

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO**

ANNUAL REPORT FOR FISCAL YEAR 2024

Pursuant to §32-1-207(3)(c) and the Amended and Restated Service Plan for Cottonwood Hollow Commercial Metropolitan District (the “**District**”), as amended, the District is required to provide an annual report to the Town of Firestone (the “**Town**”) with regard to the matters below.

To the best of our actual knowledge, for the year ending December 31, 2024, the District makes the following report:

Service Plan Requirements

- 1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.**

There were no boundary changes made or proposed to the District’s boundaries in 2024.

- 2. Copies of the District’s rules and regulations, if any, as of December 31 of the prior year.**

As of December 31, 2024, the District had not adopted any rules and regulations.

- 3. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.**

To our actual knowledge, based on review of the court records in Weld County, Colorado, and the Public Access to Court Electronic Records (PACER) there is no litigation involving the District’s Public Improvements as of December 31, 2024.

- 4. Status of the District’s construction of the public improvements as of December 31 of the prior year.**

As of December 31, 2024, the District had not constructed any public improvements.

- 5. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the Town or other service provider providing service to the property in the District, as of December 31 of the prior year.**

As of December 31, 2024, no facilities and improvements constructed by the District have been dedicated or accepted by the Town.

6. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

To our actual knowledge, the District did not receive notice of any uncured events of default by the District, which continued beyond a ninety (90) day period, under any debt instrument.

7. 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.

To our actual knowledge, there was not any inability of the District to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

8. Any alteration or revision of the proposed schedule of Debt issuance set forth in the Financial Plan.

None.

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

There were no boundary changes made to the District's boundaries in 2024.

2. Intergovernmental Agreements entered into or terminated.

The District entered into a Reimbursement and Cost Allocation Agreement with Cottonwood Hollow Residential Metropolitan District dated July 9, 2024 attached hereto as **Exhibit A**. There were no Intergovernmental Agreements terminated in 2024.

3. Access information to obtain a copy of rules and regulations adopted by the board.

As of December 31, 2024, the District had not adopted any rules and regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Weld County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's public improvements as of December 31, 2024.

5. Status of the construction of public improvements by the District.

As of December 31, 2024, no public improvements had been constructed by the District.

- 6. A list of facilities or improvements constructed by the District there were conveyed or dedicated to the county or municipality.**

As of December 31, 2024, no facilities and improvements constructed by the District have been conveyed or dedicated to the Town.

- 7. The final assessed valuation of the District as of December 31st of the reporting year.**

A copy of the 2024 final assessed valuation is \$9,748.00.

- 8. A copy of the current year's budget.**

A copy of the 2025 Budget is attached hereto as **Exhibit B**.

- 9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

The 2024 audit is not available at this time and will be provided as a supplement to this annual report.

- 10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.**

To our actual knowledge, the District did not receive notice of any uncured events of default by the District, which continued beyond a ninety (90) day period, under any debt instrument.

- 11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

To our actual knowledge, there was not any inability of the District to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

EXHIBIT A
Reimbursement and Cost Allocation Agreement

REIMBURSEMENT AND COST ALLOCATION AGREEMENT

This **REIMBURSEMENT AND COST ALLOCATION AGREEMENT** (the “**Agreement**”) is dated as of July 9, 2024 (the “**Effective Date**”), by and between **COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**Residential District**”), and **COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**Commercial District**”). The Residential District and the Commercial District are collectively referred to herein as the “**Parties**” or the “**Districts**,” and each individually as a “**Party**.”

RECITALS

WHEREAS, the Parties were organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating, and maintaining certain public facilities and improvements for themselves and their taxpayers, residents, and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the Parties are empowered to enter into contracts and agreements affecting the affairs of the Parties; and

WHEREAS, the Parties each have the power to have management, control, and supervision of all the business and affairs of the Parties, respectively; and

WHEREAS, the Residential District contracted with OTB Supply Inc, for rough grading and placement of fill for the Godding Creek CLOMR (the “**Work**”); and

WHEREAS, upon completion of the Work, the Residential District submitted a LOMR application; and

WHEREAS, the LOMR application was based on updated hydrologic modeling and improvements to Godding Hollow stream resulting from the Work, and resulting in updated floodplain information; and

WHEREAS, per the ‘LOMR Narrative Report’ prepared by Entitlement and Engineering Solutions, Inc., dated June 30, 2023, which was submitted and approved by FEMA as part of a LOMR application, the portion of the Residential District and Commercial District located within the 100-year floodplain decreased significantly, resulting in additional developable area within both Districts; and

WHEREAS, Board of Directors of each of the Residential District and Commercial District have reviewed the letter from Kimley-Horn and Associates, Inc., dated July 8, 2024, attached hereto and incorporated herein as **Exhibit A**, (the “**Kimley-Horn Letter**”) recommending that the costs for the Work and LOMR application (collectively referred to herein as the “**Costs**”) be allocated between the Parties based on acreage; and

WHEREAS, the Parties desire to enter into this Agreement to formalize all understandings and commitments between the Parties with respect to the allocation of the Costs, and the reimbursement by the Commercial District to the Residential District for its allocable share of the Costs.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

COVENANTS AND AGREEMENTS

1. Cost Allocation. The Boards of each of the Districts, having reviewed the Kimley-Horn Letter, the Costs, and the proposed allocation of the Costs, and after reviewing and discussing other cost allocation methodologies, hereby find and determine that the cost allocation methodology as set forth in the Kimley-Horn letter is appropriate, and that the Costs shall be allocated between the Parties based on acreage, as set forth in the Kimley-Horn Letter.

2. Reimbursement. The Parties agree that the Commercial District shall reimburse the Residential District for 14.921% of the Costs, for a total \$1,112,587.09 (the “**Commercial Share**”) the calculation of which is shown in **Exhibit B**, attached hereto and incorporated herein. The Residential District shall invoice the Commercial District for the Commercial Share within 30 days of the Effective Date (the “**Reimbursement Invoice**”). The Commercial District agrees to pay the Reimbursement Invoice within 30 days of receipt.

3. Entire Agreement and Amendments. This Agreement represents the complete understanding between the Parties. Any amendments must be in writing and signed by both Parties.

4. Notice. Any notice or communication required under this Agreement must be in writing, and shall be given personally, sent via nationally recognized overnight carrier service, or sent by registered or certified mail, return receipt requested. If sent by registered or certified mail, notice will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided in this Section 4, designate additional persons to whom notice or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notice or communications will be given to the parties at their addresses set forth below:

Residential District: Cottonwood Hollow Residential Metropolitan District
c/o Advance HOA Management, Inc.
P.O. Box 370390
Denver, CO 80237
Attention: Amber Fisher

Phone: (303) 482-2213, ext. 367
Email: amber.fisher@advancehoa.com

With a Copy to: WHITE BEAR ANKELE TANAKA & WALDRON
2154 East Commons Avenue, Suite 2000
Centennial, CO 80122
Attention: Clint C. Waldron, Esq.
Phone: (303) 858-1800
Email: cwaldron@wbapc.com

Commercial District: Cottonwood Hollow Commercial Metropolitan District
c/o Alberta Development Partners, LLC
5750 DTC Parkway #210
Greenwood Village, CO 80111
Attention: Dustin Anderson
Phone: (303) 771-4004
Email: dma@albdev.com

With a Copy to: Cottonwood Hollow Commercial Metropolitan District
c/o Seter, Vander Wall & Mielke, P.C.
7400 E. Orchard Road, Suite 3300
Greenwood Village, CO 80111
Attention: Colin Mielke
Phone: 303-770-2700
Email: cmielke@svwpc.com

5. Assignment. The Parties shall not assign this Agreement or parts thereof, or the Parties' respective duties, without the express written consent of the other Party. Any attempt to do so will be null and void.

6. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void, or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

7. Enforcement. This Agreement shall inure to the mutual benefit of the Parties, their respective heirs, successors and permitted assigns, subject to Section 5 hereof, and shall be enforceable according to its terms and conditions under the laws of the State of Colorado.

8. Good Faith of Parties. During the Agreement's performance or when considering any requests, the Parties agree to act in good faith and not unreasonably delay or withhold any required or requested approval, acceptance, consent, or time extension.

9. No Waiver. A waiver of any provision in this Agreement does not imply a waiver of any other provision, nor does it constitute a continuous waiver unless expressly stated. Waiving a default does not mean waiving any future default.

10. Governmental Immunity. This Agreement does not waive, limit, or modify any governmental immunity, including protections under the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., available to the Districts or their respective officials, employees, contractors, agents, or any person acting on their behalf.

11. Open Records. All material under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-200.1, *et seq.*, C.R.S.

12. Headings for Convenience Only. The provision headings, captions, and titles in this Agreement are for convenience and reference only and are not intended to define, limit, or describe any provisions' scope or intent.

13. Negotiated Provisions. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

14. Third Party Beneficiaries. This Agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties to this Agreement. Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the Parties hereto. Any services or benefits which third parties receive as a result of this Agreement are incidental to this Agreement.

15. Counterpart Execution. The Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or e-mail of a PDF document, and, upon receipt, shall be deemed originals and binding upon the parties hereto. The Parties agree that the electronic signatures of a Party to this Agreement shall be as valid as an original signature of such Party and shall be effective to bind such Party to this Agreement.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

RESIDENTIAL DISTRICT:

COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado



Douglas Hatfield (Feb 17, 2025 16:28 MST)

Officer

ATTEST:



Dustin Anderson (Feb 14, 2025 15:33 MST)

COMMERCIAL DISTRICT:

COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

Douglas Hatfield

Douglas Hatfield (Feb 17, 2025 16:28 MST)

Officer

ATTEST:



Dustin Anderson (Feb 14, 2025 15:33 MST)

EXHIBIT A

Kimley-Horn Letter



July 8, 2024

Board of Directors

Cottonwood Hollow Residential Metropolitan District

c/o White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue – Suite 2000
Centennial, Colorado 80122

RE: Evaluation of LOMR Impact to Cottonwood Hollow Residential and Commercial Metropolitan Districts

Dear Board,

In accordance with the request of the Cottonwood Hollow Residential Metropolitan District (“Residential District”) Board, I have evaluated the net impact of the LOMR Application to the developable area of the Cottonwood Hollow Residential Metropolitan District (“Residential District”) and the Cottonwood Hollow Commercial Metropolitan District (“Commercial District”). This evaluation is based on information contained within the ‘LOMR Narrative Report’ prepared by Entitlement and Engineering Solutions, Inc. dated June 30, 2023 which has been submitted and approved by FEMA as part of a LOMR application.

The LOMR application is based on updated hydrologic modeling and improvements to Godding Hollow stream, resulting in updated floodplain information. Per above mentioned report and as depicted on the attached Floodplain Work Map, the portion of the Residential District and Commercial District located within the 100-year floodplain has decreased significantly, resulting in additional developable area within both districts.

Therefore, I recommend the Residential Board approach the Commercial Board regarding participation in the expenses associated with the LOMR application and Godding Hollow stream improvements. The level of participation could reasonably be based on the total acreage of each district.

	Area (in acres)	Percentage of total
Residential District + Director’s Parcel	184.412	85.079%
Commercial District + Director’s Parcel	32.342	14.921%
Total Area	216.754	100.000%

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

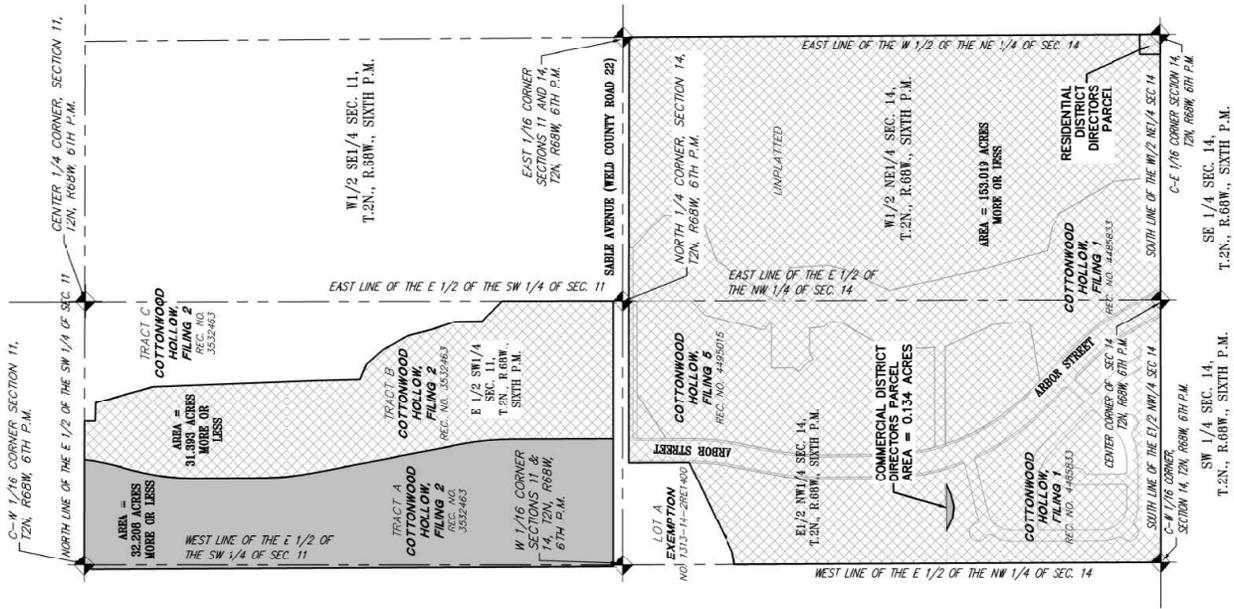
KIMLEY-HORN AND ASSOCIATES, INC.



By: Daniel L. Skeehan, PE
State of Colorado PE #46391

Attachments: Cottonwood Hollow Residential and Commercial Metropolitan District Map, and
Floodplain Work Map

COTTONWOOD HOLLOW RESIDENTIAL AND COMMERCIAL METROPOLITAN DISTRICT



	RESIDENTIAL DISTRICT + DIRECTORS PARCEL (TOTAL ACRES = 184.412)
	COMMERCIAL DISTRICT + DIRECTORS PARCEL (TOTAL ACRES = 32.342)



AZTEC
CONSULTANTS, INC.
AzTec Proj. No.: 168721-01

300 East Mineral Ave., Suite 1
Littleton, Colorado 80122
Phone: (303) 713-1898
Fax: (303) 713-1897
www.aztecconsultants.com

COTTONWOOD HOLLOW RESIDENTIAL AND COMMERCIAL DISTRICT MAP WELD COUNTY, COLORADO	DATE OF PREPARATION:	06-24-2021
	SCALE:	1"=400'
SHEET		3 OF 3

EXHIBIT B

Cost Allocation Between Cottonwood Hollow Residential and Commercial Metropolitan Districts

The below is in accordance with the Kimley Horn Evaluation of LOMR Impact to Cottonwood Hollow Residential and Commercial Metropolitan Districts Dated July 8, 2024

	Area (in Acres)	Percentage of Total
Residential District + Directors Parcel	184.412	85.079%
Commercial District + Directors Parcel	32.342	14.921%
Total	216.754	100.000%

Costs directly related to LOMR

OTB - Total Contract	\$ 7,330,486.97
Olsson - Floodplain Management	118,000.00
FEMA Fee	8,000.00
Total	\$ 7,456,486.97
	14.921%
Total Costs to reimburse Cottonwood Hollow Residential	\$ 1,112,587.09

EXHIBIT B
2025 Budget

COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/4/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 3,225,038	\$ 3,323,787	\$ 2,386,859
REVENUES			
Property taxes	276	33,172	517
Specific ownership taxes	18	34	35
TIF Revenue	149	401	369
Interest Income	142,080	183,490	94,000
Other Revenue	-	11	-
Total revenues	<u>142,523</u>	<u>217,108</u>	<u>94,921</u>
Total funds available	<u>3,367,561</u>	<u>3,540,895</u>	<u>2,481,780</u>
EXPENDITURES			
General and administrative			
Accounting	20,622	14,498	20,000
Auditing	5,500	-	5,500
County Treasurer's Fee	4	498	13
Directors' fees	600	600	1,500
Dues and Membership	314	297	500
Insurance	3,276	3,121	3,500
Legal	11,181	22,020	22,000
Miscellaneous	347	323	1,000
Election	1,815	1	2,500
Utilities	115	91	150
Contingency	-	-	2,337
Intergovernmental Expenditures	-	1,112,587	-
Total expenditures	<u>43,774</u>	<u>1,154,036</u>	<u>59,000</u>
Total expenditures and transfers out requiring appropriation	<u>43,774</u>	<u>1,154,036</u>	<u>59,000</u>
ENDING FUND BALANCES	<u>\$ 3,323,787</u>	<u>\$ 2,386,859</u>	<u>\$ 2,422,780</u>
EMERGENCY RESERVE	<u>\$ 4,300</u>	<u>\$ 6,600</u>	<u>\$ 2,900</u>
TOTAL RESERVE	<u>\$ 4,300</u>	<u>\$ 6,600</u>	<u>\$ 2,900</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/4/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION			
Agricultural	6,380	6,140	6,140
State assessed	10	1,520	1,770
Vacant land	20	20	20
Personal property	1,560	-	
Other	-	11,270	8,770
	<u>7,970</u>	<u>18,950</u>	<u>16,700</u>
TIF District Increment	(2,790)	(7,576)	(6,952)
Certified Assessed Value	<u>\$ 5,180</u>	<u>\$ 11,374</u>	<u>\$ 9,748</u>
MILL LEVY			
General	53.941	52.928	53.057
Total mill levy	<u>53.941</u>	<u>52.928</u>	<u>53.057</u>
PROPERTY TAXES			
General	\$ 279	\$ 602	\$ 517
Levied property taxes	279	602	517
Adjustments to actual/rounding	(3)	32,570	-
Budgeted property taxes	<u>\$ 276</u>	<u>\$ 33,172</u>	<u>\$ 517</u>
ASSESSED VALUATION			
TIF District Increment	\$ 2,790	\$ 7,576	\$ 6,952
Certified Assessed Value	<u>\$ 2,790</u>	<u>\$ 7,576</u>	<u>\$ 6,952</u>
MILL LEVY			
General	53.941	52.928	53.057
Total mill levy	<u>53.941</u>	<u>52.928</u>	<u>53.057</u>
PROPERTY TAXES			
General	\$ 151	\$ 401	\$ 369
Levied property taxes	151	401	369
Adjustments to actual/rounding	(2)	-	-
Budgeted property taxes	<u>\$ 149</u>	<u>\$ 401</u>	<u>\$ 369</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 276</u>	<u>\$ 33,172</u>	<u>\$ 517</u>
	<u>\$ 276</u>	<u>\$ 33,172</u>	<u>\$ 517</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Cottonwood Hollow Commercial Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on December 2, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area boundaries are located entirely in the Town of Firestone (Town), County of Weld, Colorado.

The District operates under a Service Plan approved by the Town on October 14, 2004, First Amendment to the Service Plan approved on October 12, 2012 and the Second Amendment to the Service Plan approved on June 24, 2014. Pursuant to the Service Plan, the District was organized for the purpose of financing streets, street lighting, traffic and safety controls, water, landscaping, storm drainage and park and recreation improvements, all in accordance with its Service Plan. When completed, improvements shall be dedicated to the Town or other governmental entities, all for the use and benefit of residents and taxpayers, or operated and maintained by contract with a Homeowners' Association formed for the Cottonwood Hollow subdivision.

On November 4, 2014, the District's voters authorized total indebtedness of \$11,000,000 for the purpose of providing Public Improvements and \$5,500,000 for the purpose of Debt for Operations and \$16,500,000 for refunding of debt. The election also approved an annual increase in property taxes of \$11,000,000 without limitation of rate, to pay the District's operation and maintenance costs.

The Amended and Restated Service Plan adjusted the Mill Levy to the following. The Maximum Operation and Maintenance Mill Levy, which shall be subject to a Mill Levy Adjustment, shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Operation and Maintenance Costs, and shall be 50.000 mills until such time that the District issues Debt. After the District issues Debt, the Maximum Operation and Maintenance Mill Levy shall be ten (10) mills. The Maximum Operation and Maintenance Mill Levy shall apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users until such time as End Users cast the majority of affirmative votes taken by the District's Board of Directors at a meeting authorizing an increase of such Maximum Operation and Maintenance Mill Levy, at which time the mill levy may be such amount as is necessary to pay the Operation and Maintenance Cost.

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

The District is not financially accountable for any other District organization, nor is the District a component unit of any other primary governmental entity.

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.

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
2025 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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2025, SB22-238, SB23B-001, SB 24-233 and HB24B-1001 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 budget assumes that the District's share will be equal to approximately 4% of the property taxes collected.

Interest Income

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

Tax Increment Financing (TIF)

Pursuant to a cooperation agreement with Northern Firestone Urban Renewal Authority (NFURA), NFURA remits to the District the portion of revenues which it receives as a result of Tax Incremental Revenues attributable to the District's current mill levy.

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, banking, meeting expense, and other administrative expenses. These costs are allocated to each Fund as deemed appropriate to capture actual use by the individual Funds.

County Treasurer's Fees

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

Debt and Leases

Debt and Leases

The District has no debt and no capital or operating leases.

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.