

ANNUAL INFORMATION REPORT
for the year ended December 31, 2020
AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT,
FORMERLY KNOWN AS
GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 1
(THE “DISTRICT”)
CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO

Pursuant to the requirements of Section VIII of the District's First Amended and Restated Service Plan, the District is required to provide an annual report to the City of Aurora (the “City”) with regards to the following matters:

- (1) **Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year:** The District had no boundary changes during 2020.
- (2) **Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year:**

Project Management Intergovernmental Agreement. On April 10, 2020, the District and The Aurora Highlands Community Authority Board (the “**CAB**”) entered into a Project Management Intergovernmental Agreement (“**Project Management IGA**”) to set forth the parties’ understanding regarding the terms under which the District will coordinate the design, testing, engineering and construction of the Public Improvements (as defined in the Project Management IGA) on behalf of the District and the CAB.

Water Line Construction and Cost Reimbursement Agreement. On July 28, 2020, the District and the City entered into a Water Line Construction and Cost Reimbursement Agreement (“**Water Line Reimbursement Agreement**”) to set forth the terms under which the District will undertake and fund the installation of certain portions of the Aurora Pipeline Project and the City will reimburse the District for certain approved incremental costs associated with installation of said improvements. The terms of the Water Line Reimbursement Agreement were amended by the Letter of Agreement regarding Payment to Accelerate Installation and the Letter of Agreement regarding Request to Expedite Installation of Pipeline Section.

CAB First Amended and Restated Establishment Agreement. On April 16, 2020, the District, The Aurora Highlands Metropolitan District Nos. 1, 2 and 3 (collectively, the “**TAH Districts**”) and ATEC Metropolitan District Nos. 1 and 2 (collectively, the “**ATEC Districts**”, and together with the TAH Districts, the “**CAB Districts**”) entered into the CAB First Amended and Restated Establishment Agreement (“**First A/R CABEA**”). The First A/R CABEA provides the terms under which the CAB shall (a) facilitate the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and operation and maintenance of the Public Improvements (as defined in the First A/R CABEA); and (b) provide certain services contemplated by the Service Plans of the CAB Districts on behalf of the CAB Districts, including covenant enforcement and design review services.

Mill Levy Policy Agreement. The CAB and the CAB Districts entered into a Mill Levy Policy Agreement, effective June 30, 2020 (“**Mill Levy Policy Agreement**”). The Mill Levy Policy Agreement evidences the mutual benefits enjoyed by the CAB and CAB Districts by the provision, operation and maintenance of the Public Improvements (as defined in the Mill Levy Policy Agreement) and the obligations of the CAB and the CAB Districts under the First A/R CABEA and certain Capital Pledge Agreements.

Intergovernmental Agreement regarding Design and Construction of The Aurora Highlands Parkway. On August 12, 2020, the District and the Aerotropolis Regional Transportation Authority (“**ARTA**”) entered into an Intergovernmental Agreement regarding Design and Construction of The Aurora Highlands Parkway (“**TAH Parkway IGA**”) to set forth the parties’ understanding regarding the funding by the District for the planning, design and construction of the TAH Parkway Improvements (as defined in the TAH Parkway IGA) and the terms for reimbursement of the District by ARTA.

Assignment of Responsibilities under Restated Agreement for Reimbursement of Costs (Picadilly Road Cost Reimbursement). The District, the TAH Districts and Green Valley Aurora Metropolitan District No. 1 (“**GVA**”) entered into an Assignment of Responsibilities under Restated Agreement for Reimbursement of Costs (Picadilly Road Cost Reimbursement), effective July 21, 2020 (“**Assignment**”). The Assignment sets forth the parties’ intent and approval regarding assignment of the rights and responsibilities of the TAH Districts under the Restated Agreement for Reimbursement of Costs (Picadilly Road Cost Reimbursement) to GVA.

Second Amendment to Agreement with E-470 Public Highway Authority regarding Temporary Construction Access. In October 2020 the District approved a Second Amendment to the Assignment by and between the District and E-470 Public Highway Authority first approved October 10, 2018 (and amended October 10, 2019) to extend the term of the Temporary Access Agreement through April 10, 2021.

Relationship to The Aurora Highlands Community Authority Board. As of November 21, 2019, and pursuant to The Aurora Highlands Community Authority Board First Amended and Restated Establishment Agreement dated April 16, 2020 (the “**CAB**” and the “**First A/R CABEA,**” respectively), the CAB has been organized to, *inter alia*, (a) facilitate the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and operation and maintenance of the Public Improvements; and (b) provide certain services contemplated by the Service Plans of the CAB Districts, including the District, on behalf of the CAB Districts, including covenant enforcement and design review services. Pursuant to the First A/R CABEA, the CAB has (i) entered into intergovernmental agreements with other governmental entities, (ii) adopted rules and regulations, and (iii) conducted an audit, all of which have been disclosed under separate cover.

- (3) **Copies of the District’s rules and regulations, if any as of December 31 of the prior year:** No rules and regulations have been established as of December 31, 2020.

- (4) **A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year:** The District was not involved in any litigation during 2020.
- (5) **Status of the District's construction of the Public Improvements as of December 31 of the prior year:** In its capacity as the Program Manager for ARTA and as the coordinator of construction projects for The Aurora Highlands Metropolitan District Nos. 1, 2 and 3, and ATEC Metropolitan District Nos. 1 and 2, the District constructed the following Public Improvements in 2020:
- i. Grading/Stormwater Management;
 - ii. Site Utilities (Water, Sanitary Sewer, Storm Drainage Facilities);
 - iii. Public Minor and Arterial Roadways, including street lights; and
 - iv. Project Monumentation.
- (6) **A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year:** All or portions of the following roadways (located within the boundaries of The Aurora Highlands Metropolitan District No. 1) were dedicated to the City during 2020: Main Street, 42nd Avenue, Reserve Loop, 38th Parkway, The Aurora Highlands Parkway and Denali Boulevard. Portions of the foregoing roadways have been initially accepted by the City to date.
- (7) **The assessed valuation of the District for the current year:** A copy of the 2020 certification of assessed valuation from Adams County is attached hereto as **Exhibit A**.
- (8) **Current year budget including a description of the Public Improvements to be constructed in such year:** A copy of the 2021 Budget is attached hereto as **Exhibit B**. During 2021, the following Public Improvements are anticipated to be constructed by the District in its capacity as the Program Manager for ARTA and as the coordinator of construction projects for The Aurora Highlands Metropolitan District Nos. 1, 2 and 3, and ATEC Metropolitan District Nos. 1 and 2:
- i. Grading/Stormwater Management;
 - ii. Site Utilities (Water, Sanitary Sewer, Storm Drainage Facilities);
 - iii. Roadway Lighting/Traffic Control;
 - iv. Curb, Gutter, Walks/Trails;
 - v. Asphalt Paving;
 - vi. Street and Hardscape;
 - vii. Landscape and Irrigation; and
 - viii. Project Monumentation.
- (9) **Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable:** The District's 2020 Audit is not complete and will be filed separately when available.

- (10) **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument:** There were no uncured events of default during the reporting period.

- (11) **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period:** There were no instances of the District's inability to pay its obligations during the reporting period.

EXHIBIT A
2020 Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **237 - AEROTROPOLIS AREA COORDINATING METRO DISTRICT**

IN ADAMS COUNTY ON 11/29/2020

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 2020 IN ADAMS COUNTY, COLORADO

| | | |
|--|--|--------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | | \$40 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: * | | \$40 |
| 3. LESS TIF DISTRICT INCREMENT, IF ANY: | | \$0 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | | \$40 |
| 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 2020 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2020

| | | |
|---|--|-------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @ | | \$155 |
| 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 |
| <small>(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.)</small> | | |
| 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 |
|--|-----|

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2020

Data Date: 11/29/2020

EXHIBIT B
2021 Budget

AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 1,927,434 | \$ 20,498 | \$ 2,758 |
| REVENUES | | | |
| Interest Income | 101,577 | 12,000 | 5,000 |
| Developer Advance | 18,215,206 | 16,995,000 | 2,033,000 |
| Transfer from First Creek Ranch Metro District | 63,000 | 35,500 | 72,238 |
| Intergovernmental revenue - ARTA | 4,548,956 | 9,288,875 | 5,000,000 |
| Developer Reimbursement | 638,335 | 47,000 | 150,000 |
| Intergovernmental revenue - CAB | - | 67,200,474 | 40,000,000 |
| Total revenues | <u>23,567,074</u> | <u>93,578,849</u> | <u>47,260,238</u> |
| Total funds available | <u>25,494,508</u> | <u>93,599,347</u> | <u>47,262,996</u> |
| EXPENDITURES | | | |
| General Fund | 395,429 | 671,500 | 105,000 |
| Capital Projects Fund | 25,078,581 | 92,925,089 | 47,155,000 |
| Total expenditures | <u>25,474,010</u> | <u>93,596,589</u> | <u>47,260,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>25,474,010</u> | <u>93,596,589</u> | <u>47,260,000</u> |
| ENDING FUND BALANCES | <u>\$ 20,498</u> | <u>\$ 2,758</u> | <u>\$ 2,996</u> |

No assurance provided. See summary of significant assumptions.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|--------------------------------|----------------|-------------------|----------------|
| ASSESSED VALUATION | | | |
| Agricultural | \$ 10 | \$ 40 | \$ 40 |
| Certified Assessed Value | \$ 10 | \$ 40 | \$ 40 |
| | | | |
| MILL LEVY | | | |
| General | 0.000 | 0.000 | 0.000 |
| Total mill levy | 0.000 | 0.000 | 0.000 |
| | | | |
| PROPERTY TAXES | | | |
| General | \$ - | \$ - | \$ - |
| Budgeted property taxes | \$ - | \$ - | \$ - |
| | | | |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - |

No assurance provided. See summary of significant assumptions.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|--------------------|-------------------|-----------------|
| BEGINNING FUND BALANCE | \$ (39,912) | \$ (56,242) | \$ 2,758 |
| REVENUES | | | |
| Developer Advance | 316,099 | 695,000 | 33,000 |
| Transfer from First Creek Ranch Metro District | 63,000 | 35,500 | 72,238 |
| Total revenues | <u>379,099</u> | <u>730,500</u> | <u>105,238</u> |
| Total funds available | <u>339,187</u> | <u>674,258</u> | <u>107,996</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 86,358 | 129,500 | 10,000 |
| Audit | 5,500 | 6,000 | 7,000 |
| Dues and Licenses | 1,492 | 3,000 | 3,000 |
| Insurance | 16,176 | 32,394 | 30,000 |
| District Management | 84,270 | 169,000 | 18,000 |
| Legal | 201,185 | 320,000 | 25,000 |
| Miscellaneous | 448 | 2,500 | - |
| Election Expense | - | 6,100 | - |
| Contingency | - | 3,006 | 12,000 |
| Total expenditures | <u>395,429</u> | <u>671,500</u> | <u>105,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>395,429</u> | <u>671,500</u> | <u>105,000</u> |
| ENDING FUND BALANCE | <u>\$ (56,242)</u> | <u>\$ 2,758</u> | <u>\$ 2,996</u> |
| EMERGENCY RESERVE | <u>\$ 1,900</u> | <u>\$ 1,100</u> | <u>\$ 2,200</u> |
| TOTAL RESERVE | <u>\$ 1,900</u> | <u>\$ 1,100</u> | <u>\$ 2,200</u> |

No assurance provided. See summary of significant assumptions.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCE | \$ 1,967,346 | \$ 76,740 | \$ - |
| REVENUES | | | |
| Developer Advance | 17,899,107 | 16,300,000 | 2,000,000 |
| Developer Reimbursement | 638,335 | 47,000 | 150,000 |
| Intergovernmental Revenue - ARTA | 4,548,956 | 9,288,875 | 5,000,000 |
| Intergovernmental Revenue - CAB | - | 67,200,474 | 40,000,000 |
| Interest Income | 101,577 | 12,000 | 5,000 |
| Total revenues | <u>23,187,975</u> | <u>92,848,349</u> | <u>47,155,000</u> |
| Total funds available | <u>25,155,321</u> | <u>92,925,089</u> | <u>47,155,000</u> |
| EXPENDITURES | | | |
| Accounting | 17,038 | 50,000 | 25,000 |
| District Management | - | 60,000 | 90,000 |
| Legal | 206,222 | 220,000 | 100,000 |
| Legal - in-tract | - | 20,000 | 10,000 |
| Crop Impact - Payment for Damages | 100,347 | - | - |
| Construction trailer expenses | 7,728 | 50,000 | 60,000 |
| Miscellaneous | 5,038 | 40,000 | 5,000 |
| Waste Services | - | - | - |
| Repay Developer Advance | 1,438,828 | 33,673,846 | - |
| Engineering | 415,978 | - | - |
| Developer Advance Interest Expense | 46,965 | 2,937,811 | - |
| Developer improvements | 638,335 | 47,000 | 150,000 |
| Infrastructure Improvements - ARTA | 4,548,956 | 9,288,875 | 5,000,000 |
| Landscape/Planning | 709,621 | 500,000 | - |
| Architecture | 94,063 | 35,000 | 300,000 |
| Plan Review | - | 5,000 | - |
| Entry Monument | 2,208,405 | 1,800,000 | - |
| Surety | 176,113 | - | - |
| Cost Verification | 98,073 | 245,000 | 250,000 |
| GIS Services | 61,105 | 160,000 | 150,000 |
| Landscape, Hardscape & Monumentation | - | 700,000 | 2,000,000 |
| Bond Issue Costs | 56,805 | 11,106 | - |
| Permits and Fees | 32,668 | 40,000 | 150,000 |
| Camera Monitoring | 22,968 | 100,000 | 100,000 |
| Construction Trailer | 57,792 | - | - |
| Construction Equipment | 4,957 | - | - |
| Streets | 1,460,539 | 8,042,251 | 13,000,000 |
| Storm Drainage | 1,213,951 | 75,000 | 6,000,000 |
| Surveying | 250,628 | 300,000 | 500,000 |
| Sanitary Sewer Interceptor | 3,530,632 | 425,000 | 3,000,000 |
| Utilities | 3,045,785 | 7,500,000 | 2,000,000 |
| Capital Outlay | - | 5,574,181 | - |
| Program Management | 307,357 | 1,050,000 | 700,000 |
| Project Assistance | 219,139 | 375,000 | 500,000 |
| Monument Design | 68,650 | 150,000 | - |
| Trib T Geomorphology | 765,154 | 11,700,000 | 2,000,000 |
| Construction Assistance | 224,817 | 65,000 | 200,000 |
| Civil Engineering | 1,266,080 | 1,100,000 | 3,000,000 |
| Grading/Earthwork | 1,110,943 | 3,300,000 | 4,000,000 |
| Interchanges | 41,425 | - | - |
| Utility Relocation | 355,826 | - | - |
| Erosion Control | - | 250,000 | 500,000 |
| Stormwater Management | 202,498 | 300,000 | 500,000 |
| Geotechnical Engineering | - | 50,000 | - |
| Waterline | 67,152 | 2,600,000 | 2,000,000 |
| Contingency | - | 85,019 | 865,000 |
| Total expenditures | <u>25,078,581</u> | <u>92,925,089</u> | <u>47,155,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>25,078,581</u> | <u>92,925,089</u> | <u>47,155,000</u> |
| ENDING FUND BALANCE | <u>\$ 76,740</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Aerotropolis Area Coordinating Metropolitan District (the District) (formerly Green Valley Ranch East Metropolitan District No. 1) was organized by order and decree of the District Court of Adams County, Colorado, recorded on December 7, 2004, to provide financing for the construction and installation of regional public improvements, including streets, traffic safety, water, sanitary sewer, park and recreation, public transportation, mosquito control, fire protection, and television relay improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The Court Order granting the District's name change was recorded on August 16, 2017. The District's First Amended and Restated Service Plan (Service Plan) was approved by the City Council of the City of Aurora (City) on October 16, 2017. The Service Plan does not authorize the District to provide fire protection or television relay services unless the District enters into an intergovernmental agreement with the City. The District was formed in conjunction with seven other metropolitan districts: The Aurora Highlands Metropolitan District Nos. 1-3 ("TAH Nos. 1-3") (formerly Green Valley Ranch East Metropolitan District Nos. 2-4), Green Valley Aurora Metropolitan District No. 1 ("GVA No. 1") (formerly Green Valley Ranch East Metropolitan District No. 5), and Green Valley Ranch East Metropolitan District Nos. 6-8.

On November 7, 2017, the District voters approved a mill levy increase to generate property taxes of up to \$8,000,000,000 annually to pay, in part, the District's general cost of operations and maintenance. The mill levy is on all taxable property within the District for collection in 2018 and each year thereafter. Furthermore, the voters authorized the District to collect and expend levied taxes and any other income of the District without regard to any limitations imposed by TABOR. The total debt authorized for all services and improvements was \$80,000,000,000. The Service Plan limits the total debt issuance to \$8,000,000,000, with a maximum debt mill levy of 50.000 mills, subject to Gallagher adjustment. The current maximum debt mill levy is 55.664 mills.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to the financing and construction of the regional public improvements, and the repayment of the associated debt.

The District has historically received developer advances to help fund initial operating and administrative expenditures. On April 10, 2020, the District and The Aurora Highlands Community Authority Board (CAB) entered into that certain Project Management Intergovernmental Agreement pursuant to which the CAB will advance funds to the District for costs associated with the construction of District improvements.

The District, the City, and Adams County established the Aerotropolis Regional Transportation Authority (ARTA) pursuant to an intergovernmental agreement entered into on February 27, 2018, under the authority of the Regional Transportation Authority Law, Section 43-4-601, *et seq.*, C.R.S., in order to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements. Once organized, ARTA will impose an ARTA Mill Levy on the District. The District will collect revenues from the ARTA Mill Levy to provide for financing of the regional improvements through ARTA. If the ARTA Mill Levy in any given year is less than 5 mills, the District will impose an Aurora Regional Improvements (ARI) Mill Levy and will collect the ARI Mill Levy revenues to be spent only pursuant to a Regional Intergovernmental Improvements Agreement.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (Continued)

On November 21, 2019, the District, TAH Nos. 1-3, and ATEC Metropolitan District Nos. 1 and 2 (“ATEC Nos. 1 and 2”, and collectively with the District and TAH Nos. 1-3, the “CAB Districts”) formed The Aurora Highlands Community Authority Board (“CAB”) pursuant to intergovernmental agreement to govern the relationships between and among the CAB Districts with respect to the financing, construction, and operation of public improvements within their combined service area. It is anticipated that one or more of the CAB Districts may enter into additional intergovernmental agreements concerning the financing, construction, and operation of public improvements benefiting the CAB Districts and their residents and owners.

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 requirements of Section 29-1-105, C.R.S., 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.

The budgets are in accordance with the TABOR Amendment limitation. Emergency reserves required under TABOR have been provided.

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 will not levy a property tax in 2021.

Pursuant to the Service Plan, the District is required to levy the ARI Mill Levy, in the first year the District imposes a debt service mill levy and for each year thereafter. The ARI Mill Levy will be one mill for each of the first twenty years. The ARI Mill Levy will increase to 5 mills in year twenty-one and will continue at that level until the earlier of year forty or the date when bonds have been repaid. The ARI Mill Levy will then be imposed for ten additional years at the average debt service mill levy imposed by the District for the ten years prior to the date of repayment of the debt.

Developer Advances

In 2021, developer advances are expected to fund a portion of operating and capital expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the developer.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Transfers from Other Districts

The intergovernmental revenues are transfers from First Creek Ranch Metropolitan District. The District will coordinate the payment of administrative expenditures for First Creek Ranch Metropolitan District, as well as the District's own administrative expenditures.

Developer Reimbursement

A portion of the capital improvements to be constructed are for the benefit of the Developer. The Developer will reimburse the District for these costs.

Intergovernmental Revenue

The District has entered into intergovernmental agreements with ARTA, whereby the District will receive funding from ARTA to help finance capital regional transportation improvements. Additionally, the District has budgeted capital funding from bond proceeds that were issued by the CAB in 2020.

Expenditures

Administrative and Operating Expenses

Operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense, and other administrative expenses.

Capital Outlay

The budget anticipates construction activity during 2021 and is detailed on page 5.

Debt and Leases

The District's outstanding debt consists of developer advances and intergovernmental agreements. During 2020, the intergovernmental agreement was assigned to GVA No. 1, which had no budgetary financial effect on the District. At December 31, 2019, the District had developer advances in the amount of \$21,988,124, which included \$942,413 of accrued interest at 8%. See below for the estimated activity for developer advances.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

| | Balance 12/31/2019 | Additions | Retirements | Balance 12/31/2020 |
|--------------------|-----------------------|----------------------|----------------------|-----------------------|
| Developer Advances | | | | |
| Operations | \$ 532,945 | \$ 695,000 | \$ - | \$ 1,227,945 |
| Capital | 20,512,766 | 16,300,000 | 33,673,846 | 3,138,920 |
| Accrued Interest | 942,413 | 2,312,747 | 2,937,811 | 317,349 |
| | <u>\$ 21,988,124</u> | <u>\$ 19,307,747</u> | <u>\$ 36,611,657</u> | <u>\$ 4,684,214</u> |
| | | | | |
| | Balance 12/31/2020 | Additions | Retirements | Balance 12/31/2021 |
| Developer Advances | | | | |
| Operations | \$ 1,227,945 | \$ 33,000 | \$ - | \$ 1,260,945 |
| Capital | 3,138,920 | 2,000,000 | - | 5,138,920 |
| Accrued Interest | 317,349 | 479,989 | - | 797,338 |
| | <u>\$ 4,684,214</u> | <u>\$ 2,512,989</u> | <u>\$ -</u> | <u>\$ 7,197,203</u> |

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

This information is an integral part of the accompanying budget.