

**HM METROPOLITAN DISTRICT NO. 3
CITY OF AURORA, COLORADO
2025 ANNUAL REPORT**

Manager, Office of Development Assistance
City of Aurora, Colorado
via Email

Adams County Clerk and Recorder
via Email

Office of the State Auditor
via E-Filing Portal
1525 Sherman Street, 7th Floor
Denver, Colorado 80203

Division of Local Government
via E-Filing Portal
1313 Sherman Street
Room 521
Denver, Colorado 80203

Pursuant to Section VIII of the Service Plan for the HM Metropolitan District No. 3 (the “**District**”), the District is required to submit an annual report (the “**Report**”) for the preceding calendar year to the Manager of the Office of Development Assistance of the City of Aurora, Colorado (the “**City**”). Pursuant to Section 32-1-207(3)(c)(I), C.R.S., the District is also required to submit this Report to the Division of Local Government, Office of the State Auditor, and the Adams County Clerk and Recorder; the Report must also be posted on the District’s public website.

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

There were no changes made to the District’s boundaries during fiscal year 2025.

2. Intergovernmental Agreements with other governmental entities, either terminated, entered into, proposed as of December 31 of the prior year:

The First Amendment to Infrastructure Financing and coordination Agreement regarding Phase I Improvements by and among the District, HM Metropolitan District No. 1, HM Metropolitan District No. 2, DIBC 56th and E-470, LLC, DIBC Cargo, LLC, Microsoft Corporation and L.C. Fulenwider, Inc., dated July 30, 2025 is attached as Exhibit A.

3. A copy of the District’s rules and regulations, if any as of December 31 of the prior year and access information to obtain a copy of the rules and regulations:

The District has not adopted rules and regulations as of December 31, 2025.

4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year:

There was no litigation, pending or threatened, against the District of which we are aware.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year:

The project to improve the Second Creek drainage and install the 30-inch diameter Second Creek sanitary sewer are complete and have been accepted by the City. The project to build 60th Avenue from Harvest Road to a point west of Denali Street has been completed and accepted by the City. Construction of Harvest Road from 56th Avenue to 64th Avenue and 56th Avenue from E470 to Harvest will be completed in 2026.

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:

HM Metropolitan District No. 1 is using funding from HM Metropolitan District No. 2 and HM Metropolitan District No. 3 to complete the following work on behalf of both Districts:

- 30-inch regional sewer line in Second Creek
- Channel improvements to Second Creek
- Second Creek trail
- 60th Avenue wet utilities, roadway, and sidewalks from Harvest Road west to a cul-de-sac west of Denali Street
- Second Creek crossing of Harvest Road
- Partial completion of Harvest Road from 56th Avenue north to 60th Avenue in 2025, full completion in 2026
- Partial completion of 56th Avenue widening from E-470 to Harvest Road in 2025, full completion in 2026.

The project to improve the Second Creek drainage and install the 30-inch diameter Second Creek sanitary sewer are complete and have been accepted by the City. The project to build 60th Avenue from Harvest Road to a point west of Denali Street has been completed and accepted by the City.

7. The assessed valuation of the District for the current year:

The 2025 total assessed value of taxable property within the boundaries of the District is \$121,120.

8. Current year budget including a description of the Public Improvements to be constructed in such year:

A copy of the 2026 Budget is attached hereto as Exhibit B.

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 2025 audited financials are not currently available and will be provided to the City as a supplement to this report.

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.

Respectfully submitted this 1st day of July, 2026.

HM METROPOLITAN DISTRICT NO. 3

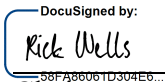
By:  _____
Chair

EXHIBIT A

**FIRST AMENDMENT TO INFRASTRUCTURE FINANCING AND COORDINATION
AGREEMENT REGARDING PHASE I IMPROVEMENTS**

EXHIBIT B
2026 BUDGET

**FIRST AMENDMENT TO INFRASTRUCTURE FINANCING AND COORDINATION
AGREEMENT REGARDING PHASE I IMPROVEMENTS**

This **FIRST AMENDMENT TO INFRASTRUCTURE FINANCING AND COORDINATION AGREEMENT REGARDING PHASE I IMPROVEMENTS** (“**Amendment**”) is effective as of July 30, 2025, by and between **HM METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**HM No. 1**”), **HM METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**HM No. 2**”), **HM METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**HM No. 3**”, together with HM No. 1 and HM No. 2, the “**HM Districts**”), **DIBC 56TH AND E-470, LLC**, a Colorado limited liability company, **DIBC CARGO, LLC**, a Colorado limited liability company, (together with DIBC 56th and E-470, LLC, “**Landowner 2**”), **MICROSOFT CORPORATION**, a Washington corporation (“**Landowner 3**”) (Landowner 2 and Landowner 3 are collectively called the “**Landowners**” and individually a “**Landowner**”) and **L.C. FULENWIDER, INC.**, a Colorado corporation (“**Fulenwider**”), (the HM Districts, the Landowners, and Fulenwider may individually be referred to herein as a “**Party**” and collectively referred to as the “**Parties**”).

RECITALS

A. The Parties previously entered into that certain **Infrastructure Financing and Coordination Agreement Regarding Phase I Improvements**, dated March 29, 2022 (the “**Agreement**”), regarding the design and construction of certain public improvements as defined in the Agreement as the Phase I Improvements.

B. HM No. 3 requires funds for its administrative purposes in order for HM No. 3 to remain in statutory compliance with the laws of the State of Colorado (the “**HM No. 3 Administrative Expenses**”).

C. The Agreement did not contemplate a use of any funds for the HM No. 3 Administrative Expenses .

D. The Parties desire to amend the Agreement to allow for a use of funds deposited by Landowner 3 to fund the HM No. 3 Administrative Expenses according to the terms and conditions stated in this Amendment.

COVENANTS AND AGREEMENTS

1. **Acknowledgement and Incorporation of Recitals.** The foregoing recitals are hereby acknowledged by the Parties to be true and correct and are incorporated into this Amendment.
2. **HM No. 3 Administrative Expenses.** The Parties agree that HM No. 3 shall be entitled to make periodic Draw Requests from the Construction Account to pay for the actual and reasonable HM No. 3 Administrative Expenses in an amount not to exceed \$34,000 for expenses incurred prior to the date hereof and then not to exceed \$60,000 on an annual basis commencing for fiscal year 2024. Any Draw Request for the HM No. 3 Administrative Expenses shall be paid 100% from the HM No. 3 Proportionate Share.
3. **Additional Documents.** The Parties agree to execute any additional documents or take any additional action that is necessary to carry out the intent of this Amendment
4. **Colorado Law.** The laws of the State of Colorado shall govern this Amendment. Venue for any action hereunder shall be in the District Court, Adams County, State of Colorado, and the Parties waive any right to remove any action to any other court, whether state or federal.
5. **Separate Entities.** The Parties enter into this Amendment as separate, independent entities and shall maintain such status throughout.
6. **No Third-Party Beneficiaries.** The enforcement of the terms and conditions of this Amendment and all rights of action relating to such enforcement, shall be strictly reserved to the Parties, and nothing contained in this Amendment shall give or allow any such claim or right of action by any other or third person under such Amendment. Any beneficiary of the terms and conditions of this Amendment are not intended beneficiaries but are incidental beneficiaries only. No Party is jointly and severally liable for the obligations of any other Party.
7. **Entirety.** The Agreement, as amended by this Amendment, constitutes the entire agreement between the Parties concerning the subject matter hereof.
8. **Amendments.** This Amendment may be amended, in whole or in part, only by written instrument executed by the Parties.
9. **Assignability.** This Amendment may not be assigned or delegated without the prior written consent of the Parties, which consent shall not be unreasonably withheld, conditioned or delayed.
10. **Counterparts, Electronic Signatures and Electronic Records.** This Amendment may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same document. Facsimile signatures shall be accepted as originals. The Parties consent to the use of electronic signatures by either Party hereto. This Amendment and any other documents requiring a signature may be signed electronically by each Party in the manner specified by that Party. The Parties agree not to deny the legal effect or enforceability of this Amendment solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the

admissibility of this Amendment in the form of an electronic record, a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the grounds that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Infrastructure Financing and Coordination Agreement Regarding Phase I Improvements as of the day and year first set forth above.

HM METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

By: DocuSigned by:
Rick Wells
58FA88084D304E6
Rick Wells, President

Attest:

Signed by:
Gregg Johnson
D660E56B90F544D...
Secretary

HM METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

By: DocuSigned by:
Rick Wells
50FA88084D304E6
Rick Wells, President

Attest:

Signed by:
Gregg Johnson
D660E56B90F544D...
Secretary

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

DocuSigned by:
Rick Wells
58FA86064D304E8...
By: _____
Rick Wells, President

Attest:

Signed by:
Jennifer Piwowski
0F6350E0E2F047D...

Secretary


DIBC 56TH AND E-470, LLC, a Colorado limited liability company

Signed by:
Ferdinand Belz
2A0B30132C20499...
By: _____
Name: Ferdinand Belz
Title: President

DIBC CARGO, LLC, a Colorado limited liability company

Signed by:
Ferdinand Belz
2A0B30132C20499...
By: _____
Name: Ferdinand Belz
Title: President

MICROSOFT CORPORATION, a Washington corporation

By: 
Bowen Wallace (Jul 31, 2025 22:21:17 PDT)

Name: Bowen Wallace

Title: Vice President

L.C. FULENWIDER, INC., a Colorado corporation

Signed by:

By: 

Name: Ferdinand Belz

Title: President

HM METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**HM METROPOLITAN DISTRICT NO. 3
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 12,895,138	\$ 9,911,202	\$ 5,048,764
REVENUES			
Property taxes	59	59	62
Specific ownership taxes	3	3	3
Interest income	638,958	400,000	110,000
Total revenues	<u>639,020</u>	<u>400,062</u>	<u>110,065</u>
TRANSFERS IN	<u>60,915</u>	<u>58,999</u>	<u>55,000</u>
Total funds available	<u>13,595,073</u>	<u>10,370,263</u>	<u>5,213,829</u>
EXPENDITURES			
General Fund	32,520	59,000	55,000
Capital Projects Fund	3,590,436	5,203,500	4,373,000
Total expenditures	<u>3,622,956</u>	<u>5,262,500</u>	<u>4,428,000</u>
TRANSFERS OUT	<u>60,915</u>	<u>58,999</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,683,871</u>	<u>5,321,499</u>	<u>4,483,000</u>
ENDING FUND BALANCES	<u>\$ 9,911,202</u>	<u>\$ 5,048,764</u>	<u>\$ 730,829</u>
EMERGENCY RESERVE	\$ 2	\$ 2	\$ 2
REGIONAL IMPROVEMENTS	130	191	255
TOTAL RESERVE	<u>\$ 132</u>	<u>\$ 193</u>	<u>\$ 257</u>

**HM METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Agricultural	\$ 9,380	\$ 9,380	\$ 9,880
State assessed	2,390	2,380	23,360
Personal property	-	-	87,880
Certified Assessed Value	\$ 11,770	\$ 11,760	\$ 121,120
 MILL LEVY			
General	5.000	5.000	0.511
Total mill levy	5.000	5.000	0.511
 PROPERTY TAXES			
General	\$ 59	\$ 59	\$ 62
Budgeted property taxes	\$ 59	\$ 59	\$ 62
 BUDGETED PROPERTY TAXES			
General	\$ 59	\$ 59	\$ 62
	\$ 59	\$ 59	\$ 62

**HM METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (28,325)	\$ 132	\$ 193
REVENUES			
Property taxes	59	59	62
Specific ownership taxes	3	3	3
Total revenues	<u>62</u>	<u>62</u>	<u>65</u>
TRANSFERS IN			
Transfers from other funds	<u>60,915</u>	<u>58,999</u>	<u>55,000</u>
Total funds available	<u>32,652</u>	<u>59,193</u>	<u>55,258</u>
EXPENDITURES			
General and administrative			
Accounting	8,675	14,000	15,000
Auditing	6,500	6,996	7,500
County Treasurer's fees	1	1	1
Dues and membership	300	305	1,000
Insurance	3,221	3,471	5,000
District management	6,412	8,000	9,000
Legal	7,411	25,000	15,000
Election	-	778	-
Contingency	-	449	2,499
Total expenditures	<u>32,520</u>	<u>59,000</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>32,520</u>	<u>59,000</u>	<u>55,000</u>
ENDING FUND BALANCES	<u>\$ 132</u>	<u>\$ 193</u>	<u>\$ 258</u>
EMERGENCY RESERVE	\$ 2	\$ 2	\$ 2
REGIONAL IMPROVEMENTS	130	191	255
TOTAL RESERVE	<u>\$ 132</u>	<u>\$ 193</u>	<u>\$ 257</u>

**HM METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 12,923,463	\$ 9,911,070	\$ 5,048,571
REVENUES			
Interest income	638,958	400,000	110,000
Total revenues	<u>638,958</u>	<u>400,000</u>	<u>110,000</u>
Total funds available	<u>13,562,421</u>	<u>10,311,070</u>	<u>5,158,571</u>
EXPENDITURES			
General and administrative			
Accounting	1,590	3,000	2,500
Legal	-	500	500
Capital Projects			
Transfers to District No. 1	3,588,846	5,200,000	4,300,000
Capital outlay	-	-	70,000
Total expenditures	<u>3,590,436</u>	<u>5,203,500</u>	<u>4,373,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>60,915</u>	<u>58,999</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,651,351</u>	<u>5,262,499</u>	<u>4,428,000</u>
ENDING FUND BALANCES	<u>\$ 9,911,070</u>	<u>\$ 5,048,571</u>	<u>\$ 730,571</u>

**HM METROPOLITAN DISTRICT NO. 3
2026 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on November 22, 2019 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Aurora. The District's service area is located in Aurora.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including street, safety protection, park and recreation, transportation, retaining walls, trails, open space, landscaping, drainage improvements, and irrigation system improvements.

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 the requirements of Colorado Revised Statutes Section 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 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.

**HM METROPOLITAN DISTRICT NO. 3
2026 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

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
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		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 5.50% of the property taxes collected by the District.

Interest Income

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

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the Districts' administrative viability such as legal, management, accounting, insurance and meeting expense.

Capital Outlay

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

**HM METROPOLITAN DISTRICT NO. 3
2026 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District does not have any debt. Additionally, the District has no operating or capital leases.

Reserves

Emergency Reserves

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

Regional Improvements

The District reserves net property tax revenue to be spent on future Regional Improvements.

This information is an integral part of the accompanying budget.