

# EL PASO

COMMISSIONERS:  
DARRYL GLENN (PRESIDENT)  
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# COUNTY

STAN VANDERWERF  
LONGINOS GONZALEZ  
PEGGY LITTLETON

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT  
CRAIG DOSSEY, EXECUTIVE DIRECTOR

**TO:** Board of County Commissioners  
Darryl Glenn, President

**FROM:** Raimere Fitzpatrick, AICP, Project Manager/Planner II  
Craig Dossey, Executive Director

**RE:** Meadowbrook Crossing Metropolitan District (ID-17-001): Special  
District Service Plan Amendment  
Parcel Nos: 54080-00-055, 54080-00-056, and 54080-01-029

**APPLICANT:**

Meadowbrook Crossing, LLC  
90 South Cascade, Suite 1500  
Colorado Springs, CO 80803

**REPRESENTATIVE:**

Danny Mientka  
90 South Cascade, Suite 1500  
Colorado Springs, CO 80803

Peter M. Susemihl  
Susemihl, McDermott & Cowan, P.C.  
660 Southpointe Court, Suite 210  
Colorado Springs, CO 80906

**Commissioner District: 2**

Planning Commission Hearing Date:	10/03/2017
Board of County Commissioners Hearing Date:	11/14/2017

## EXECUTIVE SUMMARY

A request by Meadowbrook Crossing, LLC., for approval of an amended Colorado Revised Statutes Title 32 Special District service plan for the Meadowbrook Crossing Metropolitan District in support of the development of 114 single-family residences. The district boundaries are located north and west of the intersection of Meadowbrook Parkway and State Highway 94 and approximately 0.10 miles northwest of the intersection of State Highway 94 and US Highway 24. The land included within the District is not located within the boundaries of any small area comprehensive plan.

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The District was originally approved with a maximum debt authorization of \$10 million. The purposes of the District include: 1) design, construction, and financing of water and wastewater lines; 2) design, construction, and financing of street improvements and safety protection; and, 3) design, construction, and financing of drainage facilities. The District is proposing the following amendments to the approved service plan: 1) an increase in the maximum combined mill levy from 40 mills to 60 mills, 2) an increase in the maximum debt service mill levy from 35 mills to 50 mills, and 3) an increase in the maximum operations and maintenance mill levy from 5 mills to 10 mills. The District is also proposing the imposition of a \$2,500 fee to the builder due at the time of closing of the sale of the property from the developer to the builder. A separate \$1,750 fee will be due to the District from the homeowner at closing of the sale of the property from the builder to the homeowner. Homeowners will be required to pay a \$500 annual fee to the District to be used in support of proposed improvements and ongoing services by the District.

The District is requesting the increase of the mill levy and the inclusion of fees due to the increased costs of improvements to Sand Creek, the District's obligations for management and maintenance of common areas within the subdivision, and the potential development of park and recreation facilities, specifically a dog park and pedestrian bridge over Sand Creek to access the park.

The service plan also preserves an option for the District to create a separate non-profit development corporation to design, finance, and construct infrastructure and to finance the provision of other expressly stated purposes/services of the District as necessary, including the imposition of fees on certain land sales. Said fees would be imposed solely for the purposes of servicing debt.

The applicant has obtained the necessary zoning and preliminary plan approvals for the Meadowbrook Crossing residential development of the property. Final plat approval is anticipated towards the end of 2017.

## **A. PLANNING COMMISSION SUMMARY**

**Request Heard:** October 3, 2017, as a regular item

**Recommendation:** Approval, subject to the conditions and notations. A copy of the Planning Commission Resolution is included as an attachment

**Waiver Recommendation:** Yes

**Vote:** 5 to 1 with Mr. Curry in opposition

**Vote Rationale:** N/A

**Summary of Hearing:** See attached minute

## **B. REQUEST/WAIVERS/AUTHORIZATION**

**Request:** A request for approval of an amendment to a Colorado Revised Statutes Title 32 Special District service plan for the Meadowbrook Crossing Metropolitan District. Proposed amendments include an increase in the maximum mill levy from 40 mills to 60 mills which consists of an increased of the maximum debt mill levy

from 35 mills to 50 mills and an increase of the maximum the operations and maintenance mill levy from 5 mills to 10 mills.

**Authorization to sign:** N/A

### **C. BACKGROUND/ STATUS OF LAND USE APPROVALS**

The Board of County Commissioners approved the Meadowbrook Crossing Metropolitan District Service Plan (ID-16-003) on October 4, 2016 (Board Resolution 16-345). The District was formed by the Court on November 23, 2016.

The District is an independent unit of local government, separate and distinct from El Paso County, and, except as may otherwise be provided for by State or local law or the service plan, their activities are subject to review by the County only insofar as they may deviate in a material manner from the requirements of the service plan.

The purposes of the District include: 1) design, construction, and financing of water and wastewater lines; 2) design, construction, and financing of street improvements and safety protection; and, 3) design, construction, and financing of drainage facilities. The original service plan included a maximum debt authorization of \$10 million, a maximum debt mill levy of 40 mills with a debt mill levy of 35 mills and an operations and maintenance mill levy of 5 mills. The District is proposing to increase the maximum debt mill levy to 50 mills and increase the operations and maintenance mill levy to 10 mills. The District is also proposing the imposition of a \$2,500 fee to the builder due at the time of closing of the sale of the property from the developer to the builder. A separate closing fee of \$1,750 fee will be required from the homeowner due to the District at closing of the sale of the property from the builder to the homeowner. The District will impose a \$500 annual fee to homeowners to be used in support of proposed improvements and ongoing services provided by the District.

The original service plan anticipated approximately \$3.3 million in infrastructure capital costs. Cost estimates are now projected to be approximately \$4.8 million due to the increased costs of improvements to Sand Creek, the District's obligations for management and maintenance of common areas within the subdivision, and the development of a dog park and pedestrian bridge over Sand Creek to access the park.

The original service area of the District is located north of the intersections of Meadowbrook Parkway and State Highway 94, approximately 0.10 miles northwest of the intersection of State Highway 94 and US Highway 24. Since the district was formed, a 26,572 square foot parcel zoned I-2 (Limited Industrial) and a five (5) acre parcel zoned RR-5 (Residential Rural) have been annexed into the district. At this time, there are no development plans for the additional parcels. A map of the additional parcels relative to the original district boundaries has been included as an attachment to this report.

The Meadowbrook Crossing Metropolitan District is currently approved as a financing only district. The amended service plan authorizes the District to function as a limited service district which is authorized to finance the design and construction of the improvements necessary to support the proposed Meadowbrook Crossing Subdivision and to provide ongoing operation and maintenance services within the District boundaries.

The Board of County Commissioners approved a map amendment (rezoning) of a combined 32.27 acres from the I-2 (Limited Industrial) and CR (Commercial Regional) zoning districts to the RS-5000 (Residential Suburban) zoning district (PCD File No. P-16-006) in support of the Meadowbrook Crossing Subdivision on January 10, 2017 (Board Resolution No. 17-021). The Board also approved the Meadowbrook Crossing Preliminary Plan (PCD File No. SP-17-002) for 114 single family residential lots on August 22, 2017 (Board Resolution No. 17-237). The Meadowbrook Crossing Final Plat (PCD File No. SF-17-002) approval is anticipated towards the end of 2017.

**D. APPLICABLE RESOLUTIONS: See attached**

**E. STATUS OF MAJOR ISSUES**

As discussed in Section D, Background/Status of Land Use Approvals, the applicant has elected to seek approval of a service plan amendment prior to receiving final plat approval.

A full service district provides ongoing services for properties within its boundaries which may include park and recreational services and water and wastewater service. Limited service districts provide a smaller range of services and typically rely on other entities or individual property owners to provide a significant share of the service needs of the development, such as water and wastewater service. Meadowbrook Crossing Metropolitan District is requesting authorization to become a limited service district in order to operate and maintain the proposed dog park and pedestrian bridge.

The amended service plan remains consistent with the Board of County Commissioners' June, 2007, Special District Policies (Resolution No. 07-272) and with the requirements for use of a conventional representative district service plan. Many of the County's policies are explicitly addressed in the service plan. Most of the proposed conditions reinforce and restate language already contained in the service plan.

**F. APPROVAL CRITERIA**

**1. STATUTORY COMPLIANCE**

The following is a summary of staff's analysis of the compliance of this request with the standards and criteria in Section 32-1-203(1) of the Colorado Revised Statutes.

## **Required findings**

### **I. Sufficient existing and projected need**

Compliance and/or consistency with this finding was addressed with the approved Meadowbrook Crossing Service Plan. The Board previously made this finding in support of the District's purpose to finance the cost of development within its boundaries. The District is now proposing to increase the mill levy to finance the unanticipated costs associated with improvements to Sand Creek, development of a dog park, construction of a pedestrian bridge, and ongoing maintenance of these facilities. The proposed service plan amendment remains consistent with the established finding.

### **II. Existing service is inadequate for present and projected needs**

Compliance and/or consistency with this finding have been addressed with the approved Meadowbrook Crossing Service Plan. The proposed amendment remains consistent with the established finding.

### **III. District is capable of providing economical and sufficient service**

Compliance and/or consistency with this finding was previously addressed with the approved Meadowbrook Crossing Service Plan. Without the proposed modification, the current service plan does not provide an adequate funding source to service debt related to improvements to Sand Creek, the development of a dog park, and pedestrian bridge within the Meadowbrook Crossing Subdivision and to fund additional operations and maintenance services provided by the District. The proposed amendment is consistent with the established finding.

### **IV. Financial ability to discharge proposed indebtedness**

Compliance and/or consistency with this finding was addressed with the approved Meadowbrook Crossing Service Plan.

Without the proposed modification, the approved maximum mill levy is not sufficient to fund the costs associated with improvements to Sand Creek, development of the dog park and pedestrian bridge within the residential Meadowbrook Crossing Subdivision, and to provide ongoing maintenance of these facilities. The amended service plan, if approved, would allow for an increase of the maximum debt mill levy from 35 mills to 50 mills and the operations and maintenance mill levy from 5 mills to 10 mills. Modifications specific to the Meadowbrook Crossing Subdivision also include the imposition of a \$2,500 fee to the builder due at the time of closing for the sale of the property from the developer to the builder. A second \$1,750 fee will be imposed on the homeowner due to the District at the time of closing for the sale of the property from the builder to the homeowner. The District will impose a \$500 annual fee to homeowners to be used for service debt and to support the provision of ongoing services by the District. The District has not proposed any fees on sales of the two (2) additional vacant

properties within its boundaries; however, these properties are subject to the current mill levy and any amendments thereto.

The amended financial plan does not rely on revenues from these properties to service debt associated with the Meadowbrook Crossing Subdivision. Currently, the respective owners do not have any plans for development for these properties. The properties were included into the District to increase the District's bonding capacity. Inclusion into the District allows the District to extend services necessary for development, not only to those parcels, but it would also allow for those services to be made available to adjacent undeveloped parcels as well.

The amended financial plan, dated May 25, 2017, relies upon an annual market inflation of 2 percent. Relying upon a development build-out schedule of 40 residential units per year for years 2018 and 2019 and 34 units in year 2020, the district would have the ability to discharge the proposed indebtedness by year 2048. According to the financial plan, all of the District's debt can be serviced by the mill levy imposed on the 114 residential lots in the Meadowbrook Crossing Subdivision. The additional builder and homeowner fees are intended to provide an additional revenue stream to discharge the proposed indebtedness prior to 2048.

### **Discretionary findings**

The following findings are discretionary on the part of the Board of County Commissioners:

#### **I. Adequate service is not or will not be available through other sources**

Compliance and/or consistency with this finding was addressed with the approved Meadowbrook Crossing Service Plan. The proposed amendment remains consistent with the established finding.

#### **II. Facility and service standards compatible**

Any public facilities proposed to be constructed and dedicated are required to meet El Paso County or utility provider's standards, as applicable. Compliance and/or consistency with this finding has been addressed with the approved Meadowbrook Crossing Service Plan. The proposed amendment remains consistent with the established finding.

#### **III. Compliance with master plan**

The applicable policies in Section 14 of the El Paso County Policy Plan (1998), as they relate to the creation of Title 32 Special Districts, are addressed separately and have generally been met. Compliance and/or consistency with this finding has been addressed with the approved

Meadowbrook Crossing Service Plan. The proposed amendment remains consistent with the established finding.

**IV.Compliance with water quality management plan**

Wastewater service in the Meadowbrook development area will be provided by Cherokee Metropolitan District. This finding is not applicable.

**V.In the best interests of the area to be served**

Compliance and/or consistency with this finding was addressed with the approved Meadowbrook Crossing Service Plan. The proposed amendment remains consistent with the established finding.

**2. COMPLIANCE WITH 2007 SPECIAL DISTRICT POLICIES**

**(The County's Special District Policies, dated June 25, 2007, are included as an attachment. The following is a summary of the analysis of those policies as they apply to this request.)**

**I.Conformity with statutory standards**

(See discussion above and below)

**II.Conformity with County Master Plan and Policies**

(See discussion above and below)

**III.Content in conformance with statutes**

To the knowledge of staff, the service plan amendment is consistent with the requirements of Colorado statutory law.

**IV.Applicants responsible for meeting time lines**

The applicants submitted the service plan amendment application in a timely manner, sufficient enough to allow staff adequate time to properly review the application.

**V.Limiting proliferation of districts**

Approval of this service plan amendment will not result in the creation of a new Title 32 Special District.

**VI.Coordination with other elected officials and departments**

The District has fully coordinated with all applicable departments and has provided sufficient lead time to allow for a technical review of the proposed service plan amendment.

**VII.Address potential for annexation**

Annexation into an incorporated municipality remains impractical at this time. The proposed district boundaries are not contiguous to any incorporated municipal boundaries.

## **VIII. Development Analysis**

An amended development analysis has been provided consistent with the adopted Board of County Commissioners policies. A summary of the development analysis is included in Section IV of the service plan. The analysis is adequate for the purpose of requesting approval of this service plan amendment.

## **IX. Mill Levy Caps**

The service plan was originally approved with a maximum of 35 mills for debt service and a maximum of 5 mills for operations and maintenance for a combined maximum mill levy of 40 mills. The service plan amendment proposes authorization of an increase in the maximum combined mill levy cap of 40 mills to 60 mills. The amendment proposes an increase in the debt service mill levy from 35 mills to 50 mills and an increase of the operations and maintenance mill levy from 5 mills to 10 mills. The proposed increase in mills is consistent with the adopted Board of County Commissioners policies, which allow a maximum combined mill levy of up to 60 mills.

The maximum debt service mill levy cap for full service districts is normally 50 (fifty) mills, subject to Gallagher adjustment as permitted by law. Debt service caps for limited service districts should be correspondingly lower based generally on the proportion of services and facilities the district will be providing compared with a Full Service District. Meadowbrook Crossing Metropolitan District is a limited service district which was originally authorized as a finance only district.

The purpose for the proposed increase in the maximum combined mill levy is to accommodate increased costs to construct required channel and drainage improvements to Sand Creek beyond what was initially anticipated. The District also intends to finance the construction of a pedestrian bridge over a portion of Sand Creek to provide access to a dog park that is proposed as a community amenity for the residents of the Meadowbrook Crossing Subdivision. The increase in the operational and maintenance mill levy is intended to finance ongoing maintenance and operation services for those facilities.

The directly overlapping taxing entities and their respective Year 2016 mill levies are as follows:

El Paso County	7.589 mills
El Paso County Road and Bridge	0.33 mills
School District No. 11 (General Mill Levy)	34.365 mills
School District No. 11 (Bond Mill Levy)	6.513 mills



Pikes Peak Library District	3.957 mills
Cimarron Hills Fire Protection District	15.286 mills
Total	68.04 mills

The total mill levy including the proposed levy to be certified by this District is 128.04 mills.

#### **X.Master Districts**

The County's Policies discourage the use of master districts in favor of options for single or multiple districts without control districts. The proposed service plan amendment does not propose a master district configuration.

#### **XI.Multiple Districts**

The proposed service plan amendment does not propose a multiple district configuration.

#### **XII.Skeletal Service Plans**

A skeletal service plan does not contain a financial analysis nor proposes any mill levy. The original plan is a complete service plan with a financial analysis and mill levy for debt service. Therefore, this policy is not applicable.

#### **XIII.Authorization of Debt and Issuance of Bonds**

The current maximum amount of indebtedness for the District is \$10 million. The district is not proposing an increase in the maximum amount of indebtedness with this requested amendment. The period of maturity for any issued debt, not including developer funding agreements, is limited to no more than thirty (30) years without prior approval from the Board of County Commissioners. A condition of approval has been recommended limiting the amount of indebtedness the District may incur.

### **3. POLICY PLAN COMPLIANCE**

Compliance and/or consistency with the El Paso County Policy Plan (1998), and particularly with regard to Section 14 of the Plan, were addressed with the approved Meadowbrook Crossing Service Plan. The proposed amendment remains consistent with the established findings.

### **4. COMPLIANCE WITH COUNTY PROCEDURES AND GUIDELINES**

Staff believes the service plan amendment and application is in compliance with all adopted processing procedures and guidelines.

## **G. SERVICES**

### **1. WATER**

Water service for future development within the proposed district will be provided by the Cherokee Metropolitan District. The Meadowbrook Crossing Metropolitan District is authorized to finance, design, and construct water lines within the future Meadowbrook Crossing Subdivision. The intent is to construct the necessary water lines and to dedicate such facilities to Cherokee Metropolitan District for ongoing ownership and maintenance.

### **2. WASTEWATER**

Wastewater service for future development within the district will be provided by the Cherokee Metropolitan District. The Meadowbrook Crossing Metropolitan District is authorized to finance, design, and construct wastewater lines within the future Meadowbrook Crossing development area. The intent is to construct the necessary wastewater lines and to dedicate such facilities to the Cherokee Metropolitan District for ongoing ownership and maintenance.

### **3. TRANSPORTATION**

Approval of the proposed service plan amendment does not affect the district's authorization to finance, design, and construct local and collector level street improvements and necessary bridges, fences, trails, lighting, landscaping, and traffic and safety controls and devices. The intent is to construct any required street improvements to applicable County standards and to dedicate such facilities to the County for ongoing ownership and maintenance. All improvements constructed by the District located outside of the dedicated right-of-way shall be maintained by the district.

### **4. DRAINAGE**

Approval of the service plan amendment does not affect the district's authorization to finance, design, construct, and maintain drainage facilities, including detention ponds, culverts, pipes, channels, swales, and weirs. The service plan proposes the dedication of drainage facilities to the County; however, acceptance by the County for ongoing ownership and maintenance will be subject to specific County policies and requirements governing the eligibility for acceptance of privately constructed drainage facilities.

### **5. PARKS AND RECREATION**

The Meadowbrook Crossing Preliminary Plan and Final Plat identify 11.44 acres of open space to be dedicated and maintained by the District. The District is planning to construct a 1.73 acre dog park within the Meadowbrook Crossing Subdivision as an amenity for residents. The El Paso County Parks Master Plan (2013) does not identify any open space, park facilities, or trails intersected by or within the district's boundaries. Although the District is proposing the creation of a dog park and open space within its boundaries, these improvements have not been identified as being eligible to satisfy final

plat park and open space land dedication requirements. The project site is located on the northwest side of Highway 24 East, near the intersection of Highway 94. The proposed Highway 94 Secondary Regional Trail and the proposed Highway 94 Bicycle Route begin at this intersection and travel east, away from the project site.

**6. FIRE PROTECTION**

The Cimarron Hills Fire Protection District provides emergency services for properties located within the District's boundaries.

**7. COMMUNITY FACILITIES**

See the Parks and Recreation section above for a discussion of public/community facilities and amenities.

**8. OTHER FACILITIES OR SERVICES**

Colorado Springs Utilities provides electrical and natural gas service within the district's boundaries.

**H. RELATIONSHIPS TO OTHER DISTRICTS OR MUNICIPALITIES**

The District does not anticipate entering into an Intergovernmental Agreement with any other districts or with any municipalities.

**I. SCHOOL DISTRICT IMPACTS OR CONCERNS**

Colorado Springs School District No. 11 was provided a copy of the letter of intent and service plan. No comments were received from the School District regarding the service plan amendment.

**J. CONDITIONS AND NOTATION**

It is noted that the majority of these conditions essentially paraphrase existing language in the Service Plan and formalize it as conditions.

**CONDITIONS OF APPROVAL**

1. Any future annexation of territory by the district (any territory more than five (5) miles from the district boundary lines) shall be considered a material modification of the amended service plan and shall require prior Board of County Commissioners approval.
2. The district shall provide a disclosure form to future purchasers of property in a form consistent with the approved Special District Annual Report form. Such notice shall be recorded with this service plan. With each subsequent final plat associated with the Meadowbrook Crossing development, the developer shall provide written notation on the plat of this annually filed public notice and include reference to the El Paso County Planning and Community Development website where the most up-to-date notice can be found. County staff is authorized to administratively approve updates of the disclosure form to reflect current contact information and calculations.

3. The district is expressly prohibited from creating additional separate sub-districts, Public Improvement Corporations, or development corporations of any form except upon prior notice to the Board of County Commissioners, and subject to the Board of County Commissioners right to declare such creation to be a material modification of the service plan, pursuant to C.R.S. § 32-1-1101(1)(f)(l).
4. Approval of this application shall not constitute relinquishment or undermining of the County's authority to require the developer to complete subdivision improvements as required by the El Paso County Land Development Code (2016) and Engineering Criteria Manual (2016) and to require the developer to enter into a subdivision improvements agreement or development agreement and provide adequate financial assurance at the final plat stage to guarantee construction of improvements.
5. Any expansions, extensions, or construction of new facilities by the District will require prior review by the Planning and Community Development Department to determine if such actions are subject to the requirements of Appendix B of the El Paso County Land Development Code, Guidelines and Regulations for Areas and Activities of State Interest (a.k.a. "1041 Regulations"). If it is determined that such regulations apply, then the District will be required to submit and receive County approval of the appropriate development permit application(s) prior to construction.
6. The District shall not be authorized to issue debt until and unless the necessary rezoning, preliminary plan, and final plat approvals have been obtained and such approvals are consistent with the assumed land uses and densities identified within the amended service plan.
7. The District's maximum debt authorization shall not exceed \$10 million. Any increase above what is authorized shall be a material modification of the service plan and require approval by the Board of County Commissioners.
8. The period of maturity for any debt issued by the District, not including developer funding agreements, is limited to no more than thirty (30) years without prior approval from the Board of County Commissioners.
9. Future alteration of the densities and/or land uses identified in the service plan shall trigger a material modification of the service plan and shall require Board of County Commissioner approval of an amended service plan.

## **NOTATION**

1. Approval of this Service Plan shall in no way be construed to infer a requirement or obligation on the Board of County Commissioners to approve any future land use requests for any property within the District's service area.

## **K. PUBLIC COMMENT AND NOTICE**

There are no posting or mailing requirements for hearings before the Planning Commission on Colorado Revised Statutes Title 32 Special District service plans. However, there are notice requirements for hearings before the Board of County Commissioners. The applicant is required to notify all taxing jurisdictions within three (3) miles of the Districts as required by state statute prior to the Board of County Commissioners hearing.

## **L. ATTACHMENTS**

Vicinity Map  
Letter of Intent  
Proposed Service Plan and Attachments  
2007 El Paso County Special District Policies  
Policy Plan Section 14.1  
Parks Master Plan Open Space Map  
Planning Commission Minutes  
Planning Commission Resolution  
Board of County Commissioners Resolution

# El Paso County Parcel Information

File Name: ID-17-001

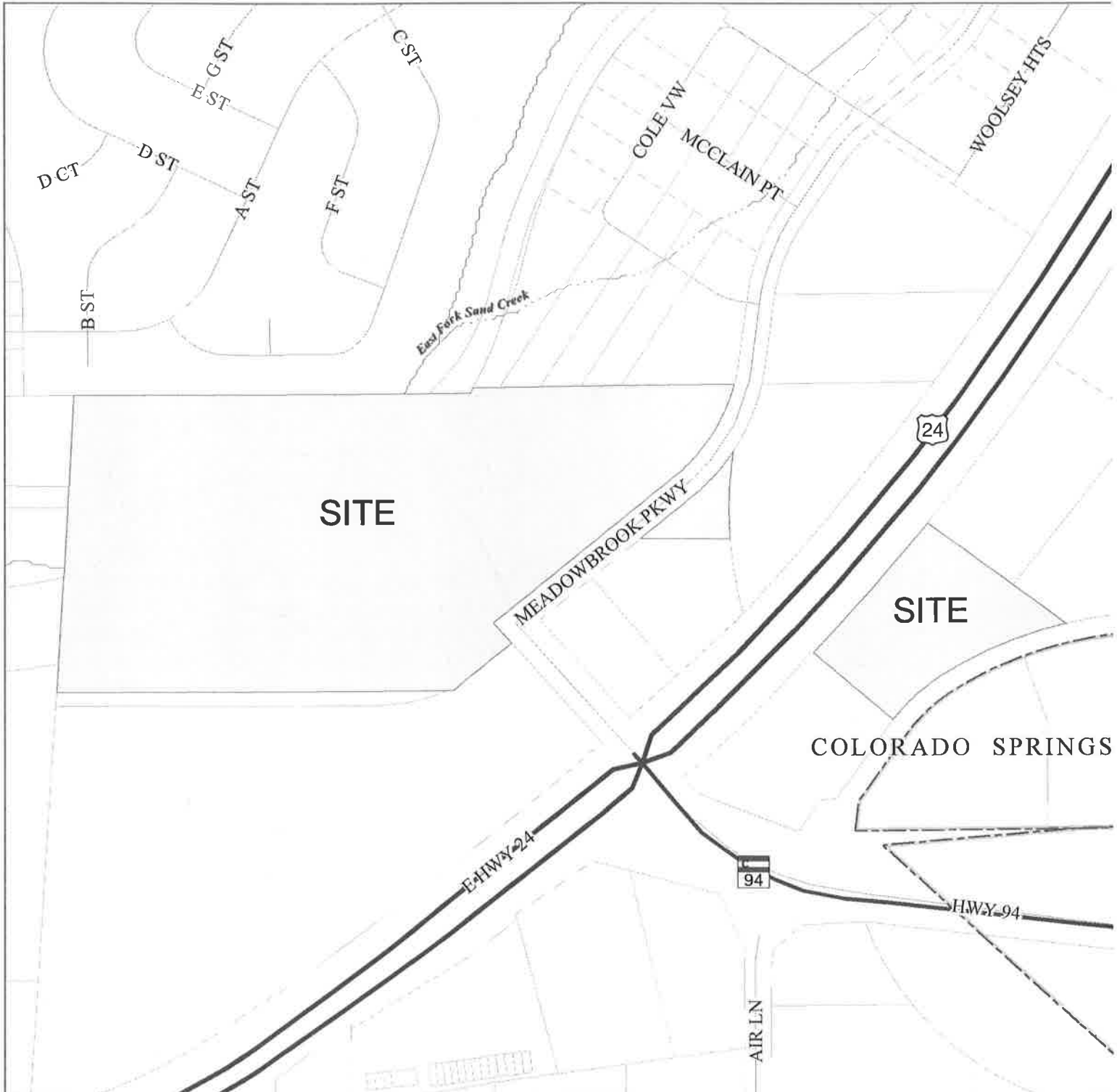
Zone Map No.: --

PARCEL	NAME
5408000055	MEADOWBROOK DEVELOPMENT LLC
5408000056	ADEN-SMITH DEIRDRE K
5408001029	PETERSON GROUP LLC

ADDRESS	CITY	STATE
90 S CASCADE AVE STE 1500	COLORADO SPRINGS	CO
90 S CASCADE AVE	COLORADO SPRINGS	CO
90 S CASCADE AVE STE 1500	COLORADO SPRINGS	CO

ZIP	ZIPLUS
80903	1639
80903	1611
80903	1639

Date: September 21, 2017



Please report any parcel discrepancies to:  
El Paso County Assessor  
1675 W. Garden of the Gods Rd.  
Colorado Springs, CO 80907  
(719) 520-6600



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PETITION OF MEADOWBROOK CROSSING METROPOLITAN DISTRICT TO MODIFY  
ITS SERVICE PLAN

TO: BOARD OF COUNTY COMMISSIONERS  
EL PASO COUNTY

COMES NOW the Meadowbrook Crossing Metropolitan District, by and through its counsel, Susemihl, McDermott & Cowan, P.C. and hereby petitions the Board of County Commissioners, El Paso County for a modification of its service plan and in support of this petition states as follows:

This petition is brought pursuant to the El Paso County Land Development Code, Section 9.6.

Meadowbrook Crossing Metropolitan District (the "District") is a title 32 metropolitan district formed as a quasi-municipal corporation and political subdivision of the State of Colorado.

The District's service plan was approved by the Board of County Commissioners on October 4, 2016 pursuant to Resolution 16-345.

The District was formed on November 23, 2016 as a result of an election held November 8, 2016 and a court decree which was recorded in the records of El Paso County at reception number 216136635.

Section VI.C.1. of the Service Plan limits the debt mill levy at 40 mills.

The District desires that the maximum debt service mill levy be increased up to 50 mills and as reason for the request, it is noted as follows:

1. This District has a planned 114 residential units at buildout.
2. There will not be any opportunities for inclusions of additional lands.
3. Considering the size of the District there are substantial costs for the installation of public infrastructure including channel improvements to Sand Creek in the amount of \$750,000.
4. The land within the District is under contract to a home builder who has no objection to an increase in the debt service mill levy

Respectfully submitted this \_\_\_\_\_ day of May 2017.

SUSEMIHL, MCDERMOTT & COWAN, P.C.

A handwritten signature in black ink, appearing to read "Peter M. Susemihl", written over the printed name.

Peter M. Susemihl



**MEADOWBROOK CROSSING METROPOLITAN DISTRICT**

**AMENDED SERVICE PLAN**

**EL PASO COUNTY, COLORADO**

**August 24, 2017**

Prepared by:

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- A. Maps and Legal Descriptions
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## SUMMARY

The following is a summary of general information regarding the District provided for the convenience of the reviewers of this Amended Service Plan. Please note that the following information is subject in all respects to the more complete descriptions contained elsewhere in this Service Plan.

Proposed District:	Meadowbrook Crossing Metropolitan District ("District")
Property Owners:	Meadowbrook Development LLC
Developers:	Meadowbrook Development LLC
Description of Development:	Approximately 32 acres in eastern El Paso County to consist of 114 residential units with an average value of \$350,000 and 9.52 acres of additional land related thereto.
Proposed Improvements to be Financed:	Water lines, waste water lines, roads, traffic control, storm drainage, park, recreation and drainage facilities.
Proposed Ongoing Services:	Subdivision Management Services
Infrastructure Capital Costs:	Approximately \$4,776,000.
Maximum Debt Authorization:	\$10,000,000
Proposed Debt Mill Levy:	50 Mills.
Proposed O & M Mill Levy:	10 Mills.
Proposed Special Purpose Mill Levy	0 Mills
Proposed Maximum Mill Levy	60 mills.
Proposed Fees:	Homeowner - \$1,750 at Closing, \$500 annually Builder = \$2,500 at Lot Closing Fees to be used in support of Proposed Improvements and Proposed Ongoing Services.

## DEFINITIONS

**The following terms are specifically defined for use in this Service Plan, for specific definitions of terms not listed below please also refer to the El Paso County Special District Policies, the El Paso County Land Development Code and Colorado Revised Statutes, as may be applicable.**

Additional Inclusion Areas: None contemplated at this time.

Annual Report and Disclosure Statement: means the statement of the same name required to be filed annually with the Board of County Commissioners.

Board: means the board of directors of the District.

Board of County Commissioners: means the Board of County Commissioners of El Paso County.

Conventional Representative District: A Title 32 district in which all property owners and residents may participate in district elections.

County: means El Paso County, Colorado

Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy without such promise being subject to annual appropriation.

Developer Funding Agreement: An agreement of any kind executed between a special district and a Developer as this term is specifically defined below, including but not limited to advance funding agreements, reimbursement agreements or loans to the special district from a Developer, where such an agreement creates an obligation of any kind which may require the special district to re-pay the Developer. The term "Developer" means any person or entity (including but not limited to corporations, venture partners, proprietorships, estates and trusts) that owns or has a contract to purchase undeveloped taxable real property located within the boundaries of the special district. The term "Developer Funding Agreement" shall not extend to any such obligation listed above if such obligation has been converted to Debt issued by the special district to evidence the obligation to repay such Developer Funding Agreement, including the purchase of such Debt by a Developer.

Planning and Community Development The department of the County formally charged with administering the development regulations of the County.

District: means the Meadowbrook Crossing Metropolitan District as described in this Service Plan.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Gallagher Adjustment: means an allowed adjustment to the Maximum Debt Service Mill Levy, Maximum Operational Mill Levy, or Maximum Special Mill Levy intended to offset the effect of adjustments to the ratio between market value and assessed value of taxable property within the District that would cause a reduction in the revenue otherwise produced from such Maximums based on the ratio between market value and assessed value as of January 1 in the year in which the District's organizational election is held.

Initial District Boundaries: means the initial boundaries of the District as described in Exhibit A.

Local Public Improvements: means facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, but which do not qualify under the definition of Regional Public Improvements. Examples would include local streets and appurtenant facilities, water and sewer lines which serve individual properties and drainage facilities that do not qualify as reimbursable under adopted drainage basin planning studies.

Material Modification: has the meaning described in Section 32-1-207, C.R.S., as it may be amended from time to time.

Maximum Combined Mill Levy: The maximum combined Gallagher-adjusted ad valorem mill levy the District may certify against any property within the District for any purposes.

Maximum Debt Authorization: means the maximum principal amount of Debt that the District may have outstanding at any time, which under this Service Plan is \$10,000,000.

Maximum Debt Service Mill Levy: The maximum Gallagher-adjusted ad valorem mill levy the District may certify against any property within the District for the purpose of servicing any Debt incurred by or on behalf of the District.



Maximum Operational Mill Levy: The maximum Gallagher-adjusted ad valorem mill levy the District may certify against any property within the District for the purposes providing revenues for ongoing operation, maintenance, administration or any other allowable services and activities other than the servicing of Debt. This Maximum Operational Mill Levy is exclusive of any Maximum Special Mill Levy which might be separately authorized.

Maximum Special Purpose Mill Levy: means maximum Gallagher-adjusted ad valorem mill levy which is allowed in addition to the allowable Maximum Debt Service Mill Levy and the Maximum Operational Mill Levy (*E.g. a special earmarked levy for fire protection or covenant enforcement etc. – identify use within definition*)

Public Improvements: Those improvements constituting Regional Public Improvements and Local Public Improvements collectively.

Public Improvement Fee: means any privately-imposed transaction-based charge on property within the boundaries of the District that is received by the District for application to authorized District purposes.

Regional Public Improvements: Facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, and which serve the needs of the region.

Revenue Obligations: means bonds or other obligations not subject to annual appropriation that are payable from a pledge of revenues other than *ad valorem* property taxes.

Service Plan: means this Service Plan for the District.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Underlying Land Use Approvals: means Board of County Commissioners approval of the applicable land use plans that form the basis for the need for the District and its proposed financing plan and/or services. Such approvals may be in the form of one or a combination of Sketch Plans, Generalized Planned Unit Development (PUD) Development Plans, site-specific zoning plans, or subdivision plans.

### **III. INTRODUCTION**

The purpose of the Amended Service Plan is to make changes that are more accurate in the year 2017 as the original service plan used 2016 data. In addition, the Developer and builder are in agreement of an increase of the mill levy and the inclusion of fees due to the increased costs of improvements to Sand Creek, the District's obligations for management & maintenance of common areas within the subdivision and the potential development of park & recreation facilities. Additional parcels owned by the Developer have been added to the District boundaries to help finance these additional costs.

#### **A. Overall Purpose and Intent**

The Meadowbrook Crossing Metropolitan District was formed on November 23, 2016 when the court decree was recorded pursuant to the service plan approval by the County Commissioners on October 4, 2016. The District was formed pursuant to Title 32 Colorado Revised Statutes. The District is an independent unit of local government, separate and distinct from the County, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the County only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of various Public Improvements necessary and appropriate for the development of a project within the unincorporated County to be known as "Meadowbrook Crossing" (the "Project"). The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements. This is a Conventional Representative District.

#### **B. Need for the District**

There are currently no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

#### **C. County Objectives in Forming the District**

The County recognizes this District as an independent quasi-municipal entity which is duly authorized for the purposes and functions identified in the Service Plan. Future County involvement in the affairs of the District will generally be limited to functions as required by the Colorado Revised Statutes, reporting and disclosure functions, determinations as to compliance with the limits as set forth in this Service Plan or any conditions attached to its approval, as well as additional activities or relationships as may be stipulated in any intergovernmental agreements which may be entered in to between the District and the County in the future.

In approving the original Service Plan the objectives of the County include an intent to allow the applicant reasonable access to public tax-exempt financing for reasonable costs associated with the generally identified Public Improvements and to allow the applicant the ability to prudently obligate future property owners for a reasonable share of the repayment costs of the Public Improvements which will benefit the properties within this District.

In approving this District as a Conventional Representative District, it is also an objective of the County to maximize opportunities for full representative participation on the part of future eligible electors. However, because many of the critical financing decisions will be made prior to the existence of resident electors, it is the further intent of the County to accommodate and allow for reasonable and constructive ongoing notice to future property owners of the probable financial impacts associated with owning property within the District.

#### **D. Specific Purposes -Facilities and Services**

The District is authorized to provide the following facilities and services, both within and without the boundaries of the District as may be necessary:

1. WATER – Design and construction of the necessary water lines to connect to the Cherokee Metropolitan District together with necessary easements and appurtenant facilities. All improvements will be dedicated to Cherokee Metropolitan District.

2. WASTEWATER – Design and construction of the necessary wastewater lines to connect to the Cherokee Metropolitan District together with necessary easements and appurtenant facilities. All improvements will be dedicated to Cherokee Metropolitan District.

3. STREET IMPROVEMENTS AND SAFETY PROTECTION - Design and construction of arterial, collector and/or local street improvements, and related safety protection devices including, but not limited to, bridges, fencing, trails, lighting, landscaping, traffic, safety controls and devices. Streets are to be dedicated to El Paso County and will be maintained by the County. All improvements not dedicated to El Paso County shall be owned and maintained by an entity authorized by the Board of County Commissioners. Private improvements located in the public right-of- way will be subject to separate license agreements authorized by the Board of County Commissioners.

4. DRAINAGE – Design and construction of all necessary drainage facilities including detention ponds, culverts, pipes, channels, swales, and weirs in accordance with the County drainage plan including the Drainage Criteria Manual Volume 2, Post-construction Best Management Practices, which facilities are to be dedicated to El Paso County for maintenance.

5. PARK AND RECREATION - Design, construction and maintenance of public open spaces and pet amenities.

## **E. Other Powers**

1. Amendments. The District shall have the power to amend this Service Plan as needed, subject to appropriate statutory procedures as set forth in Section 32-1-207, C.R.S.;

2. Authority to Modify Implementation of Financing Plan and Public Infrastructure. Without amending this Service Plan, the District may defer, forego, reschedule or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resources availability, and potential inclusions of property within the District.

### **F. Other Statutory Powers.**

The District may exercise such powers as are expressly or impliedly granted by Colorado law, if not otherwise limited by the Service Plan or its conditions of approval.

### **G. Eminent Domain.**

The District may exercise the power of eminent domain or dominant eminent domain only as necessary to further the clear public purposes of the District.

The power of eminent domain and/or dominant eminent domain shall be limited to the acquisition of property that the District intends to own, control or maintain by the District or other governmental entity and is for the material use or benefit of the general public. The term “material use or benefit for the general public” shall not include the acquisition of property for the furtherance of an economic development plan, nor shall it include as a purpose an intent to convey such property or to make such property available to a private entity for economic development purposes. The phrase “furtherance of an economic development plan” does not include condemnation of property to facilitate public infrastructure that is necessary for the development of the Project.

### **H. Sales Tax or Public Improvement Fees**

The District does not anticipate entering into arrangement with the County or a Public Improvements Company (PIC) for the purpose of accepting sales tax revenues. The District may anticipate creating a separate non-profit development corporation for the purposes of providing design, financing, and construction of municipal infrastructure, and other services and the imposition of fees on certain land sales which fees would be committed to servicing debt.

### **I. Intergovernmental Agreements (IGAs).**

The District is authorized to enter into IGAs to the extent permissible by law.

### **J. Description Of Proposed Boundaries And Service Area.**

1. Initial District Boundaries. A vicinity map showing the general location of the District and its boundaries is included as Exhibit A. The legal description of the district boundaries is in Exhibit A.

2. Additional Inclusion Areas. Additional inclusion areas have been included in order to help finance infrastructure in addition to the initially included properties.

3. Extraterritorial Service Areas. The District does not anticipate providing services to areas outside of the District boundaries.

4. Analysis of Alternatives. The creation of the District has been in the best interests of the property proposed to be served. The District will have the flexibility and statutory powers to provide long-term services to the residents within its boundaries. New Districts have numerous advantages over other vehicles which could be utilized to supply services to this area.

While a Homeowners Association might be set up to provide these services by way of covenants imposed on the real property, an Association may lack the financing ability, the flexibility and the longevity that would be provided by the District. Additionally, an Association would not possess certain of the statutory powers that are allowed to the District.

Adequate municipal services for the development are not expected to be made available through any other county, municipality or quasi-municipal corporation.

Insofar as the development consists of proposed residential densities and some commercial properties within its boundaries, there should be an entity separate from the developer to finance the cost of public improvements on a long-term basis. A publicly controlled district with an elected board of directors, versus a Homeowners Association or any private Utility Company, would be the most capable of providing these municipal services.

Although there is municipal debt to be authorized, the developer/owner will supply the credit enhancements needed for the initial debt or will purchase the initial bonds to be issued. Limited tax general obligation debt will be issued as is justified by the assessed valuation. In addition there will be a mill levy cap not to exceed 60 mills.

5. Material Modifications/Service Plan Amendment. Material modifications of this Service Plan shall, at a minimum, trigger the need for prior approval of the Board of County Commissioners at an advertised public hearing and may require a need for a complete re-submittal of an amended Service Plan along with a hearing before the County's planning commission. For the purpose of this Service Plan the following changes shall be considered material modifications:

a. Any change in the basic services provided by the District, including the addition of any types of services not authorized by this Service Plan.

b. Any other matter which is now, or may in the future, be described as a material modification by the Special District Act.

c. Imposition of a mill levy in excess of any of the Maximum Mill Levies as authorized in this approved Service Plan.

d. Issuance of Debt in excess of the Maximum Debt Authorization authorized in this Service Plan

e. Issuance of any Debt with a maturity period of greater than thirty (30) years, from the date of issuance of such Debt.

f. Creation of any sub-districts as contemplated in the Special District Act.

g. Inclusion into the District of any property over five (5) miles from the combined area of the Initial District Boundaries and the Additional Inclusion Areas unless explicitly contemplated in this Service Plan.

h. Receipt of a Public Improvement Fee unless authorized by this Service Plan.

#### **IV. DEVELOPMENT ANALYSIS**

##### **A. Existing Developed Conditions.**

At the present time there are no public improvements within the District boundaries and there is no population.

##### **B. Total Development At Project Buildout**

At complete project build-out, development within the District is planned to consist of 114 detached single family residential units. The prices of homes in the project are expected to average \$350,000 in year 2017 dollars.

##### **C. Development Phasing and Absorption**

Absorption of the project is projected to take approximately 3 years, beginning in 2018 and is further described in the Development Summary Table found at Exhibit B.

##### **D. Status of Underlying Land Use Approvals**

The underlying land use approval process is moving forward with the expectations that a Final Plat will be approved in September, 2017.

## **V. INFRASTRUCTURE SUMMARY**

Attached as Exhibit C is an analysis of the Infrastructure Capital Costs for the identified Public Improvements which are anticipated to be required within this District. A general description of the categories of Public Improvements is included in Exhibit C of this Service Plan. The total costs of the Public Improvements are estimated to be approximately \$4,776,000 in year 2017 dollars. It is estimated that the District will finance approximately \$3,300,000 of this amount, but the amount ultimately financed by the District will be subject to the Maximum Authorized Debt limit.

All Public Improvements will be designed and constructed in accordance with the standards of the governmental entity to which such Public Improvements will be dedicated (including, with respect to storm sewer and drainage facilities, the applicable NPDES standards), and otherwise in accordance with applicable El Paso County standards. The composition of specific Public Improvements will be determined in connection with applicable future land use and development approvals required by El Paso County rules and regulations.

## **VI. FINANCIAL PLAN SUMMARY**

### **A. Financial Plan Assumptions and Debt Capacity Model.**

Attached at Exhibit D is a summary of development assumptions, projected assessed valuation, description of revenue sources (including applicable mill levies and fees) and expenses for both operations and debt service, and an overall debt capacity model associated with projected future development of the Project. The model demonstrates that the District is capable of providing sufficient and economic service within the Project and that the District has or will have the financial ability to discharge the District's Debt on a reasonable basis. The financial model attached as Exhibit D is an example of the manner in which the District may finance the Public Improvements. The specific structure for financing the Public Improvements shall be determined in the discretion of the Board of Directors of the District, subject to the limitations set forth in this Service Plan.

### **B. Maximum Authorized Debt.**

The District is authorized to issue Debt up to \$10,000,000 million in principal amount. This amount is necessary in order to cover future inflationary costs and to have a cushion in the case additional public improvements are required.

### **C. Maximum Mill Levies.**

1. Maximum Debt Service Mill Levy. The Maximum Debt Service Mill Levy shall be determined as follows:

a. For the portion of any aggregate Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Service Mill Levy for such portion of Debt shall be fifty (50) mills, subject to Gallagher Adjustment, along with the operations mill levy. It

is intended that the 60 mill cap, as applied in 2016, be expressed as the 7.96% residential assessment ratio.

b. For the portion of any aggregate Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, and with the consent of the Board of County Commissioners evidenced by Resolution, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Service Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

c. For purposes of the foregoing, to the extent an amount of Debt has been determined to be within subsection b above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, such District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in such District's Debt to assessed ratio. All Debt issued by the Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

2. Maximum Operational Mill Levy. The Maximum Operational Mill Levy Cap shall be ten (10) mills, subject to Gallagher Adjustment.

3. Maximum Special Purpose Mill Levy Cap. The Maximum Special Purpose Mill Levy is 0 Mills.

4. Maximum Combined Mill Levy. The Maximum Combined Mill Levy is 60 Mills, subject to Gallagher Adjustment.

D. Maximum Maturity Period For Debt.

The period of maturity for issuance of any Debt (but not including Developer Funding Agreements) shall be limited to no more than thirty (30) years without express, prior approval of the Board of County Commissioners. Such approval, although required, is not considered to be a Material Modification of the Service Plan which would trigger the need to amend said Service Plan. However, the District is specifically authorized to refund or restructure existing Debt so long as the period of maturity for the refunding or restructured Debt is no greater than 30 years from the date of the issuance thereof.

E. Developer Funding Agreements.

The Developer does intend to enter into Developer Funding Agreements with the District in addition to recovery of the eligible costs associated with creation of this District. It is anticipated that in the formative years the District will have shortfalls in funding its capital costs and monthly operations and maintenance expenses. The Developer may fund these obligations for the District to promote the Project's development subject to the Developer being repaid from future District revenues.



Developer Funding Agreements may allow for the earning of simple interest thereon, but under no circumstances shall any such agreement permit the compounding of interest. The Developer Funding Agreements may permit an interest rate that does not exceed the prime interest rate plus two points thereon.

The maximum term for repayment of a Developer Funding Agreement shall be twenty (20) years from the date the District becomes obligated to repay the Developer Funding Agreement under the associated contractual obligation. For the purpose of this provision, Developer Funding Agreements are considered repaid once the obligations are fully paid in cash or when converted to bonded indebtedness of the District (including privately placed bonds). Any extension of such term is considered a Material Modification and must be approved by the Board of County Commissioners.

Required disclosure notices shall clearly identify the potential for the District to enter into obligations associated with Developer Funding Agreements.

F. Privately Placed Debt Limitation.

Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows: We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

G. Revenue Obligations. The District shall also be permitted to issue Revenue Obligations in such amount as the District may determine. Amounts issued as Revenue Obligations are not subject to the Maximum Debt Authorization.

## **VII. OVERLAPPING TAXING ENTITIES, NEIGHBORING JURISDICTIONS AND INTERGOVERNMENTAL AGREEMENTS**

A. Overlapping Taxing Entities.

The directly overlapping taxing entities and their respective Year 2016 mill levies are as follows:

El Paso County	7.589 mills
El Paso County Road and Bridge	.33 mills
School District No. 11	34.365 mills
School District No. 11	6.513 mills
Pikes Peak Library District	3.957 mills
Cimarron Hills Fire Protection	15.286 mills
Total	68.04 mills

The total mill levy including the proposed levy to be certified by this District is 128.04 mills.

It is not anticipated that there will be any financial impacts to these entities.

B. Neighboring Jurisdictions.

The following additional taxing and or service providing entities include territory within three miles of the Initial District Boundaries:

Pikes Peak Library District  
Southeast Water Conservancy District  
El Paso County Conservancy District  
Falcon School District 49  
Harrison School District 2  
Colorado Springs Schools District 11  
Widefield School District 3  
Ellicott School District 22  
Constitution Heights Metropolitan District  
Central Marksheffel Metropolitan District

There will be no adverse financial impacts to these entities.

## VIII. DISSOLUTION

A. Dissolution. Upon an independent determination of the Board of County Commissioners that the purposes for which the District was created have been accomplished, the District agrees to the dissolution of the District, pursuant to the applicable State statutes. In no event shall dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

B. Administrative Dissolution. The District shall be subject to administrative dissolution by the Division of Local Government as set forth in Section 32-1-710, C.R.S.

## **IX. COMPLIANCE**

A. An Annual Report and Disclosure Form will be required and submitted as described in C.R.S. 32-1-207(3)(d) and as further articulated by the Board of County Commissioners.

B. Material Modifications of this Service Plan shall be subject to the provisions contained in Section 32-1-207, C.R.S., relating to approvals and notices thereof.

## **X. MISCELLANEOUS.**

The following is additional information to further explain the functions of the District:

### **A. Special District Act.**

The contemplated municipal services are under the jurisdiction of the Special District Act and not the Public Utilities Commission.

### **B. Disclosure to Prospective Purchasers.**

After formation of the District, and in conjunction with final platting of any properties within the proposed District, the applicable Board of Directors of the District shall prepare a notice acceptable to the Planning and Community Development Department Staff informing all purchasers of property within the District of the District's existence, purpose and debt, taxing, and other revenue-raising powers and limitations. Such notice obligation shall be deemed satisfied by recording the notice with this Service Plan and each final plat associated with the Project, or by such other means as the Planning and Community Development Department Services Department approves. Such notice shall be modified to address the potential for future Debt issuance which may be required to meet the obligations associated with loans incurred by the District. In conjunction with subsequent plat recordings, Development Services Department staff is authorized to administratively approve updates of the disclosure form to reflect current information.

### **C. Local Improvements.**

Prior to the financing of Local Public Improvements, and if required by County policy uniformly applied, agreements shall be in place to prevent a loss of sales tax revenue from sales of construction materials which would otherwise accrue to the County.

### **D. Service Plan not a Contract.**

The grant of authority contained in this Service Plan does not constitute the agreement or binding commitment of the District enforceable by third parties to undertake the activities described, or to undertake such activities exactly as described.

E. Land Use and Development Approvals.

Approval of this Service Plan does not imply approval of the development of a specific area within the Project, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto. All such land use and development approvals shall be processed and obtained in accordance with applicable El Paso County rules, regulations and policies.

**XI. CONCLUSION**

It is submitted that this Service Plan for the District establishes that:

A. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed District;

B. The existing service in the area to be served by the proposed District is inadequate for present and projected needs;

C. The proposed District is capable of providing economical and sufficient service to the Project;

D. The area to be included in the proposed District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

E. Adequate service is not, and will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

F. The facility and service standards of the proposed District are compatible with the facility and service standards of the County;

G. The proposal is in substantial compliance with the County master plan.

H. The creation of the proposed District is in the best interests of the area proposed to be served.

Susemihl, McDermott & Cowan, P.C.

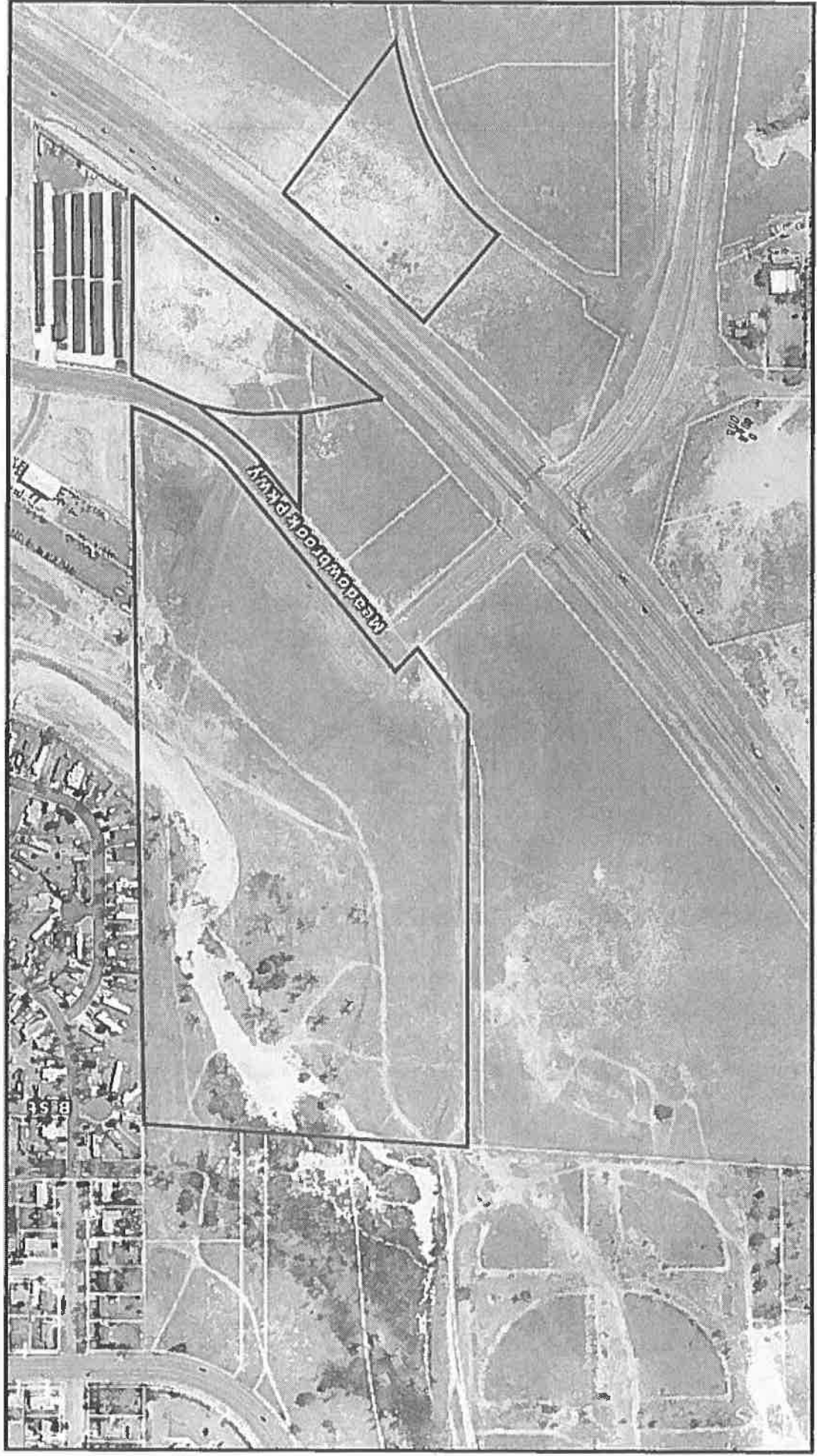
EXHIBIT A

MAPS AND LEGAL DESCRIPTIONS

Meadowbrook Crossing Metropolitan District

LGID: 66718

Drawn: June 22, 2017





**LAND DESCRIPTION: (PARCEL A)**

**A PORTION OF THE SOUTH HALF OF SECTION 8, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**(BEARINGS REFERRED TO HEREIN ARE BASED ON THE NORTH LINE OF THE SOUTH HALF OF SECTION 8, MONUMENTED ON THE WEST END BY A 3 1/4" BRASS BLM MONUMENT AND ON THE EAST END BY A 3 1/4" ALUMINUM MONUMENT IN A RANGE BOX SET BY PLS 17496, ASSUMED HEREIN TO BEAR N89°43'13"E.)**

**BEGINNING AT THE NORTHEAST CORNER OF CIMARRON SOUTHEAST FILING NO. 1 AS RECORDED IN PLAT BOOK Y-2, PAGE 53 (MONUMENTED BY A 1/2" REBAR WITH A SURVEYOR'S CAP STAMPED LS 5838), SAID POINT ALSO BEING ON THE SOUTHERLY LINE OF SAID CIMARRON HILLS FILING NO. 4 AS RECORDED IN PLAT BOOK M-2, PAGE 59; THENCE S89°53'51"E, COINCIDENT WITH SAID SOUTHERLY LINE OF CIMARRON HILLS FILING NO. 4, 1055.99 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE N44°24'06"E, COINCIDENT WITH THE EASTERLY LINE OF SAID CIMARRON HILLS FILING NO. 4, 21.62 FEET TO THE NORTH LINE OF SAID SOUTH HALF OF SECTION 8; THENCE N89°43'13"E, COINCIDENT WITH SAID NORTH LINE, 891.01 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF MEADOWBROOK PARKWAY AS SHOWN ON THE PLAT OF CLAREMONT BUSINESS PARK FILING NO. 2 AS RECORDED UNDER RECEPTION NO. 207712506; THENCE COINCIDENT WITH SAID RIGHT-OF-WAY FOR THE FOLLOWING THREE COURSES; 1) THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S33°19'31"W, 324.24 FEET, A CENTRAL ANGLE OF 35°58'26", A RADIUS OF 525.00 FEET FOR AN ARC DISTANCE OF 329.63 FEET; 2) THENCE S51°18'44"W, 695.63 FEET; 3) THENCE S41°15'02"E, 80.08 FEET; THENCE S51°18'44"W, 198.83 FEET; THENCE S89°43'13"W, 1195.12 FEET TO THE EASTERLY LINE OF SAID CIMARRON SOUTHEAST FILING NO. 1 AS EXTENDED SOUTHERLY; THENCE N03°40'53"E, COINCIDENT WITH SAID EASTERLY LINE OF SAID CIMARRON SOUTHEAST FILING NO. 1 AND SAID SOUTHERLY EXTENSION THEREOF TO THE POINT OF BEGINNING, CONTAINING 32.23 ACRES OF LAND, MORE OR LESS.**

Parcel A as designated on ALTA/ACSM Land Title Survey of a Portion of South Half of Section 8, Township 14 South, Ranch 65 West of the 6<sup>th</sup> P.M., El Paso County, Colorado prepared by M.V.E., Inc. and dated March 6, 2009 under M.V.E. Project Number 60940.

Prepared By:  
M.V.E., Inc.  
1903 Lelaray Street, Suite 200  
Colorado Springs, CO 80909  
March 6, 2009

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Page 1 of 1

Engineers • Surveyors

1903 Lelaray Street, Suite 200 • Colorado Springs, CO 80909 • Phone 719-635-5736  
Fax 719-635-5450 • e-mail [mve@mvcivil.com](mailto:mve@mvcivil.com)



**LAND DESCRIPTION: (PARCEL B)**

**A PORTION OF THE SOUTH HALF OF SECTION 8, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**(BEARINGS REFERRED TO HEREIN ARE BASED ON THE NORTH LINE OF THE SOUTH HALF OF SECTION 8, MONUMENTED ON THE WEST END BY A 3 1/4" BRASS BLM MONUMENT AND ON THE EAST END BY A 3 1/4" ALUMINUM MONUMENT IN A RANGE BOX SET BY PLS 17496, ASSUMED HEREIN TO BEAR N89°43'13"E.)**

**COMMENCING AT THE SOUTHWEST CORNER OF LOT 46, CLAREMONT BUSINESS PARK FILING NO. 2 AS RECORDED UNDER RECEPTION NO. 207712506, SAID POINT BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF MEADOWBROOK PARKWAY AS SHOWN THEREON; THENCE COINCIDENT WITH SAID EASTERLY RIGHT-OF-WAY ON THE ARC OF A CURVE TO THE RIGHT, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S23°11'55"W, 208.76 FEET, A CENTRAL ANGLE OF 19°52'13", A RADIUS OF 605.00 FEET FOR AN ARC DISTANCE OF 209.81 FEET TO THE POINT OF BEGINNING OF THE TRACT OF LAND HEREIN DESCRIBED; THENCE ON THE ARC OF A CURVE TO THE LEFT, CONCAVE TO THE EAST, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S02°18'58"W, 248.03 FEET, A CENTRAL ANGLE OF 11°54'12", A RADIUS OF 1196.00 FEET FOR AND ARC DISTANCE OF 248.47 FEET; THENCE S89°43'13"W, 252.68 FEET TO THE EASTERLY LINE OF SAID RIGHT-OF-WAY OF MEADOWBROOK PARKWAY; THENCE N51°18'44"E, COINCIDENT WITH SAID EASTERLY RIGHT-OF-WAY LINE, 171.99 FEET; THENCE ALONG THE ARC OR A CURVE TO THE LEFT, COINCIDENT WITH SAID EASTERLY RIGHT-OF-WAY LINE, SAID CURVE HAVING A CENTRAL ANGLE OF 18°10'42", A RADIUS OF 605.00 FEET FOR AND ARC DISTANCE OF 191.95 FEET TO THE POINT OF BEGINNING, CONTAINING 0.61 ACRES OF LAND, MORE OR LESS.**

Parcel B as designated on ALTA/ACSM Land Title Survey of a Portion of South Half of Section 8, Township 14 South, Range 65 West of the 6<sup>th</sup> P.M., El Paso County, Colorado prepared by M.V.E., Inc. and dated March 6, 2009 under M.V.E. Project Number 60940.

Prepared By:  
M.V.E., Inc.  
1903 Lelaray Street, Suite 200  
Colorado Springs, CO 80909  
March 6, 2009

T:\60940\Corr\60940 Legal Desc Peterson Group Parcel B.odt

Page 1 of 1

Engineers • Surveyors

1903 Lelaray Street, Suite 200 • Colorado Springs, CO 80909 • Phone 719-635-5736  
Fax 719-635-5450 • e-mail [mve@mvecivil.com](mailto:mve@mvecivil.com)



## MEADOWBROOK CROSSING METROPOLITAN DISTRICT

### ANNEXATION PARCEL 1

Tax Schedule No. 5408001029  
Ownership: Peterson Group LLC

#### Legal Description:

LOT 7 HILLCREST ACRES, EXCEPT FOR THE PORTION CONVEYED TO THE DEPARTMENT OF TRANSPORTATION, STATE OF COLORADO IN DEED RECORDED AT RECEPTION NO. 202029244.

### ANNEXATION PARCEL 2

Tax Schedule No. 5408000053  
Ownership: Meadowbrook Crossing LLC

#### Legal Description:

A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF SECTION 8, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SECTION 8; THENCE S 89 DEGREES 46 MINUTES 40 SECONDS W ON THE EAST-WEST ONE QUARTER LINE OF SECTION 8, A DISTANCE OF 1490.56 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF US 24 AND THE POINT OF BEGINNING OF THIS DESCRIPTION;

1) THENCE CONTINUING S 89 DEGREES 46 MINUTES 40 SECONDS W ON SAID EAST-WEST ONE QUARTER LINE, A DISTANCE OF 514.71 FEET TO A POINT OF A NON TANGENT CURVE TO THE RIGHT AND A POINT ON THE EASTERLY RIGHT OF WAY LINE OF MEADOWBROOK PARKWAY (80 FEET WIDE) AS PLATTED IN CLAREMONT BUSINESS PARK FILING NO. 2, RECORDED JANUARY 04, 2007 WITH RECEPTION NO. 207712506 IN THE RECORDS OF EL PASO COUNTY;

2) THENCE ON THE ARC OF SAID CURVE, AND THE EASTERLY RIGHT OF WAY OF SAID MEADOWBROOK PARKWAY, HAVING A RADIUS OF 605.00 FEET, A DELTA ANGLE OF 16 DEGREES 55 MINUTES 31 SECONDS, AN ARC LENGTH OF 178.72 FEET, WHOSE LONG CHORD BEARS S 21 DEGREES 48 MINUTES 30 SECONDS W A DISTANCE OF 178.07 FEET TO A NON TANGENT CURVE TO THE LEFT AND A POINT ON THE WESTERLY LINE OF A PARCEL DESCRIBED IN A BOUNDARY SURVEY BY DREXEL BARRELL & CO DATED DECEMBER 21, 1981 WITH JOB NUMBER 4850-2R2;

3) THENCE ON THE ARC OF SAID CURVE, AND THE WESTERLY LINE OF SAID DREXEL BARRELL SURVEY, HAVING A RADIUS OF 1196.28 FEET, A DELTA ANGLE OF 21 DEGREES 31 MINUTES 28 SECONDS, AN ARC LENGTH OF 449.41 FEET, WHOSE LONG CHORD BEARS S 02 DEGREES 31 MINUTES 36 SECONDS E A DISTANCE OF 446.77 FEET TO A NON TANGENT CURVE TO THE LEFT AND A POINT ON THE WESTERLY LINE OF A PARCEL DESCRIBED IN A BOUNDARY SURVEY BY DREXEL BARRELL & CO DATED DECEMBER 21, 1981 WITH JOB NUMBER 4850-2R2;

4) THENCE S 13 DEGREES 17 MINUTES 20 SECONDS E A DISTANCE OF 27.57 FEET TO A NON TANGENT CURVE TO THE LEFT AND A POINT ON THE WESTERLY RIGHT OF WAY LINE OF US 24;

5) THENCE ON THE ARC OF SAID CURVE AND SAID US 24 RIGHT OF WAY LINE, HAVING A RADIUS OF 7514.00 FEET, A DELTA ANGLE OF 06 DEGREES 27 MINUTES 54 SECONDS, AN ARC LENGTH OF 847.83 FEET, WHOSE LONG CHORD BEARS N 40 DEGREES 54 MINUTES 03 SECONDS E A DISTANCE OF 847.38 FEET TO THE POINT OF BEGINNING.

**BASIS OF BEARINGS:**

BEARINGS ARE BASED ON THE EAST-WEST ONE QUARTER LINE OF SECTION 8, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, SAID LINE BEARS S 89 DEGREES 46 MINUTES 40 SECONDS W FROM THE EAST 1/4 CORNER OF SECTION 8 (2 1/2" ALUM CAP UNDER ASPHALT DREXEL BARRELL & CO 1985) AND THE WEST 1/4 CORNER OF SECTION 8 (3 1/2" BRASS DISK U.S. DEPT. OF THE INTERIOR 1967) BASED ON DREXEL BARRELL SURVEY, DATED DECEMBER 21, 1981, PROJECT NO. 4850-2R2.

**LEGAL DESCRIPTION PREPARED BY:**

JAMES F. LENZ  
COLORADO PLS 34583  
FOR AND ON BEHALF OF  
SPRINGS ENGINEERING LLC  
DATED JUNE 14, 2007

**EXHIBIT B  
DEVELOPMENT SUMMARY**

114 single family residential units with an estimated market value of \$350,000 built out over 3 years commencing in 2018.

**EXHIBIT C**  
**ESTIMATED INFRASTRUCTURE CAPITAL COSTS**

**MEADOWBROOK CROSSING**  
**PUBLIC IMPROVEMENTS SUMMARY**  
Revised June 1, 2017

	<b>Estimate</b>	<b>Per Lot</b>
Design Planning & Engineering	\$200,000.00	\$1,801.80
Soils Engineering	\$48,000.00	
Construction Surveying	\$85,500.00	\$770.27
Earthworks & Excavation	\$305,749.00	\$2,754.50
Roadway Concrete	\$145,000.00	\$1,306.31
Includes curb and gutter, cross pans, squared returns, transitions, pedestrian ramps, common sidewalk, colored median concrete, subgrade preparation, winter protection, and cleanup		
Utility - Water	\$394,739.00	\$3,556.21
Utility - Sanitary Sewer	\$392,933.00	\$3,539.94
Utility - Natural Gas	\$34,200.00	
Utility - Electric	\$154,800.00	\$1,394.59
Utility - Telephone	\$28,000.00	\$252.25
Asphalt Paving	\$420,000.00	\$3,783.78
Includes asphalt paving, subgrade preparation, and manhole & valve adjustments		
Sand Creek Channel Improvements	\$1,348,000.00	
Roadway Landscaping	\$625,000.00	\$5,630.63
Includes irrigation and sound wall fence		\$0.00
Erosion Control	\$35,000.00	\$315.32
Installation, Maintenance, & Inspection		\$0.00
Materials Testing & Pavement Design	\$25,000.00	\$225.23
Street Signs & Striping	\$10,000.00	\$90.09
Traffic Control	\$7,000.00	\$63.06
Permitting	\$6,500.00	\$58.56
Includes Storm water Discharge Permit		\$0.00
Agency & Utility Agency Review & Inspection	\$25,000.00	\$225.23
Includes Cherokee Metro District, & El Paso County		\$0.00
Construction Supervision	<u>\$258,000.00</u>	<u>\$2,324.32</u>
Sub Total	\$4,548,421.00	\$39,898.43
Contingency @ 5%	<u>\$227,421.05</u>	<u>\$1,994.92</u>
<b>Total Estimated Development Costs / Unit Rounded</b>	<b>\$4,775,842.05</b>	<b>\$41,893.35 \$42,000.00</b>

**EXHIBIT D**  
**FINANCIAL PLAN SUMMARY**

# MEADOWBROOK CROSSING METROPOLITAN DISTRICT

Development Projection at 55.277 (target) District Mills for Debt Service  
Series 2018A, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity; plus Series 2018B Cash-Flow Subs.

YEARS	<<<<<< Residential >>>>>>				< Platted/Developed Lots >								Total Available Revenue
	Total Real Units	Mkt Value Biennial Release Yr @ 2.0%	Cumulative Market Value	Ased Value* @ 7.20% of Market (2-yr lmg)	Cumulative Market Value	Ased Value @ 28.00% of Market (7-yr lmg)	Total Assessed Value	District DIS Mill Levy (\$5.277 Target)	District DIS Mill Levy Collections @ 98%	District S.O. Taxes Collected @ 8%			
2017	0	0	0	1,400,000	1,400,000	0	406,000	406,000	55.277	\$0	\$0	0	
2018	40	0	14,000,000	0	1,190,000	406,000	1,414,000	55.277	21,994	1,320	23,313		
2019	40	565,800	28,280,000	1,008,000	0	406,000	2,381,260	55.277	76,598	4,590	81,194		
2020	34	0	41,226,360	2,036,160	0	345,100	2,968,298	55.277	128,996	7,740	136,736		
2021	0	824,527	42,050,887	2,968,298	0	0	2,968,298	55.277	160,797	9,648	170,445		
2022	0	0	42,050,887	2,968,298	0	0	2,968,298	55.277	160,797	8,648	170,445		
2023	0	841,018	42,891,905	3,027,664	0	0	3,027,664	55.277	164,013	9,841	173,854		
2024	0	0	42,891,905	3,027,664	0	0	3,027,664	55.277	167,293	10,038	177,331		
2025	0	857,838	43,749,743	3,088,217	0	0	3,088,217	55.277	167,293	10,038	177,331		
2026	0	0	43,749,743	3,088,217	0	0	3,088,217	55.277	170,639	10,238	180,877		
2027	0	874,995	44,624,738	3,149,981	0	0	3,149,981	55.277	174,052	10,443	184,495		
2028	0	0	44,624,738	3,149,981	0	0	3,149,981	55.277	177,533	10,652	188,185		
2029	0	892,495	45,517,233	3,212,981	0	0	3,212,981	55.277	181,084	10,865	191,949		
2030	0	0	45,517,233	3,212,981	0	0	3,212,981	55.277	184,705	11,082	195,788		
2031	0	910,345	46,427,577	3,277,241	0	0	3,277,241	55.277	188,399	11,304	199,703		
2032	0	0	46,427,577	3,277,241	0	0	3,277,241	55.277	192,167	11,530	203,697		
2033	0	928,552	47,356,129	3,342,786	0	0	3,342,786	55.277	196,011	11,761	207,771		
2034	0	0	47,356,129	3,342,786	0	0	3,342,786	55.277	199,931	11,996	211,927		
2035	0	947,123	48,303,251	3,409,641	0	0	3,409,641	55.277	203,930	12,236	216,165		
2036	0	0	48,303,251	3,409,641	0	0	3,409,641	55.277	208,008	12,480	220,489		
2037	0	966,065	49,269,316	3,477,834	0	0	3,477,834	55.277					
2038	0	0	49,269,316	3,477,834	0	0	3,477,834	55.277					
2039	0	985,386	50,254,703	3,547,391	0	0	3,547,391	55.277					
2040	0	0	50,254,703	3,547,391	0	0	3,547,391	55.277					
2041	0	1,005,094	51,259,797	3,618,339	0	0	3,618,339	55.277					
2042	0	0	51,259,797	3,618,339	0	0	3,618,339	55.277					
2043	0	1,025,186	52,284,993	3,690,705	0	0	3,690,705	55.277					
2044	0	0	52,284,993	3,690,705	0	0	3,690,705	55.277					
2045	0	1,045,700	53,330,693	3,764,519	0	0	3,764,519	55.277					
2046	0	0	53,330,693	3,764,519	0	0	3,764,519	55.277					
2047	0	1,066,814	54,397,306	3,839,810	0	0	3,839,810	55.277					
2048	0	0	54,397,306	3,839,810	0	0	3,839,810	55.277					
<hr/>													
	114	13,736,546							5,156,704	309,402		5,466,106	

[F] RAR @ 7.96% thru 2017

# MEADOWBROOK CROSSING METROPOLITAN DISTRICT

Development Projection at \$5,277 (target) District Mills for Debt Service

Series 2018A, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity; plus Series 2018B Cash-Flow Suba.

YEAR	Net Available for Debt Svc	2018A \$1,305,000 Per (Net \$1,306 Mill) Net Debt Service	Annual Surplus	Surplus Released @ 50% D/A to \$190,500	Cumulative Surplus \$190,500 Target	Debt/ Assessed Ratio	Cov. of Net DS: @ \$5,277 Cap
2017	0	\$0	0	0	0	460%	0%
2018	23,313	0	23,313	0	23,313	135%	0%
2019	81,194	0	81,194	0	104,508	80%	0%
2020	136,738	58,985	78,751	0	184,258	64%	240%
2021	170,445	128,970	41,474	35,233	190,500	64%	132%
2022	170,445	128,970	42,374	42,374	190,500	62%	133%
2023	173,854	132,170	41,683	41,683	190,500	61%	132%
2024	173,854	130,970	42,883	42,883	190,500	59%	133%
2025	177,331	134,770	42,560	42,560	190,500	59%	132%
2026	177,331	133,270	44,060	44,060	190,500	57%	133%
2027	180,877	136,770	44,107	44,107	190,500	56%	132%
2028	180,877	134,970	45,907	45,907	190,500	54%	134%
2029	184,495	138,170	46,325	46,325	190,500	53%	134%
2030	184,495	141,070	43,425	43,425	190,500	50%	131%
2031	188,185	143,670	44,514	44,514	190,500	49%	131%
2032	188,185	140,970	47,214	47,214	190,500	47%	134%
2033	191,949	143,270	48,678	48,678	190,500	45%	134%
2034	191,949	145,270	48,817	48,817	190,500	43%	132%
2035	195,788	148,370	47,417	47,417	190,500	41%	133%
2036	199,703	148,470	50,233	50,233	190,500	38%	132%
2037	199,703	150,270	49,433	49,433	190,500	36%	134%
2038	203,697	155,770	47,927	47,927	190,500	33%	133%
2039	203,697	155,770	48,027	48,027	190,500	31%	131%
2040	207,771	155,270	52,501	52,501	190,500	28%	131%
2041	207,771	159,570	48,201	48,201	190,500	25%	134%
2042	211,927	158,270	53,656	53,656	190,500	22%	130%
2043	211,927	161,670	50,256	50,256	190,500	19%	134%
2044	216,165	164,470	51,695	51,695	190,500	15%	131%
2045	216,165	168,770	51,718	242,218	0	12%	131%
2046	220,489					8%	134%
2047						0%	131%
2048							
	5,468,106	4,005,586	1,460,520	1,460,520			

[Cells/2517 Items]



# MEADOWBROOK CROSSING METROPOLITAN DISTRICT

Development Projection at 55.277 (target) District Mills for Debt Service

Series 2018A, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity; plus Series 2018B Cash-Flow Subs.

Ser. 2018B Cash-Flow Sub. Bonds > >

YEAR	Surplus Available for Sub Debt Service	Application of Prior Yr. Surplus	Date Bonds Issued	Total Available for Sub Debt Service	Sub Bond Interest on Balance 1.00%	Less Payments Toward Sub Bond Interest	Accrued Interest on Bal. @ 8.00%	Less Payments Toward Accrued Interest	Balance of Accrued Interest	Sub Bonds Principal Issued	Less Payments Toward Bond Principal	Balance of Sub Bond Principal	Total Sub. Debt Pmt.	Surplus Cash Flow	Surplus Release	Cum. Surplus
2017	\$0		12/1/18	0		0	0	0	0	\$405,000	0	405,000	\$0	\$0	\$0	\$0
2018	0	\$0		0	\$33,660	0	33,660	0	33,660		0	405,000	0	0	0	0
2019	0	0		0	32,400	0	35,063	0	66,753		0	405,000	0	0	0	0
2020	0	0		0	32,400	0	37,900	0	106,653		0	405,000	0	0	0	0
2021	35,233	0		35,233	32,400	32,400	8,532	2,833	112,352		0	405,000	35,233	0	0	0
2022	42,374	0		42,374	32,400	32,400	8,988	9,974	111,366		0	405,000	42,374	0	0	0
2023	41,663	0		41,663	32,400	32,400	8,909	9,283	110,992		0	405,000	41,663	0	0	0
2024	42,883	0		42,883	32,400	32,400	8,878	10,483	109,388		0	405,000	42,883	0	0	0
2025	42,560	0		42,560	32,400	32,400	8,751	10,160	107,979		0	405,000	42,560	0	0	0
2026	44,060	0		44,060	32,400	32,400	8,638	11,660	104,956		0	405,000	44,060	0	0	0
2027	44,107	0		44,107	32,400	32,400	8,397	11,707	101,646		0	405,000	44,107	0	0	0
2028	45,907	0		45,907	32,400	32,400	8,132	13,507	98,271		0	405,000	45,907	0	0	0
2029	48,325	0		48,325	32,400	32,400	7,702	13,925	90,048		0	405,000	48,325	0	0	0
2030	43,425	0		43,425	32,400	32,400	7,204	11,025	86,227		0	405,000	43,425	0	0	0
2031	44,514	0		44,514	32,400	32,400	6,898	12,114	81,011		0	405,000	44,514	0	0	0
2032	47,214	0		47,214	32,400	32,400	6,461	14,814	72,677		0	405,000	47,214	0	0	0
2033	48,678	0		48,678	32,400	32,400	5,814	16,276	62,213		0	405,000	48,678	0	0	0
2034	48,678	0		48,678	32,400	32,400	4,977	14,278	52,912		0	405,000	48,678	0	0	0
2035	48,817	0		48,817	32,400	32,400	4,233	16,417	40,727		0	405,000	48,817	0	0	0
2036	47,417	0		47,417	32,400	32,400	3,258	15,017	28,966		0	405,000	47,417	0	0	0
2037	50,233	0		50,233	32,400	32,400	2,317	17,833	13,453		0	405,000	50,233	0	0	0
2038	48,431	0		48,431	32,400	32,400	1,076	14,529	0		0	405,000	48,431	0	0	0
2039	47,927	504		48,431	32,400	32,400	0	0	0		16,000	387,000	48,929	504	0	504
2040	49,027	191		48,218	30,960	30,960	0	0	0		17,000	370,000	47,960	67	0	191
2041	52,501	258		52,759	29,600	29,600	0	0	0		23,000	347,000	52,600	(99)	0	258
2042	49,201	159		49,359	27,760	27,760	0	0	0		20,000	327,000	47,760	441	0	159
2043	53,656	599		54,256	26,160	26,160	0	0	0		28,000	299,000	54,160	(504)	0	599
2044	50,256	96		50,352	23,920	23,920	0	0	0		26,000	273,000	49,920	336	0	96
2045	51,695	432		52,127	21,840	21,840	0	0	0		30,000	243,000	51,640	(145)	0	432
2046	54,485	287		54,782	19,440	19,440	0	0	0		35,000	208,000	54,440	55	0	287
2047	242,218	0		242,218	16,640	16,640	0	0	0		208,000	0	224,040	17,578	17,920	342
2048	1,463,045			910,220	811,780	225,840	225,840		405,000	405,000		1,442,600	17,920	17,920		0

COI (incl. Proceeds): 12,150 392,850

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT**  
Operations Revenue Projection

YEAR	Total Assessed Value	Operative Mill Levy	Total Collections @ 3.5%	Specific Ownership Tax @ 5%	Total Available For O&M	Total Mill
2017	0	10.000	0	0	0	65.277
2018	406,000	10.000	3,979	239	4,218	65.277
2019	1,414,000	10.000	13,857	831	14,689	65.277
2020	2,381,260	10.000	23,336	1,400	24,737	65.277
2021	2,988,298	10.000	29,080	1,745	30,835	65.277
2022	2,968,298	10.000	29,089	1,745	30,835	65.277
2023	3,027,664	10.000	29,671	1,760	31,451	65.277
2024	3,027,664	10.000	29,671	1,760	31,451	65.277
2025	3,086,217	10.000	30,265	1,816	32,080	65.277
2026	3,086,217	10.000	30,265	1,816	32,080	65.277
2027	3,149,981	10.000	30,870	1,852	32,722	65.277
2028	3,149,981	10.000	30,870	1,852	32,722	65.277
2029	3,212,961	10.000	31,487	1,889	33,376	65.277
2030	3,212,961	10.000	31,487	1,889	33,376	65.277
2031	3,277,241	10.000	32,117	1,927	34,044	65.277
2032	3,277,241	10.000	32,117	1,927	34,044	65.277
2033	3,342,786	10.000	32,759	1,966	34,725	65.277
2034	3,342,786	10.000	32,759	1,966	34,725	65.277
2035	3,409,641	10.000	33,414	2,005	35,419	65.277
2036	3,409,641	10.000	33,414	2,005	35,419	65.277
2037	3,477,834	10.000	34,083	2,045	36,128	65.277
2038	3,477,834	10.000	34,083	2,045	36,128	65.277
2039	3,547,391	10.000	34,764	2,086	36,850	65.277
2040	3,547,391	10.000	34,764	2,086	36,850	65.277
2041	3,618,339	10.000	35,460	2,128	37,587	65.277
2042	3,618,339	10.000	35,460	2,128	37,587	65.277
2043	3,690,705	10.000	36,189	2,170	38,339	65.277
2044	3,690,705	10.000	36,189	2,170	38,339	65.277
2045	3,764,519	10.000	36,892	2,214	39,106	65.277
2046	3,764,519	10.000	36,892	2,214	39,106	65.277
2047	3,839,810	10.000	37,630	2,258	39,888	65.277
2048	3,839,810	10.000	37,630	2,258	39,888	65.277
			1,814,935	108,896	1,923,831	

# MEADOWBROOK CROSSING METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 5/17/17)

YEAR	Residential Development					Residential Summary			
	# Lots Developed	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value	Total Residential Market Value	Total Res'l Units	Value of Platted & Developed Lots	
								Adjustment <sup>1</sup>	Adjusted Value
2017	40	1,400,000		\$350,000	0	\$0	0	0	1,400,000
2018	40	0	40	350,000	14,000,000	14,000,000	40	0	0
2019	34	(210,000)	40	357,000	14,280,000	14,280,000	40	0	(210,000)
2020	0	(1,190,000)	34	364,140	12,380,760	12,380,760	34	0	(1,190,000)
2021	0	0	0	371,423	0	0	0	0	0
2022	0	0	0	378,851	0	0	0	0	0
2023	0	0	0	386,428	0	0	0	0	0
2024	0	0	0	394,157	0	0	0	0	0
2025	0	0	0	402,040	0	0	0	0	0
2026	0	0	0	410,081	0	0	0	0	0
2027	0	0	0	418,282	0	0	0	0	0
2028	0	0	0	426,648	0	0	0	0	0
2029	0	0	0	435,181	0	0	0	0	0
2030	0	0	0	443,885	0	0	0	0	0
2031	0	0	0	452,762	0	0	0	0	0
2032	0	0	0	461,818	0	0	0	0	0
2033	0	0	0	471,054	0	0	0	0	0
2034	0	0	0	480,475	0	0	0	0	0
2035	0	0	0	490,084	0	0	0	0	0
2036	0	0	0	499,886	0	0	0	0	0
2037	0	0	0	509,884	0	0	0	0	0
	114	(0)	114		40,660,760	40,660,760	114	0	(0)

{1} Adj. to actual/prelim. AV

**SOURCES AND USES OF FUNDS**  
**MEADOWBROOK CROSSING METROPOLITAN DISTRICT**  
**Combined Results**

**GENERAL OBLIGATION BONDS, SERIES 2018A**  
**SUBORDINATE BONDS, SERIES 2018B**

[ Preliminary – for discussion only ]

Dated Date                      12/01/2018  
 Delivery Date                12/01/2018

Sources:	SERIES 2018A	SERIES 2018B	Total
Bond Proceeds:			
Par Amount	1,905,000.00	405,000.00	2,310,000.00
	1,905,000.00	405,000.00	2,310,000.00
Uses:	SERIES 2018A	SERIES 2018B	Total
Project Fund Deposits:			
Project Fund	1,305,700.89	392,850.90	1,698,550.89
Other Fund Deposits:			
Capitalized Interest Fund	284,499.11		284,499.11
Debt Service Reserve Fund	163,600.00		163,600.00
	449,299.11		449,299.11
Cost of Issuance:			
Other Cost of Issuance	150,000.00	12,150.00	162,150.00
	1,905,000.00	405,000.00	2,310,000.00

# SOURCES AND USES OF FUNDS

## MEADOWBROOK CROSSING METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2016A

55.277 (target) Mills  
Non-Rated, 130x, 30-yr. Maturity  
[ Preliminary -- for discussion only ]

Dated Date 12/01/2016  
Delivery Date 12/01/2016

### Sources:

Bond Proceeds:	1,905,000.00
Par Amount	1,905,000.00

### Uses:

Project Fund Deposits:	
Project Fund	1,305,700.89
Other Fund Deposits:	
Capitalized Interest Fund	284,499.11
Debt Service Reserve Fund	104,800.00
	449,299.11
Cost of Issuance:	
Other Cost of Issuance	150,000.00
	1,905,000.00

# BOND SUMMARY STATISTICS

## MEADOWBROOK CROSSING METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2018A

55,277 (target) Mills

Non-Rated, 130x, 30-yr. Maturity  
[ Preliminary - for discussion only ]

Dated Date	12/01/2018
Delivery Date	12/01/2018
First Coupon	06/01/2019
Last Maturity	12/01/2048
Arbitrage Yield	6.000000%
True Interest Cost (TIC)	6.000000%
Net Interest Cost (NIC)	6.000000%
Alt-h TIC	6.709825%
Average Coupon	6.000000%
Average Life (Years)	22.399
Duration of Issue (Years)	12.165
Par Amount	1,905,000.00
Bond Proceeds	1,905,000.00
Total Interest	2,560,200.00
Net Interest	2,560,200.00
Bond Years from Dated Date	42,670,000.00
Bond Years from Delivery Date	42,670,000.00
Total Debt Service	4,465,200.00
Maximum Annual Debt Service	333,900.00
Average Annual Debt Service	148,840.00
Underwriter's Fees (per \$1000)	
Average Take-down	
Other Fee	
Total Underwriter's Discount	100.000000
Bid Price	

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2048	1,905,000.00	100.000	6.000%	22.399	04/25/2041	2,647.95
	1,905,000.00			22.399		2,647.95

Par Value		TIC	Alt-h	Arbitrage Yield
+ Accrued Interest				
+ Premium (Discount)	1,905,000.00		TIC	
- Underwriter's Discount		1,905,000.00		1,905,000.00
- Cost of Issuance Expense		-150,000.00		
- Other Amounts				
Target Value	1,905,000.00			1,905,000.00
Target Date	12/01/2018			12/01/2018
Yield	6.000000%			6.709825%

**BOND DEBT SERVICE**  
**MEADOWBROOK CROSSING METROPOLITAN DISTRICT**  
**GENERAL OBLIGATION BONDS, SERIES 2018A**  
**55,277 (Target) Mills**  
**Non-Rated, 130x, 30-yr. Maturity**  
**[ Preliminary – for discussion only ]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2019			57,150	57,150	114,300
12/01/2019			57,150	57,150	
06/01/2020			57,150	57,150	114,300
12/01/2020			57,150	57,150	
06/01/2021			57,150	57,150	114,300
12/01/2021			57,150	57,150	
06/01/2022	15,000	6.000%	57,150	57,150	129,300
12/01/2022			57,150	57,150	
06/01/2023			56,700	56,700	128,400
12/01/2023	15,000	6.000%	56,700	56,700	
06/01/2024			56,250	56,250	132,500
12/01/2024	20,000	6.000%	56,250	56,250	
06/01/2025			55,800	55,800	131,300
12/01/2025	20,000	6.000%	55,800	55,800	
06/01/2026			55,350	55,350	135,100
12/01/2026	25,000	6.000%	55,350	55,350	
06/01/2027			54,900	54,900	133,600
12/01/2027	25,000	6.000%	54,900	54,900	
06/01/2028			53,550	53,550	137,100
12/01/2028	30,000	6.000%	53,550	53,550	
06/01/2029			52,650	52,650	135,300
12/01/2029	30,000	6.000%	52,650	52,650	
06/01/2030			51,750	51,750	138,500
12/01/2030	35,000	6.000%	51,750	51,750	
06/01/2031			50,700	50,700	141,400
12/01/2031	40,000	6.000%	50,700	50,700	
06/01/2032			49,500	49,500	144,000
12/01/2032	45,000	6.000%	49,500	49,500	
06/01/2033			48,150	48,150	141,300
12/01/2033	45,000	6.000%	48,150	48,150	
06/01/2034			46,800	46,800	143,600
12/01/2034	50,000	6.000%	46,800	46,800	
06/01/2035			45,300	45,300	145,600
12/01/2035	55,000	6.000%	45,300	45,300	
06/01/2036			43,650	43,650	147,300
12/01/2036	60,000	6.000%	43,650	43,650	
06/01/2037			41,850	41,850	148,700
12/01/2037	65,000	6.000%	41,850	41,850	
06/01/2038			39,900	39,900	149,800
12/01/2038	70,000	6.000%	39,900	39,900	
06/01/2039			37,800	37,800	150,600
12/01/2039	75,000	6.000%	37,800	37,800	
06/01/2040			35,550	35,550	156,100
12/01/2040	85,000	6.000%	35,550	35,550	
06/01/2041			33,000	33,000	156,000
12/01/2041	90,000	6.000%	33,000	33,000	
06/01/2042			30,300	30,300	155,600
12/01/2042	95,000	6.000%	30,300	30,300	
06/01/2043			27,450	27,450	159,900
12/01/2043	105,000	8.000%	27,450	27,450	
06/01/2044			24,300	24,300	158,600
12/01/2044	110,000	6.000%	24,300	24,300	
06/01/2045			21,000	21,000	162,000
12/01/2045	120,000	6.000%	21,000	21,000	
06/01/2046			17,400	17,400	164,800
12/01/2046	130,000	6.000%	17,400	17,400	
06/01/2047			13,500	13,500	162,000
12/01/2047	135,000	6.000%	13,500	13,500	
06/01/2048			9,450	9,450	333,900
12/01/2048	315,000	6.000%	9,450	9,450	
	1,905,000		2,560,200	4,465,200	4,465,200

**NET DEBT SERVICE**  
**MEADOWBROOK CROSSING METROPOLITAN DISTRICT**  
**GENERAL OBLIGATION BONDS, SERIES 2018A**  
**55,277 (larger) Mills**  
**Non-Rated, 130x, 30-yr. Maturity**  
**[ Preliminary – for discussion only ]**

Period Ending	Principal	Interest	Debt Service	Total	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
12/01/2019	114,300	114,300	114,300			-114,300	56,985.20
12/01/2020	114,300	114,300	114,300			-114,300	128,970.40
12/01/2021	15,000	114,300	129,300		-184.80	-57,150	128,970.40
12/01/2022	15,000	113,400	128,400		-329.60		132,170.40
12/01/2023	20,000	112,500	132,500		-329.60		130,970.40
12/01/2024	20,000	111,300	131,300		-329.60		134,770.40
12/01/2025	25,000	110,100	135,100		-329.60		133,270.40
12/01/2026	25,000	108,600	133,600		-329.60		136,770.40
12/01/2027	30,000	107,100	137,100		-329.60		134,970.40
12/01/2028	30,000	105,300	135,300		-329.60		136,170.40
12/01/2029	35,000	103,500	138,500		-329.60		141,070.40
12/01/2030	40,000	101,400	141,400		-329.60		143,670.40
12/01/2031	45,000	99,000	144,000		-329.60		140,970.40
12/01/2032	45,000	96,300	141,300		-329.60		143,270.40
12/01/2033	50,000	93,600	143,600		-329.60		146,970.40
12/01/2034	55,000	90,600	145,600		-329.60		148,370.40
12/01/2035	60,000	87,300	147,300		-329.60		149,470.40
12/01/2036	65,000	83,700	148,700		-329.60		150,270.40
12/01/2037	70,000	79,600	149,600		-329.60		155,770.40
12/01/2038	75,000	75,600	150,600		-329.60		159,570.40
12/01/2039	85,000	71,100	156,100		-329.60		159,570.40
12/01/2040	95,000	66,000	161,000		-329.60		159,570.40
12/01/2041	105,000	60,600	165,600		-329.60		159,570.40
12/01/2042	110,000	54,900	164,900		-329.60		161,670.40
12/01/2043	120,000	48,600	168,600		-329.60		161,670.40
12/01/2044	130,000	42,000	172,000		-329.60		168,770.40
12/01/2045	135,000	34,800	169,800		-329.60		168,770.40
12/01/2046	135,000	27,000	162,000		-329.60		168,770.40
12/01/2047	315,000	18,900	333,900		-165,129.60		4,005,586.00
12/01/2048	1,905,000	2,560,200	4,465,200		-173,864.00	-285,750	



# BOND SOLUTION

## MEADOWBROOK CROSSING METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2018A 55.277 (target) Mills

Non-Rated, 130x, 30-yr. Maturity  
[ Preliminary – for discussion only ]

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2019		114,300	-114,300		23,313	23,313	
12/01/2020		114,300	-114,300		81,194	81,194	
12/01/2021		114,300	-57,315	56,985	136,736	79,751	239.95022%
12/01/2022	15,000	129,300	-330	128,970	170,445	41,474	132.15812%
12/01/2023	15,000	128,400	-330	128,070	170,445	42,374	133.08684%
12/01/2024	20,000	132,500	-330	132,170	173,854	41,683	131.53758%
12/01/2025	20,000	131,300	-330	130,970	173,854	42,603	132.74278%
12/01/2026	25,000	135,100	-330	134,770	177,331	42,560	131.57895%
12/01/2027	25,000	133,800	-330	133,270	177,331	44,060	133.06093%
12/01/2028	30,000	137,100	-330	136,770	180,877	44,107	132.24897%
12/01/2029	30,000	135,300	-330	134,970	180,877	45,907	134.01267%
12/01/2030	35,000	138,500	-330	138,170	184,495	46,325	133.52714%
12/01/2031	40,000	141,400	-330	141,070	184,495	43,425	130.78221%
12/01/2032	45,000	144,000	-330	143,670	188,185	44,514	130.98376%
12/01/2033	45,000	141,300	-330	140,970	188,185	47,214	133.49248%
12/01/2034	50,000	143,600	-330	143,270	191,949	48,678	133.97645%
12/01/2035	55,000	145,800	-330	145,270	191,949	46,678	132.13193%
12/01/2036	60,000	147,300	-330	146,970	195,788	48,817	133.21564%
12/01/2037	65,000	148,700	-330	148,370	195,788	47,417	131.95864%
12/01/2038	70,000	149,800	-330	149,470	199,703	50,233	133.60728%
12/01/2039	75,000	150,800	-330	150,270	199,703	49,433	132.89597%
12/01/2040	85,000	156,100	-330	155,770	203,697	47,927	130.76771%
12/01/2041	90,000	156,000	-330	155,670	203,697	48,027	130.85171%
12/01/2042	95,000	155,600	-330	155,270	207,771	52,501	133.81256%
12/01/2043	105,000	159,300	-330	159,570	207,771	48,201	130.20669%
12/01/2044	110,000	158,600	-330	158,270	211,927	53,656	133.90170%
12/01/2045	120,000	162,000	-330	161,670	211,927	50,256	131.08568%
12/01/2046	130,000	164,800	-330	164,470	216,165	51,695	131.43112%
12/01/2047	135,000	162,000	-330	161,670	216,165	54,495	133.70740%
12/01/2048	315,000	333,900	-165,130	168,770	220,489	51,718	130.64411%
	1,905,000	4,465,200	-459,614	4,005,586	5,466,106	1,460,520	

# SOURCES AND USES OF FUNDS

## MEADOWBROOK CROSSING METROPOLITAN DISTRICT

### SUBORDINATE BONDS, SERIES 2018B

Non-Rated, Cash-Flow Bonds, Annual Pay, 12/15/2048 (Stated) Maturity  
[Preliminary – for discussion only]

Dated Date 12/01/2018  
Delivery Date 12/01/2018

#### Sources:

Bond Proceeds:	405,000.00
Par Amount	405,000.00

	405,000.00
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#### Uses:

Project Fund Deposits:	392,850.00
Project Fund	

Cost of Issuance:	12,150.00
Other Cost of Issuance	

	405,000.00
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# BOND PRICING

MEADOWBROOK CROSSING METROPOLITAN DISTRICT  
SUBORDINATE BONDS, SERIES 2018B  
Non-Rated, Cash-Flow Bonds, Annual Pay, 12/15/2048 (Stated) Maturity  
[ Preliminary -- for discussion only ]

Bond Component	Maturity Date	Amount	Rate	Yield	Price
30-yr Term Bond:	12/15/2048	405,000	8.000%	8.000%	100.000
405,000					
Dated Date	12/01/2018				
Delivery Date	12/01/2018				
First Coupon	12/15/2018				
Par Amount	405,000.00				
Original Issue Discount					
Production	405,000.00	100.000000%			
Underwriter's Discount					
Purchase Price	405,000.00	100.000000%			
Accrued Interest					
Net Proceeds	405,000.00				

## AMENDED

### EL PASO COUNTY SPECIAL DISTRICT ANNUAL REPORT AND DISCLOSURE FORM

**1. Name of District:** Meadowbrook Crossing Metropolitan District

**2. Current Year:** 2017

**3. Contact Information:** Peter M. Susemihl  
Susemihl, McDermott & Cowan, P.C.  
660 Southpointe  
Suite 210  
Colorado Springs, CO 80906  
1-719-6500  
[psusemihl@smmclaw.com](mailto:psusemihl@smmclaw.com)

This District does not have an office within the boundaries of the District.

**4. Meeting Information:** This District meets the last Tuesday of each month at the 9:00 a.m. at the offices of Susemihl, McDermott & Cowan, P.C., 660 Southpointe, Suite 210, Colorado Springs, Colorado.

**5. Type of District:** This is a Title 32 conventional metropolitan district.

**6. Authorized Purposes of the District:** The Service Plan allows for all allowable purposes for Title 32 Districts.

**7. Active Purposes of the District:** The primary active purpose of the District is to design, construct and finance roads, water and wastewater lines, drainage structures & improvements, and to provide mosquito control.

**8. Proposed Mill Levies:** 50 mills Gallagher adjusted for debt and 10 mills Gallagher adjusted for operations.

**9. Sample Calculation of Current Mill Levy:** Assume a residential home with a value of \$350,000 x 7.96% = assessed value of \$27,860 x .060 mills = tax of \$1,671.60 per year due to this District.

**10. Maximum Authorized Mill Levy Caps (Note: these are the maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners Approval):** 60 mills

**11. Fees.** The District may assess each homeowner a one-time impact fee, at the time of closing, up to \$1,750 and an annual fee of up to \$500 to fund park and recreation improvements and common area improvements. The District may assess the Builder and/or Purchaser of lots a one-time Systems Development Fee, at time of closing, of up to \$2,500 per lot.

**12. Current Outstanding Debt of the District:** None.

**13. Total Voter Authorized Debt of the District:** \$10,000,000

**14. Debt Proposed to be issued:** When there is sufficient assessed valuation.

**15. Major facilities/infrastructure improvements initiated or completed in the prior year:** None.

**16. Summary of major property exclusions or inclusions completed in prior year:** None.

Reminder:

1. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.

2. Colorado Revised Statutes, Section 32-1-823(1) states a certificate of election results shall be filed with the County Clerk and Recorder

_____	<u>Peter M. Susemihl</u>	_____
Signature of Respondent	Print Name	Date

**RETURN COMPLETED FORM TO:**

El Paso County Board of County Commissioners  
Attention: Deputy Clerk to the Board  
200 South Cascade Avenue  
Colorado Springs, CO 80903

Note: As per Section 32-1-104(2), a copy of this page should also be submitted to:

County Assessor  
1675 West Garden of the Gods Road  
Suite 2300  
Colorado Springs, CO 80907

County Treasurer  
1675 West Garden of the Gods Road  
Suite 2100  
Colorado Springs, CO 80907

**RESOLUTION NO. 07-272**  
**EXHIBIT A**  
**SPECIAL DISTRICT POLICIES**

**I. PURPOSE, INTENT AND APPLICATION**

- A. Purpose.** The purpose of these policies is to provide a framework for the evaluation of applications for new, amended and updated special district service plans as authorized by C.R.S. Title 32 and which are under the jurisdiction of the El Paso County Board of County Commissioners.
- B. Intent.** It is the intent that applications for new and revised service plans should be drafted to both address and be consistent with these policies. However, the applicant(s) for a proposed district or districts, or amendment to any existing service plan shall have the right to seek relief or modification from any of these stated policies, based on proper justification, to the extent allowable by law. The County, for its part, maintains its discretion to apply additional evaluation criteria, policies and limitations to the formation of new and revised districts, as the County may deem applicable.
- C. Model Service Plans.** New service plans and any major amendments thereof shall adhere to the applicable Model Service Plan formats as further addressed in Resolution No. 07-273 (June 25, 2007) as may be amended. The purposes of the model plan approach include standardizing the organization of information, and inclusion of standard language and limitations consistent with current Board policy. Additionally, this approach is intended to focus on variations from standard language and/or policy. The appropriate Model Service Plan template (i.e. Single District, Multiple District, and Master District) should be utilized and then modified as appropriate to address the particular needs and circumstances associated with a given application. Title 32 Special Districts which are not metropolitan districts should adhere to the Model Service Plan template to the extent possible.
- D. Required Hearings.** Prior to a hearing of the Board of County Commissioners, all service plans for new Title 32 Special Districts and Major Amendments thereof shall first be considered at a hearing of the Planning Commission in accordance with Colorado Revised Statutes and as further described in the El Paso County Land Development Code and its accompanying Procedures Manual. Any request

for a service plan amendment which does not meet the definition of a Major Amendment does not require a hearing by the Planning Commission unless a need for this hearing is specifically determined by the Development Services Department Director. The above policy is intended to apply retroactively to any previously approved Service Plans which may have had conditions requiring all requests for Material Modifications to first be heard by the Planning Commission.

**E. Special Justification.** Certain matters shall be specifically and comprehensively justified based on the unique needs and circumstances associated with the particular Service Plan application. Matters requiring special justification include but are not necessarily limited to the following, as further addressed in these policies:

1. Use of Master Districts;
2. Authorization of mill levy caps in excess of the caps as set forth in Section III.F;
3. Specific authorization of special purpose mill levy caps which have the effect of increasing the Maximum Combined Mill Levy Cap above 60 (sixty) mills as set forth in Section III.F.5 and 6;
3. Processing of service plans prior to approval of underlying land use approvals as set forth in Section III.I.;
4. Use of a district or districts for covenant enforcement in lieu of Homeowners Associations (HOAs), where a Master District arrangement is proposed and/or where the district or districts are not otherwise being used to provide ongoing services.

**F. Procedures.** The detailed procedures governing the application process for new and amended service plans shall be maintained by the Development Services Director in a Procedures Manual (to be subsequently adopted by the BoCC and as may be amended).

## **II. BACKGROUND**

**A. History.** Prior to 2007, El Paso County followed Special District policies which were initially adopted on September 2, 2004, and subsequently amended on September 22, 2005, and on December 28, 2006 to address limited changes. El Paso County has processed approximately 40 new and amended Service Plan Applications between 2000 and mid- 2007, involving about 70 separate districts. During this period, policy issues have continued to evolve. In October of 2006

the Board of County Commissioners directed the Long Range Planning Division Staff to review the County's existing policy language for additional updates and pursue the adoption of a Model Service Plan approach.

- B. **Formation of Special District Task Force.** Since the County recognizes the value Special Districts provide in developing community infrastructure and services, a Special District Task Force was formed in early 2007, comprised of special district attorneys and managers, members of the development community, El Paso County Administration and Commissioners, and citizen representatives.
- C. **Objectives of Special District Task Force.** The initial, 2006 objectives of the Task Force were (1) to recommend an updated Annual Report form; and (2) make a policy recommendation pertaining to developer advances. Additional objectives for 2007 included revising existing County policy and preparation of Model Service Plans. It was contemplated the Task Force may also be utilized to provide beneficial input regarding potential future legislative and technological changes. The importance of using the County Web site as a vehicle for communication and disclosure was also agreed upon.
- D. **Outcome of Special District Task Force.** An updated Annual Report Form was prepared to include a single combined Annual Report and Disclosure form, approved by the Board of County Commissioners on December 18, 2006. County staff worked together to reference this document on the Assessor's tax bill and allow for internet availability. The developer funding agreement policy was proposed and approved by the Board of County Commissioners on December 28, 2006. Special District Model Service Plans and revised Policies were approved by the Board of County Commissioners on June 25, 2007.

### III. **OVERALL SERVICE PLAN POLICIES**

- A. **Conformity.** All proposed service plans shall be evaluated by both the applicant and County staff for conformity with the applicable standards contained in C.R.S. 32-1-203. Evaluation shall consist of more than a simple listing of the standards and/or statement that the service plan complies.
- B. **Consistency.** All proposed service plans shall also be evaluated by the County for consistency with applicable elements of the El Paso County Master Plan, and with respect to these Special District Policies.



- C. **Applicable Statutes and El Paso County Preferences.** It shall be the responsibility of the applicant to assure that service plans are drafted to meet all of the minimum requirements contained in C.R.S. Title 32, specifically including C.R.S. 32-1-202 (2) as well as all other applicable State requirements.
1. Districts which include water supply as one of their purposes shall be strongly encouraged to join the El Paso County Water Authority upon formation.
  2. The preference of El Paso County is for the formation of conventional districts which accord full electoral representation to residents and property owners within the district(s) and/or service area(s).
- D. **Application and Schedule.** Although the County will endeavor to be reasonably flexible in accommodating the scheduling needs of special district applicants, it is the ultimate responsibility of the applicants to allow sufficient time to meet the County's procedural guidelines and requirements for application processing.
- E. **Review.** Service plans shall be drafted and processed in a manner that allows for coordination and input of all affected elected officials and County departments and other external agencies, specifically including the Clerk and Recorder, the Assessor and the Treasurer.
- F. **Mill Levy Caps**
1. All proposed districts that rely significantly on future development to meet financing projections shall include mill levy caps as part of their service plans. To the extent permitted by law, such caps may be lifted once the district achieves the ratios of assessed valuation to debt and other requirements which would allow these caps to be removed. However, actual removal of a Board-imposed mill levy cap is subject to approval of the Board of County Commissioners at the time the cap is proposed to be removed. Removal of mill levy caps should be supported by justifications including, but not limited to, data establishing ratios of assessed valuation to debt that meet statutory criteria for the issuance of bonds without a mill levy cap, and enhancement of a district's ability to refinance debt at a more favorable rate (if proposed in connection with a refunding of debt).
  2. The Maximum Debt Service Mill Levy Cap for Full Service Districts shall normally be 50 (fifty) mills, subject to Gallagher adjustment as permitted by law. Debt Service Caps for Limited Service Districts should be

correspondingly lower based generally on the proportion of services and facilities the district will be providing compared with a Full Service District.

3. A Maximum Operational Mill Levy Caps of up to 10 (ten) mills shall be allowed if supported by the Service Plan and accompanying Development and Financial analyses. Unless a special district has been "de-TABORED" with respect to its operational mill levy, the Maximum Operational Mill Levy Cap shall not subject to Gallagher adjustment.
4. All service plans for metropolitan districts shall specify a Maximum Combined Mill Levy cap. Unless otherwise provided for and justified below, the Maximum Combined Mill Levy shall be 60 (sixty) mills
5. If justified and fully documented by supporting information, an increase in the Maximum Operational, Debt Service and/or Maximum Combined Mill Levy Caps to allow up to 15 (fifteen) additional mills may be specifically authorized for the purpose of funding ongoing fire protection services where either the District itself will be providing these services or the District(s) propose to contract with another district to provide these services. Such additional mill levy caps shall only be allowed in cases where the property within the proposed district is not presently included in an organized fire protection district.
6. If justified and fully documented by supporting information, an increase in the Maximum Combined Mill Levy Caps of up to 5 (five) additional mills may be specifically authorized as a Special Purpose Mill Levy for the purpose of funding ongoing covenant enforcement and/or maintenance of common facilities in the absence of a Homeowners Association, or if such covenant enforcement, in the alternative, is to be undertaken by the District.
7. In cases where districts are subject to a mill levy cap and will be relying significantly on future development to meet financing projections, notice shall be provided in the service plan or its approval to the effect that repayment periods for bonds and/or other district obligations are subject to extension in the event revenues come in at a rate lower than anticipated.

**G. Disclosure, Notice and Annual Reports**

1. It is the policy of El Paso County to further and encourage full, balanced, clear, convenient and constructive disclosure of special district information to all potentially effected parties especially including existing and potential future residential property owners.
2. Notice and disclosure should specifically address topics including but not necessarily limited to unique representational issues (e.g. master districts), dissemination of contact and basic financial information to property owners, and apprising tax and rate payers of their potential maximum financial risk and exposure associated with owning property in the district(s)
3. All districts shall file an Annual Report and Disclosure form in accordance with Resolution 06-472, as may be amended.

**H. Non-Proliferation and Need for Districts.** Notwithstanding the many factors which may create a justification to form one or more new and independent special district(s), it is the policy of the County to discourage the unnecessary proliferation of additional districts in the County.

1. All proposals for new districts shall clearly and comprehensively justify their need compared with alternatives including using existing districts or non-special district options.
2. Plans for new districts shall be designed and implemented to allow reasonable options for inclusion of additional property; thereby reducing the necessity of creating additional districts in the future.
3. Although the County supports the reasonable and judicious inclusion of additional territory by existing and proposed new districts, conditions should be placed on new and revised service plans to limit the potential for inclusion of remote properties unless these actions were anticipated in the original service plan.
4. Service Plans should be written with contingences that contemplate eventual annexation of territory by a municipality, in cases where this is a significant possibility.

**I. Land Use Approvals.** Applicants for developer-initiated districts are encouraged to obtain Underlying Land Use Approvals prior to, or at a minimum, in conjunction with service plan application. In those cases where an applicant desires to process a service plan prior to final action on underlying land use approvals, the

burden shall be on the applicant to justify the necessity of this timing, sufficient conditions shall be placed on the service plan to address potential subsequent denial or modification of the land use applications, and notations shall be added making it clear that the County has no obligation whatsoever to approve subsequent land use applications in cases where applicants may chose to process service plans in advance of obtaining underlying land use approvals.

**J. Fees.** Within the limits of State Statutes, it is the policy of the County to establish and charge fees commensurate with the actual cost of processing and reviewing of new and amended service plans. Such fees are established by separate Board resolution, and may be waived or reduced by the Board of County Commissioners either in advance of or in conjunction with the hearing on a given service plan. Justifications for fee waiver or reduction include, but are not limited to:

1. County-initiated or partnered service plans.
2. Reduced fee based on limited non-controversial modification to an existing Service Plan.
3. Processing of service plans for volunteer initiatives and/or for districts with limited proposed indebtedness and revenue generation.

#### **IV. SERVICE PLAN REQUIREMENTS & PROCEDURES**

**A. Development and Financial Analysis.** A development analysis shall be required prior to formation or full authorization of all proposed districts which rely significantly on future development to meet financial projections

1. At a minimum, the development analysis shall include a summary of the anticipated development within the district described by applicable category and with development absorption projected throughout the applicable forecast period.
2. A summary financial analysis shall be provided to correspond with the development analysis. This financial analysis shall include, a first year revenue budget, a summary of projected revenues, expenditures, and proposed debt issuances over the forecast period, and at a minimum shall address the requirements of C.R.S. 32-1-202 (2) (b) and (f).
3. The development analysis and financial plan shall address the “most probable” market absorption assumptions at a minimum, but shall also specifically address contingencies in the event initial development is

significantly delayed and/or market absorption occurs at significantly lower rates than anticipated.

4. Service Plans for newly developing areas shall specifically address the potential vulnerability of the development forecasts to short-term market downturns at the beginning of the forecast period.

**B. Eligible Improvements.**

1. It is the policy of the County to encourage the use of financing districts for Regional Public Improvements which provide a benefit to a significant share of residents and businesses within a larger development and/ or to areas outside the development.
2. Special districts may be authorized to fund Local Public Improvements, where a need is demonstrated, and if a plan for this financing can be justified in the Service Plan.
3. Districts shall not be authorized to finance non-public improvements, nor shall district facilities be used for non-public purposes without proper remuneration to the district(s).
4. In cases where districts are used to finance Local Public Improvements which are tied to the subdivision process, any Service plans and/or subdivision agreements shall be structured in order to prevent a loss of sales tax revenue from sales of construction materials which would otherwise accrue to the County or other local government taxing entities.

**C. Acquisitions and Eminent Domain**

1. The policy of the County is to generally discourage the use of districts as a mechanism to reimburse developers for the cost of facilities or other costs already committed to a land development project unless such reimbursement was contemplated in previous County approvals.
2. The contemplated use of eminent domain and/or dominant eminent domain should be addressed in the service plan with reasonable limits placed on thereon, based on the intended use of the district(s). Such limits may include the requirement for express prior approval of the Board for any purposes not explicitly identified in the service plan.
3. In no case shall the authorized eminent or dominant eminent domain powers of the district(s) be used to acquire land or other assets for the purpose of private economic development of such property, where such

acquisition is not clearly necessary to support the essential facility and service provision purposes of the districts (s).

4. Pursuant to Colorado Revised Statutes, districts shall not be authorized to acquire water rights by condemnation.

**D. Authorization of Debt and Issuance of Bonds**

1. Districts shall be encouraged to prudently phase the issuance of debt, especially in situations where future development will be substantially relied upon for to generate revenue to pay such debt.
2. The pre-authorization of debt shall be reasonably limited.
3. In cases where there will be a Master District arrangement, consideration may be given to limitations which require prior Board of County Commissioners approval for re-authorization of debt if and when the original authorization expires.
4. Districts shall evaluate their proposed mill levy and debt in relationship to the current and potential future combined mill levies and debt which may be levied by all overlapping and eligible taxing entities for the affected area.
5. Where applicable and appropriate, districts are encouraged to rely on a combination of property taxes, fees and charges both to diversify their revenue sources and to reduce some of the repayment impact on future property owners, particularly in the case where the district(s) will be used to fund Local Public Improvements.
6. Districts are encouraged to limit the term of bond issuances to the shortest time period that is reasonable and practical. The term of each individual bond issue should be limited to thirty (30) years or less unless specific justification for a longer duration is provided.
7. In cases where developers or other directly interested parties may be purchasing developer-held bonds, an opinion letter from an external financial advisor shall be provided to ensure that interest rates for these bonds are competitive as compared with bonds sold on the open market.
8. Districts shall not be authorized to directly accept sales or use tax revenues (i.e. from tax increment financing arrangements) without express prior approval of the Board).

**E. Developer Funding Agreements.** Districts shall be allowed to prudently use developer funding agreements and/or capitalized interest as a means of compensating for delays in receipt of property tax and other revenues in newly developing districts.

1. The proposed and potential use of Developer Funding Agreements shall be addressed as part of the Service Plan for new districts and Major Amendments, as well as for other non-Major Amendments if this topic is deemed by the Development Services Director to be pertinent to the amendment.
2. To the extent Developer Funding Agreements are included in an approved Service Plan (or any amendment thereof), such Agreements may provide for the earning of simple interest thereon, but under no circumstances shall any such Agreement permit the compounding of interest. The Service Plan may permit an interest rate that does not exceed the prime interest rate plus two points thereon
3. Unless specifically addressed in the original Service Plan or a Board of County Commissioners-approved amendment of the Service Plan, the maximum term for repayment of a Developer Funding Agreement shall be twenty (20) years from the date the Special District becomes obligated to repay the Developer Funding Agreement under the associated contractual obligation. For the purpose of this provision, Developer Funding Agreements are considered repaid once the obligations are fully paid in cash or when converted to bonded indebtedness of the Special District (including privately placed bonds). Any extension of such term must be approved by the Board.
4. Required disclosure notices shall clearly identify the potential for a Special District to enter into obligations associated with Developer Funding Agreements.

**F. Multiple Districts.**

1. Multiple District Service Plans shall include the following:
  - a. Provide justification that the total number of proposed districts is the minimum necessary to effectively manage the infrastructure and operational needs of the service area.

- b. Clearly and comprehensively address the relationships among separate districts, including proposed intergovernmental agreements and contingencies for potential dissolution or combination.
  - c. Clearly address intent to fairly and equitably distribute costs and benefits among separate districts.
- 2. If justified in the Service plan(s) the Board may consider Multiple District concepts for the following purposes:
  - a. Accommodating the phasing of infrastructure financing for distinct major phases of a larger land development project
  - b. Allowing for differential mill levies between non-residential and residential areas within a larger project for the purposes of addressing the impact of the Gallagher Amendment.

**G. Master Districts.** Service plans which contemplate Master District concepts shall provide justification that the total number of proposed districts is the minimum necessary to effectively manage the infrastructure and operational needs of the service area. Master District approvals shall be allowed subject to specific justification of the unique need for these limited representation arrangements.

- 1. The preference of El Paso County is for the formation of conventional districts that accord full electoral representation to residents and property owners within the district(s) and/or service area(s).
- 2. Service Plans that contemplate Master District concepts shall provide justification that the total number of proposed districts is the minimum necessary to effectively manage the infrastructure and operational needs of the service area.
- 3. In cases where one or more Master Districts will provide services or facilities to a larger defined service area, the applicants for the district shall use reasonable means (including mailings and/or informational meeting) to inform existing property owners of the proposed district arrangement.
- 4. Board of County Commissioners appointed Citizen Advisory Councils (CACs) should be actively considered as a means to allow a more formal role in the affairs of the Controlling Board of Directors, including, where appropriate, consideration of establishing the Chair of the CAC as either



an ex-officio or formal voting member of the Controlling Board of Directors.

5. If not initially required as a condition of Service Plan approval, and if so provided as part of such approval, at any time during the existence of the Controlling Board of Directors, the Board of County Commissioners, either on its own initiative or in response to citizen input, may exercise their prerogative to require the creation a Citizen Advisory Council (CAC) if it is determined to be in the best interest of the County, and/or the property owners within the service area. The Board may establish the Chair of the CAC as either an *ex-officio* or formal voting member of the Controlling Board of Directors.
6. Other than responsibility for the appointment process, the Controlling Board of Directors shall have responsibility for support of any CACs, which may be required.
7. In the event of insufficient interest in CAC membership, appropriate justification presented by the Controlling District Board of Directors, or for any other reason, the Board of County Commissioners, at its sole discretion, shall have the right to eliminate a prior requirement for a CAC.
8. Service plans which contemplate Master District arrangements shall include provisions to accommodate a transition back to a conventional district once the area served by the district(s) is fully developed.

**H. Covenant Enforcement and Homeowner's Association Functions.**

1. Any intent or reserved option to use the proposed District(s) for Homeowners Association (HOA) functions, including covenant enforcement or common area maintenance should be clearly described in the Service Plan. Such description should specify whether there is intent to use the District(s) in lieu of one or more HOAs or to contract with HOA(s) for provision of certain services.
2. Use of district(s) for ongoing covenant enforcement purposes should be specifically discouraged if there are expected to be no other ongoing needs for the perpetual existence of the District(s).

**I. Service Plan Amendments & Material Modifications.**

1. The Board of County Commissioners reserves the discretion to impose review standards and hearing requirements as deemed appropriate and

necessary for any application for amendment of an existing Service Plan, as otherwise allowed under State Statute.

2. In cases where one or more Major Amendments are proposed to be made to an existing Service Plan, a revised Service Plan submittal shall be required with hearings to be scheduled before both the Planning Commission and the Board of County Commissioners consistent with the review of a Service Plan for a new district, except where these procedures may be clearly inapplicable. Final action on a Major Amendment shall consist of approval of the new Service Plan which will have the effect of replacing the previous one, and any conditions or notations which may have been imposed on that plan by the Board of County Commissioners.
3. In cases where one or more Minor Amendments are proposed to be made to an existing Service Plan, the submittal shall not normally require a complete new Service Plan, but only those materials necessary to support and justify the amendment as determined by the Development Services Department Director in consultation with the County Attorney's Office. The hearing or hearings addressing Minor Amendments shall be scheduled directly before the Board of County Commissioners. Final action on a Minor Amendment shall consist of approval of a resolution specifically amending the language included in the existing Service Plan or the conditions or notations imposed on that plan by the Board of County Commissioners.
4. Material Modifications may be processed as either Major or Minor Amendments at the discretion of the Development Services Department Director in consultation with the County Attorney's Office.
5. Administrative amendments to approved Service Plans shall only be approved administratively (by the Development Services Department Director in consultation with the County Attorney's Office) in those cases where this authority is expressly delegated by the Board of County Commissioners.
6. Determinations as to the use and applicability of the Major or Minor Amendment process, as outlined above, shall be made by the Development Services Department Director for all Service Plans

approved prior to the date of adoption of these policies, based on a determination of the need for and appropriateness of the Minor versus Major Amendment processes.

7. Any administrative decisions concerning IV. J. 2-6 above may be appealed to the Board of County Commissioners pursuant to applicable procedures as outlined in the El Paso County Land Development Code, or as otherwise provided for in State Statute.

## **V. DEFINITIONS**

The following terms are defined specifically and solely for use in conjunction with these El Paso County Special District Policies. The definitions may or may not completely correspond with definitions in State Statutes, the El Paso County Land Development Code, or other relevant documents:

- Board – The Board of County Commissioners of El Paso County, unless otherwise specified
- Citizens Advisory Council (CAC) – A five (5) member advisory board appointed by the Board of County Commissioners for the purpose of providing input to the Commissioners and to the Controlling Board(s) in the case of Master District arrangements.
- Complete Service Plan – A complete service plan filed in accordance with C.R.S. Title 32 and County requirements and these Policies, and specifically including a complete financial plan as well as a market study, if applicable
- Controlling Board of Directors – The board or boards of directors of that have the ability to directly influence the major financial decisions of a district or combination of related districts.
- Conventional Representative District – One or more Title 32 special districts, each of which is structured to allow all residents and property owners to participate in elections for the Controlling Board(s) of Directors, as otherwise allowed by Statute.
- County – El Paso County, Colorado, as represented by its Board of County Commissioners.
- Developer Funding Agreement – An agreement of any kind executed between a Special District (“District”) and a Developer as this term is specifically defined below, including but not limited to advance funding agreements, reimbursement agreements or loans to the District from a Developer, where such an agreement creates an obligation of any kind which may require the District to re-pay the Developer. The term “Developer” means any person or entity (including but not limited to corporations, venture partners,

proprietorships, estates and trusts) that owns or has a contract to purchase undeveloped taxable real property greater than or equal to ten percent (10%) of all real property located within the boundaries of the District. The term "Developer Funding Agreement" shall not extend to any such obligation listed above if such obligation has been converted to any bonds issued by the District to evidence the obligation to repay such Developer Funding Agreement, including the purchase of these bonds by a Developer.

- District(s) – Any district or districts duly organized or contemplated to be organized under C.R.S. Title 32.
- Dominant Eminent Domain – Condemnation action undertaken by one governmental entity with respect to property owned by another governmental entity.
- External Financial Advisor – A consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District for which External Advisor Services are being rendered, and (iv) has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.
- Full Service District – A 32 district which may be a metropolitan district and which provides a substantially full range of facilities and services to normally include central water and sewer, along with a combination of other purposes which may include road improvements, parks and recreation, and drainage. A Full Service District may contract or otherwise arrange with other entities to provide some of these facilities and services.
- Gallagher Adjustment – An allowed adjustment to the Maximum Debt Service Mill Levy, Maximum Operational Mill Levy, or Maximum Special Mill Levy intended to offset the effect of adjustments to the ratio between market value and assessed value of taxable property within the applicable District that would cause a reduction in the revenue otherwise produced from such Maximums based on the ratio between market value and assessed value as of January 1 in the year in which the applicable District's organizational election is held.
- Limited Service District – A Title 32 district that may be a metropolitan district and which provides a more limited range of facilities, services or purposes than a Full Service

District, such that either other entities or the individual property owner are responsible for providing a significant share of the facility and service needs of the development.

- Local Public Improvements – Facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, but which do not qualify under the definition of Regional Public Improvements. Examples would include local streets and appurtenant facilities, water and sewer lines which serve individual properties and drainage facilities that do not qualify as reimbursable under adopted drainage basin planning studies.
- Major Amendment – An amendment to an existing approved Service Plan which is considered substantial enough to warrant the submittal of a revised Service Plan and the requirement for hearings by both the Planning Commission and the Board of County Commissioners, as determined by the Development Services Department Director in consultation with the County Attorney's Office. Such Amendments specifically include but are not limited to those amendments which are expressly stipulated as being Major Amendments, either in the text of the existing Service Plan or in the conditions or notations attached to its approval.
- Material Modification – Any variance or deviation from an existing approved Service Plan which meets the definition of this term as it is defined in C.R.S. 32-1-207 (2) and/or any other variance or deviation which is specifically identified as a Material Modification either in the text of the existing approved Service Plan or the conditions or notations attached to its approval. The procedure for Board of County Commissioners approval of Material Modifications may involve either a Minor or a Major Amendment as addressed in these policies.
- Master District – Any arrangement of districts with the intent of using one or more small directors parcels for the purpose of retaining control of the key financial decisions of the districts such that the majority of future property owners who will receive facilities and/or services of the district(s) will not be eligible to participate in the election of the Controlling Board of Directors.
- Maximum Debt Service Mill Levy Cap – The maximum Gallagher-adjusted ad valorem mill levy the district, or combination of districts which are part of a consolidated service plan, may certify against any property within the district(s) for the purpose of servicing any debt incurred by or on behalf of the districts (s).
- Maximum Operational Mill Levy Cap – The maximum Gallagher-adjusted ad valorem mill levy the district, or combination of districts which are part of a consolidated service

plan, may certify against any property within the district(s) for the purposes providing revenues for ongoing services, administration or any other allowable activities other than the servicing of debt.

- Maximum Combined Mill Levy Cap – The maximum combined Gallagher-adjusted ad valorem mill levy the district, or combination of districts which are part of a consolidated service plan, may certify against any property within the district(s) for any purposes.
- Minor Amendment – An amendment to an existing approved Service Plan which is not considered substantial enough to warrant the requirement for submittal of a complete revised Service Plan and the requirement for hearings by both the Planning Commission and the Board of County Commissioners, as determined by the Development Services Department Director in consultation with the County Attorney's Office. Such Amendments specifically include but are not limited to those amendments which are expressly stipulated as being Minor Amendments either in the text of the existing Service Plan or the conditions or notations attached to its approval.
- Model Service Plan – The applicable standardized format and content for a service plan as currently adopted by the Board of County Commissioners.
- Multiple Districts – Any combination of two (2) or more districts as part of a consolidated service plan for the purpose(s) of phasing the relinquishment of control by a developer-controlled board of directors and/or phasing the issuance of debt in accordance with phased land use plan and/or accommodation of differential mill levies within the consolidated service area.
- Planning Commission – The El Paso County Planning Commission.
- Regional Public Improvements – Facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, and which serve the needs of the region.
- TABOR and deTABOR – “TABOR” is an acronym which refers to the Taxpayer Bill of Rights found in Article 10, Section 20 of the Colorado Constitution.
- Underlying Land Use Approvals – Any pre-existing approvals by the Board of County Commissioners of one or more sketch plans, generalized planned unit development (PUD) Plans, site-specific PUD plans, conventional rezonings, preliminary plans, final plats, or any combinations of the foregoing which are consistent with and support the development assumptions included in the Service Plan.

**EL PASO COUNTY POLICY PLAN****CHAPTER 1-B  
BACKGROUND****SECTION 14.0 PUBLIC FINANCE DISTRICTS**

Many facilities and services addressed in Sections 9.0 Transportation, 8.0 Parks and Open Space, 10.0 Water and Wastewater and 12.0 Other Utilities and Services of this Plan are provided and funded through separate public financing rather than through County government. In many cases, the County may not have the authority under statute to provide these functions. In other situations, the County could directly provide or maintain facilities, but public financing districts are the preferred mechanism because they allow specifically defined areas to pay the cost of facilities and services which are considered to uniquely benefit them. A listing of public financing districts currently in use in this County is included in the appendix.

Special districts organized under Title 32 of the Colorado Revised Statutes, are the most common form of public financing utilized in unincorporated areas. Altogether, a total of 47 special districts operate in some capacity in the County. These include single and double-purpose districts such as fire, water and sanitation districts or metropolitan districts which are authorized to provide two or more services. Almost all unincorporated residents are served by one or more special districts. Unless specifically limited at the time of their formation, these districts have the authority to construct and maintain facilities, annex and condemn property, incur general obligation and revenue bond debt, and collect property tax through a mill levy. The process of formation requires approval of a service plan by the Board of County Commissioners and District Court prior to an election participated in by affected property owners. Once they are formed, special districts are governed by a board of directors elected from among district residents.

Local Improvement District (LID's) have traditionally been used to some extent in the County to finance the construction of improvements (such as roads) which benefit certain defined areas. The powers of LID's are much more narrowly defined than those of special districts. Because LID's do not have the power to impose any taxes, their value is primarily for one-time capital improvement projects which do not have the requirements for ongoing maintenance or administration through the district. LID's are not governed by independent boards of directors but rather by the Board of County Commissioners.

Other financing mechanisms which may be available for use by unincorporated areas include development exaction's or charges, regional services authorities, certain special assessments and charges, and public improvement districts. These options are discussed to some extent in the technical appendix.

**ISSUE 14.1 Effectively Use Special Districts**

Special Districts are a proven mechanism for providing needed facilities and services to unincorporated areas. They provide a potential for local government control and representation and the flexibility to respond to the unique needs of different sub-areas of the County.

One important concern with special districts is that this mechanism has been used in the past to fund major infrastructure for undeveloped areas in anticipation of future tax revenues. In cases where development has not occurred at the rate originally projected, the result has been very high tax exposure to new residents and bankruptcies in some cases. A related disadvantage is that the County has very limited influence over special districts once their service plans are approved.

Finally, there may be some inefficiencies and inequities associated with multiple special districts. These include the inability to capture economies of scale in the case of numerous small districts, and equity issues associated with whether a property is located inside or outside of a district which financially supports a facility or service of regional benefit such as a major roadway.

**Goal 14.1** *Recognize and promote the essential role of special financing districts in the provision and maintenance of public facilities and services in unincorporated areas.*

**Policy 14.1.1**

Include input from existing special districts as an integral part of the development review process.

**Policy 14.1.2**

Encourage coordination among existing and potential future special districts, municipalities, utilities and other entities in order to provide needed facilities and services in the most cost-effective, equitable and environmentally sensitive way possible.

**Policy 14.1.3**

Discourage the use of special districts as a vehicle to fund substantial amounts of required infrastructure in predominantly undeveloped areas, and require the conservative phasing of infrastructure construction during the initial phases of development.

**Policy 14.1.4**

Encourage special districts to comprehensively plan for the resources and facilities they will need to accommodate potential future growth.

**Policy 14.1.5**

Encourage the careful preparation and review of special district service plans in order to ensure that development and financial assumptions are reasonable, all plausible alternatives have been considered, services and boundaries are well-defined, and contingencies have been anticipated.

**Policy 14.1.6**

Encourage the expansion of existing special districts to serve additional areas or provide additional functions as feasible.

**Policy 14.1.7**

Discourage the creation of new or expanded special districts which may have the effect of stimulating more growth or higher densities than those which are acceptable in adopted Small Area and other plans.

**ISSUE 14.2 Consider Local Improvement Districts**

LID's have been successfully used over many years in the County to fund the upgrading of specific facilities, often for acceptance into the County maintenance system. They can work effectively in those cases where another mechanism is in place for administration and maintenance; however, there have been problems with larger LID's which have been set up to fund major regional road improvements. Buildout has not always occurred as anticipated, resulting in nonperformance of bonds. In cases where it is not possible to clearly allocate all benefits from an improvement to specific properties, there have also been concerns with funding equity. Another aspect of this same issue arises when general fund public resources are used to finance an improvement, such as a regional roadway, in one area, while a LID is used in another similar area. Amendment One (TABOR) also now complicates the process of creating and operating LID's because district financing counts toward the County's revenue and spending limitations and because elections can only be held at prescribed times. TABOR and other requirements may not make it cost-effective to use LID's for projects of limited financial scope.

**Goal 14.2** *Judiciously support the use of Local Improvement Districts.*

**Policy 14.2.1**

Support the use of Local Improvement Districts (LID's) in situations where there is an existing deficiency, if it can be demonstrated that the benefits of the improvements will accrue primarily



to those properties which are being assessed, and a mechanism will be in place for future maintenance and operations.

**Policy 14.2.2**

Carefully design LID boundaries and assessment methodologies to ensure there is a direct linkage between assessment costs and benefits to properties.

**Policy 14.2.3**

In the case of improvements which may partially benefit a larger regional area, encourage the use of improvement districts in combination with other revenue sources.

**Policy 14.2.4**

Effectively include all potentially impacted property owners in decisions regarding the creation or modification of LID's.

**Issue 14.3 Facilitate Alternative Public Financing Methods**

As noted in Issues 14.1 and 14.2, special districts, and to a lesser degree, local improvement districts, provide excellent mechanisms for provision and maintenance of many types of facilities and services in the unincorporated County; however, these financing vehicles each have limitations. Special districts often do not lend themselves to projects of limited scope and may result in a perception of "too much government" for some applications. Conversely, local improvement districts have limited powers, and therefore are not flexible enough to address some financing needs. For example, local improvement districts cannot provide for operation and maintenance of facilities.

Although County powers are limited, State statutes do allow a variety of additional mechanisms for the financing or operation of infrastructure. These include development exactions and certain impact fees, special assessments, special/service fees (utility charges), public improvement districts, associations and arrangements with municipalities.

**Goal 14.3** *Support the use of equitable and reasonable alternative public financing approaches in situations where special or local improvement district mechanisms are not feasible.*

**Policy 14.3.1**

Support alternative public financing approaches which promote a user pay philosophy where feasible and appropriate.

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