

PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2024

**PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 9,925,634 | \$ 10,731,371 | \$ 10,662,254 |
| REVENUES | | | |
| Property taxes | 176,812 | 175,842 | 193,908 |
| Property Taxes Remitted by DURA | 2,527,922 | 2,491,501 | 2,802,488 |
| Specific ownership taxes | 135,731 | 133,367 | 9,696 |
| Interest income | 198,478 | 450,000 | 400,078 |
| Other revenue | - | 48 | - |
| Total revenues | 3,038,943 | 3,250,758 | 3,406,170 |
| Total funds available | 12,964,577 | 13,982,129 | 14,068,424 |
| EXPENDITURES | | | |
| General Fund | 463,224 | 519,875 | 655,000 |
| Debt Service Fund | 1,769,982 | 2,800,000 | 2,810,000 |
| Capital Projects Fund | - | - | 1,585,000 |
| Total expenditures | 2,233,206 | 3,319,875 | 5,050,000 |
| Total expenditures and transfers out requiring appropriation | 2,233,206 | 3,319,875 | 5,050,000 |
| ENDING FUND BALANCES | \$ 10,731,371 | \$ 10,662,254 | \$ 9,018,424 |
| EMERGENCY RESERVE | \$ 29,700 | \$ 32,800 | \$ 28,600 |
| AVAILABLE FOR OPERATIONS | 5,237,128 | 5,805,336 | 6,106,059 |
| TOTAL RESERVE | \$ 5,266,828 | \$ 5,838,136 | \$ 6,134,659 |

PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|--|-----------------------|-----------------------|-----------------------|
| ASSESSED VALUATION | | | |
| Commercial | \$ 105,253,890 | \$ 104,911,080 | \$ 130,556,050 |
| Industrial | | - | 1,420,110 |
| Personal property | 18,550,520 | 16,331,760 | 17,843,610 |
| | 123,804,410 | 121,242,840 | 149,819,770 |
| LESS TIF District Assessed Value | (115,728,436) | (113,250,035) | (140,124,396) |
| Certified Assessed Value | <u>\$ 8,075,974</u> | <u>\$ 7,992,805</u> | <u>\$ 9,695,374</u> |
| MILL LEVY | | | |
| General | 7.000 | 7.000 | 5.000 |
| Debt Service | 15.000 | 15.000 | 15.000 |
| Total mill levy | <u>22.000</u> | <u>22.000</u> | <u>20.000</u> |
| PROPERTY TAXES | | | |
| General | \$ 56,532 | \$ 55,950 | \$ 48,477 |
| Debt Service | 121,140 | 119,892 | 145,431 |
| Levied property taxes | 177,672 | 175,842 | 193,908 |
| Adjustments to actual/rounding | (860) | - | - |
| Budgeted property taxes | <u>\$ 176,812</u> | <u>\$ 175,842</u> | <u>\$ 193,908</u> |
| ASSESSED VALUATION - Due on Increment | | | |
| TIF District Increment | \$ 115,728,436 | \$ 113,250,035 | \$ 140,124,396 |
| Certified Assessed Value | <u>\$ 115,728,436</u> | <u>\$ 113,250,035</u> | <u>\$ 140,124,396</u> |
| MILL LEVY | | | |
| General | 7.000 | 7.000 | 5.000 |
| Debt Service | 15.000 | 15.000 | 15.000 |
| Total mill levy | <u>22.000</u> | <u>22.000</u> | <u>20.000</u> |
| PROPERTY TAXES | | | |
| General | \$ 810,099 | \$ 792,750 | \$ 700,622 |
| Debt Service | 1,735,927 | 1,698,751 | 2,101,866 |
| Levied property taxes | 2,546,026 | 2,491,501 | 2,802,488 |
| Adjustments to actual/rounding | (18,104) | - | - |
| Budgeted property taxes | <u>\$ 2,527,922</u> | <u>\$ 2,491,501</u> | <u>\$ 2,802,488</u> |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ 860,597 | \$ 848,700 | \$ 749,099 |
| Debt Service | 1,844,137 | 1,818,643 | 2,247,297 |
| | <u>\$ 2,704,734</u> | <u>\$ 2,667,343</u> | <u>\$ 2,996,396</u> |

No assurance provided. See summary of significant assumptions.

PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 4,742,531 | \$ 5,266,828 | \$ 5,838,136 |
| REVENUES | | | |
| Property taxes | 56,258 | 55,950 | 48,477 |
| Specific ownership taxes | 43,187 | 42,435 | 2,424 |
| Property Taxes Remitted by DURA | 800,389 | 792,750 | 700,622 |
| Interest income | 87,687 | 200,000 | 200,000 |
| Other revenue | - | 48 | - |
| Total revenues | 987,521 | 1,091,183 | 951,523 |
| Total funds available | 5,730,052 | 6,358,011 | 6,789,659 |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 24,612 | 32,000 | 35,200 |
| Auditing | 4,300 | 4,500 | 5,000 |
| County Treasurer's fee | 8,624 | 8,487 | 11,236 |
| Dues and membership | 709 | 699 | 880 |
| Insurance | 18,005 | 18,497 | 19,800 |
| District management | 31,940 | 30,000 | 39,600 |
| Legal | 18,375 | 23,000 | 25,300 |
| Miscellaneous | 3,795 | 5,000 | 6,000 |
| Election | 1,608 | 899 | - |
| Contingency | - | - | 6,784 |
| Operations and maintenance | | | |
| Repairs and maintenance | - | 6,000 | 6,000 |
| City of Denver Maintenance Fee | 3,000 | 3,000 | 3,000 |
| Locates | 2,192 | 2,200 | 3,300 |
| Landscape - Repairs and Maintenance | 29,537 | 50,000 | 55,000 |
| Landscape - Contract | 109,964 | 126,000 | 138,600 |
| Landscape - Floral | 9,262 | 13,177 | 14,500 |
| Landscape - Water | 19,319 | 6,500 | 8,800 |
| Mosquito control | - | 2,000 | 2,000 |
| Snow removal | 10,144 | 15,000 | 16,500 |
| Storm drainage | 12,331 | 14,000 | 14,000 |
| Utilities | 24,655 | 20,000 | 38,500 |
| Trash Collection | - | 15,000 | 15,000 |
| Tree Replacement & Maintenance | 99,049 | 43,916 | 55,000 |
| Irrigation Repairs | 28,833 | 35,000 | 35,000 |
| Detention Pond Maintenance | - | 45,000 | 45,000 |
| Pest Control | 2,970 | - | - |
| Security | - | - | 55,000 |
| Total expenditures | 463,224 | 519,875 | 655,000 |
| Total expenditures and transfers out requiring appropriation | 463,224 | 519,875 | 655,000 |
| ENDING FUND BALANCES | \$ 5,266,828 | \$ 5,838,136 | \$ 6,134,659 |
| EMERGENCY RESERVE | \$ 29,700 | \$ 32,800 | \$ 28,600 |
| AVAILABLE FOR OPERATIONS | 5,237,128 | 5,805,336 | 6,106,059 |
| TOTAL RESERVE | \$ 5,266,828 | \$ 5,838,136 | \$ 6,134,659 |

No assurance provided. See summary of significant assumptions.

PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 3,723,535 | \$ 3,979,621 | \$ 3,279,196 |
| REVENUES | | | |
| Property taxes | 120,554 | 119,892 | 145,431 |
| Specific ownership taxes | 92,544 | 90,932 | 7,272 |
| Property Taxes Remitted by DURA | 1,727,533 | 1,698,751 | 2,101,866 |
| Interest income | 85,437 | 190,000 | 160,000 |
| Other revenue | - | - | - |
| Total revenues | 2,026,068 | 2,099,575 | 2,414,569 |
| Total funds available | 5,749,603 | 6,079,196 | 5,693,765 |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 18,582 | 18,186 | 33,709 |
| Paying agent fees | 1,050 | 1,050 | 1,200 |
| Contingency | - | 27,214 | 29,741 |
| Debt Service | | | |
| Bond Interest - Series 2012 | 195,200 | 195,200 | 155,200 |
| Bond Interest - Series 2016 | 760,150 | 728,350 | 695,150 |
| Bond Principal - Series 2016 | 795,000 | 830,000 | 895,000 |
| Bond Principal - Series 2012 | - | 1,000,000 | 1,000,000 |
| Total expenditures | 1,769,982 | 2,800,000 | 2,810,000 |
| Total expenditures and transfers out requiring appropriation | 1,769,982 | 2,800,000 | 2,810,000 |
| ENDING FUND BALANCES | \$ 3,979,621 | \$ 3,279,196 | \$ 2,883,765 |

**PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET**

**WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 1,459,568 | \$ 1,484,922 | \$ 1,544,922 |
| REVENUES | | | |
| Interest income | 25,354 | 60,000 | 40,078 |
| Total revenues | 25,354 | 60,000 | 40,078 |
| Total funds available | 1,484,922 | 1,544,922 | 1,585,000 |
| EXPENDITURES | | | |
| Capital outlay | - | - | 1,585,000 |
| Total expenditures | - | - | 1,585,000 |
| Total expenditures and transfers out requiring appropriation | - | - | 1,585,000 |
| ENDING FUND BALANCES | \$ 1,484,922 | \$ 1,544,922 | \$ - |

**PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Prologis Central Park Business Center Metropolitan District (formerly known as (SBC Metropolitan District) (District) was organized on March 26, 1998 and is authorized under its Amended and Restated Service Plan (approved March 27, 2007, and modified August 1, 2011) to provide for the design, construction, installation, financing and acquisition of certain street, traffic and safety controls, water, sanitation, park and recreation improvements and mosquito control.

At its organizational election held May 5, 1998, the District's voters approved an increase in taxes of \$1,000,000 annually for general operations and maintenance; general obligation indebtedness of \$12,840,000 for streets; \$1,653,000 for safety controls; \$2,058,000 for water facilities; \$9,060,000 for sewer and storm drainage facilities; and \$4,389,000 for parks (for a total debt authorization of \$30,000,000); and \$30,000,000 for refunding debt at higher interest rates. The voters also approved the District's ability to annually collect and retain \$1,000,000 of revenue from fees or charges and interest thereon. In addition, on November 1, 2005, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$50,000,000. This includes an additional \$10,000,000 each for streets, safety controls, water facilities, sewer and storm drainage facilities, and parks. Also, the electors authorized the refunding of up to \$50,000,000 in general obligation bonds at a higher interest rate. During 2005, the District utilized \$22,785,000 of the \$50,000,000 of refunding authorization.

During 2000 the District negotiated a Cooperation Agreement with the Denver Urban Renewal Development Authority (DURA) to reimburse the District for taxes diverted to DURA as a result of tax incremental financing within the Stapleton Urban Redevelopment Plan which overlays property within the District.

Per the Service Plan, the District is limited to issuing \$23,600,000 in debt. However, on March 27, 2007, an amendment to the Service Plan of the District was approved by the City and County of Denver. The purpose of amending the Service Plan is to allow the District to issue additional General Obligation Bonds for improvements to be completed on land that will be included into the District. Per the amended Service Plan, the maximum amount of General Obligation Bonds the District may issue shall be increased by \$182,000 per acre for each acre of land within the future inclusion area that is included into the District.

On July 28, 2023, the District court in and for Denver County, Colorado approved a change of the District's name from SBC Metropolitan District to Prologis Central Park Business Center Metropolitan District.

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.

**PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

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

Pursuant to the District's 2016 and 2012 Bond Documents, the District may levy, without limitation, an amount necessary to meet their annual debt service requirements against all taxable property within the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the Budget using the adopted mill levy imposed by the District. The taxes include those subject to the DURA Cooperation Agreement as displayed.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

| Category | Rate | Category | Rate | Actual Value Reduction | Amount |
|---------------------------|-------------|-----------------------|-------------|-------------------------------|---------------|
| Single-Family Residential | 6.70% | Agricultural Land | 26.40% | Single-Family Residential | \$55,000 |
| Multi-Family Residential | 6.70% | Renewable Energy Land | 26.40% | Multi-Family Residential | \$55,000 |
| Commercial | 27.90% | Vacant Land | 27.90% | Commercial | \$30,000 |
| Industrial | 27.90% | Personal Property | 27.90% | Industrial | \$30,000 |
| Lodging | 27.90% | State Assessed | 27.90% | Lodging | \$30,000 |
| | | Oil & Gas Production | 87.50% | | |

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 forecast assumes that the District's share will be equal to approximately 5% of the property taxes collected by the General Fund and Debt Service Fund. The estimate also includes property taxes under the DURA Cooperation Agreement.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 4.00%.

**PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operation Expenditures

Administrative expenditures include the services necessary to maintain the District's administrative viability such as accounting and audit, insurance, legal and management expenses. Operation expenditures include the street, sidewalk and landscaping maintenance. These expenditures are based on estimates of the District's Board of Directors and consultants.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2012 General Obligation Bonds and the Series 2016 General Obligation Refunding and Improvement Bonds.

Capital Outlay

The District's capital expenditures are shown on the Capital Projects Fund page of the Budget.

Debt and Leases

On December 19, 2012, the District issued \$4,880,000 General Obligation Bonds, Series 2012, with an interest rate of 4.0%, consisting of term bonds due December 1, 2037. Such term bonds are subject to mandatory sinking fund redemption.

The 2012 Bonds are secured by and are payable from all taxable property in the District which is subject to an ad valorem property tax. Additionally, the 2012 bonds are secured by funds in the 2012 Reserve account as well as the Mill Levy Stabilization account.

On October 27, 2016 the District issued \$19,225,000 General Obligation Refunding and Improvements Bonds, Series 2016, with an interest rate varying from 3.0%-5.0%. Such bonds are subject to redemption prior to maturity at the option of the District and are also subject to mandatory sinking fund redemption.

The 2016 Bonds are secured by and are payable from all taxable property in the District which is subject to an ad valorem property tax. Additionally, the 2016 bonds are secured by funds in the 2016 Reserve account as well as the Mill Levy Stabilization account.

The District has no operating or capital leases.

**PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Debt Service Reserve

The District is required to maintain an initial debt service reserve of \$478,167 for the Series 2012 Bonds as well as a reserve of \$870,625 for the Series 2016 Bonds.

Emergency Reserve

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

This information is an integral part of the accompanying forecasted budget.

**PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

| \$4,880,000 | | | |
|---|---------------------|---------------------|---------------------|
| General Obligation Bonds | | | |
| Series 2012, Dated December 19, 2012 | | | |
| Interest Rate of 4.00% | | | |
| Interest Payable June 1 and December 1, | | | |
| Principal Due December 1 | | | |
| Year Ended December 31, | Principal | Interest | Total |
| 2024 | \$ - | \$ 155,200 | \$ 155,200 |
| 2025 | - | 155,200 | 155,200 |
| 2026 | - | 155,200 | 155,200 |
| 2027 | - | 155,200 | 155,200 |
| 2028 | - | 155,200 | 155,200 |
| 2029 | - | 155,200 | 155,200 |
| 2030 | - | 155,200 | 155,200 |
| 2031 | - | 155,200 | 155,200 |
| 2032 | - | 155,200 | 155,200 |
| 2033 | - | 155,200 | 155,200 |
| 2034 | - | 155,200 | 155,200 |
| 2035 | 1,390,000 | 155,200 | 1,545,200 |
| 2036 | 1,475,000 | 99,600 | 1,574,600 |
| 2037 | 1,015,000 | 40,600 | 1,055,600 |
| Total | <u>\$ 3,880,000</u> | <u>\$ 2,002,600</u> | <u>\$ 5,882,600</u> |

No assurance provided. See summary of significant assumptions.

**PROLOGIS CENTRAL PARK BUSINESS CENTER METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

| | | | |
|--|--------------------------|---------------------|----------------------|
| \$19,225,000 | | | |
| General Obligation Refunding and Improvement Bonds | | | |
| Series 2016, Dated October 27, 2016 | | | |
| Interest Rate Varying from 3.00% - 5.00% | | | |
| Interest Payable June 1 and December 1, | | | |
| Year Ended | Principal Due December 1 | | |
| December 31, | Principal | Interest | Total |
| 2024 | \$ 895,000 | \$ 695,150 | \$ 1,590,150 |
| 2025 | 920,000 | 674,250 | 1,594,250 |
| 2026 | 1,000,000 | 628,250 | 1,628,250 |
| 2027 | 1,050,000 | 578,250 | 1,628,250 |
| 2028 | 1,140,000 | 525,750 | 1,665,750 |
| 2029 | 1,195,000 | 468,750 | 1,663,750 |
| 2030 | 1,295,000 | 409,000 | 1,704,000 |
| 2031 | 1,360,000 | 344,250 | 1,704,250 |
| 2032 | 1,465,000 | 276,250 | 1,741,250 |
| 2033 | 1,535,000 | 203,000 | 1,738,000 |
| 2034 | 2,525,000 | 126,250 | 2,651,250 |
| 2035 | - | - | - |
| 2036 | - | - | - |
| 2037 | - | - | - |
| Total | <u>\$ 14,380,000</u> | <u>\$ 4,929,150</u> | <u>\$ 19,309,150</u> |

No assurance provided. See summary of significant assumptions.