the Developer entered into that certain 2019-2021 Operation Funding Agreement, dated October 21, 2020, with an effective date of January 1, 2019 (the “**Agreement**”), as amended by that First Amendment to Operation Funding Agreement, dated November 18, 2021 (“**First Amendment**”) and that certain Second Amendment to Operation Funding Agreement, dated December 5, 2022 (“**Second Amendment**”) whereby the Developer agreed to advance funds to the District for operations and maintenance expenses.

B. Pursuant to the Agreement, the obligation of the Developer to fund the Shortfall Amount expires on December 31, 2023.

C. The Parties desire to further amend the Agreement to revise the definition of the term “Shortfall Amount,” and revise certain dates and deadlines, all as more particularly set forth below.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set forth, the Parties agree as follows:

COVENANTS AND AGREEMENTS

1. All terms which are not defined herein shall have the same meaning as set forth in the Agreement.

2. Amendment to Section 1. Section 1 of the Agreement is hereby deleted in its entirety and replaced with the following:

“1. Acknowledgement of Anticipated Shortfall. The District anticipates a shortfall in revenues available for operations and maintenance expenses to be incurred for fiscal years 2019 through 2024 in the amount of Three Hundred Seventy Thousand Dollars (\$370,000.00) (the “**Shortfall Amount**”).”

3. Amendment to Section 2. Section 2 of the Agreement is hereby deleted in its entirety and replaced with the following:

“2. Payment of Shortfall. The Developer shall advance funds necessary to fund, or shall directly pay, the District’s operations and maintenance expenses on a periodic basis as needed for fiscal years 2019 through 2024 up to the Shortfall Amount. The District shall, from time to time, provide written notice to the Developer that an advance of all or part of the Shortfall Amount is required. The Developer shall make an advance of funds to the District within fifteen (15) days of receipt from the District of any such written notice that an advance of funds is required (“**Developer Advance**”).”

4. Amendment to Section 9. Section 9 of the OFA is hereby deleted in its entirety and replaced with the following:

“9. Term; Repose. The term of this Agreement shall commence on the date hereof and shall expire on December 31, 2024, unless terminated earlier by the mutual agreement of the Parties. Any obligation of the Developer to advance funds will expire upon advance to the District of amounts sufficient to pay expenses incurred in 2019 through 2024, not to exceed the Shortfall Amount. Any obligation of the District to reimburse the Developer shall expire on December 31, 2064. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to this Agreement on or before December 31, 2064, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.”

5. All references in the Agreement, to the phrase “fiscal years 2019, 2020 and 2021” shall be deleted in their entirety and substituted in lieu thereof shall be the phrase: “fiscal years 2019 through 2024”.

6. Except as expressly set forth in this Third Amendment, all provisions of the Agreement remain unchanged and in full force and effect, valid and binding on the parties thereto.

7. This Third Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO THIRD AMENDMENT TO
2019-2021 OPERATION FUNDING AGREEMENT]**

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the day and year first set forth above.

BNC METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
President

Attest:

Secretary

CATELLUS CC NOTE, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____