

E-470 RESIDENTIAL AREA GID

2025 ADOPTED BUDGET

October 21, 2024

President and Members of the Board

City of Commerce City E-470 Residential Area General Improvement District (ERAGID)

SECTION 1: Introduction

The proposed budget beginning January 1, 2025 and ending on December 31, 2025 is hereby submitted.

As required by Colorado statutes, this proposed budget is in balance with anticipated and existing revenues equal to or greater than the 2025 proposed expenditures.

SECTION 2: Authorization to Increase Debt

On November 5, 2013, the electors of the ERAGID approved a series of ballot questions to issue debt in the amount of \$2,000,000,000 for improvements to the district as deemed necessary for the benefit of the District.

SECTION 3: ECAGID and ERAGID Agreements

Three related agreements pertaining to these GIDs were entered into in 2021. These three agreements are all an outpouring from the Annexation and Inclusion Agreement for Third Creek West finalized in 2019. The three agreements are further detailed below.

1. Intergovernmental Agreement (IGA) between Third Creek Metropolitan District No. 1 (Third Creek), the ECAGID, and the ERAGID – These three parties entered into this agreement to complete needed projects related to sanitary sewer, waterline, storm sewer, street, and landscaping improvements. Estimated costs for the improvements is \$16,555,340. Per the agreement, the maximum ECAGID contribution is \$7 million, the maximum ERAGID contribution is \$6.8 million, for a total of \$13.8 million to be contributed by the GIDs. The balance of the estimated project costs will be covered by Third Creek.
2. Loan Agreement between the ECAGID (lender) and ERAGID (borrower) – These two parties entered into this agreement, so that the ECAGID can cover the contribution of the ERAGID, which currently has very little taxable valuation and therefore, cannot yet cover its own contribution. The ECAGID will cover the cost of the entire \$13.8 million in contributions to Third Creek detailed in the IGA, \$7 million for the ECAGID and \$6.8 million for the ERAGID. The ERAGID will reimburse the ECAGID for its \$6.8 million contribution over time as its pledged revenues, which include property taxes, specific ownership taxes, and any other legally available moneys which the District determines, become available. The ERAGID began making semi-annual interest payments totaling \$149,835 in 2023 that will continue until maturity in 2051.
3. Loan Agreement between the ECAGID and Zions Bancorporation – The ECAGID obtained a \$14.125 million bank loan to enable it to cover the ECAGID and ERAGID cost contributions detailed in the IGA along with closing costs associated with obtaining the bank loan. The ECAGID will make the entire \$13.8 million in contributions to Third Creek from the bank loan proceeds. The ECAGID will repay the bank loan through its pledged property tax revenues. Per the loan agreement, the ECAGID recorded \$400,000 in escrow reserves as restricted. Also, unspent loan proceeds are also reported as restricted cash and appropriately factored into the calculation of net investment in capital assets.

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SECTION 4: The 2025 Budget Process

The proposed budget expenditures total \$397,757. ERAGID revenues are estimated at \$397,757.

The proposed budget is scheduled for public hearing on Monday, October 21, 2024 with a continuation of the public hearing to November 4, 2024. Following the November 4th public hearing, the ERAGID budget is scheduled for adoption. The ERAGID does not have any authorized staff.

Respectfully Submitted,

Theresa Wilson, Chief Financial Officer

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SUMMARY OF FINANCIAL SOURCES AND USES

Financial Sources	2025 BUDGET
Revenues	\$ 397,757
Total	\$ 397,757
Financial Uses	
Administrative Cost	\$ 6,526
Interest Payment to ECAGID	149,835
Transfer to Fund Balance	241,396
Total	\$ 397,757

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	2023 Actual	2024 Adopted	As of 9/30/24	2025 Budget
Beginning Fund Balance	\$ 57,157	\$ 99,277		\$ 99,277
Revenues				
Earnings On Investments	\$ 5,379	\$ 1,500	\$ 3,443	\$ 4,000
Property Tax	172,921	255,641	253,291	381,757
Specific Ownership Tax	11,728	5,500	6,699	11,000
Miscellaneous	4,883	-	851	1,000
Total Available Revenues	\$ 194,911	\$ 262,641	\$ 264,284	\$ 397,757
Expenditures				
Auditing Fees	\$ -	\$ 300	\$ -	\$ 300
Legal Fees	360	500	-	500
Property Tax Collection Fee	2,596	3,835	3,800	5,726
Interest Payment to ECAGID	149,834	149,835	-	149,835
Transfer To Fund Balance	-	108,171	-	241,396
Total Expenditures	\$ 152,791	\$ 262,641	\$ 3,800	\$ 397,757
Ending Fund Balance	\$ 99,277	\$ 99,277		\$ 99,277