

ROCK CREEK METROPOLITAN DISTRICT

El Paso County Board of County Commissioners
Public Hearing
June 11, 2026
Presenter: Nicole Peykov, Spencer Fane LLP



SpencerFane

Overview & Request

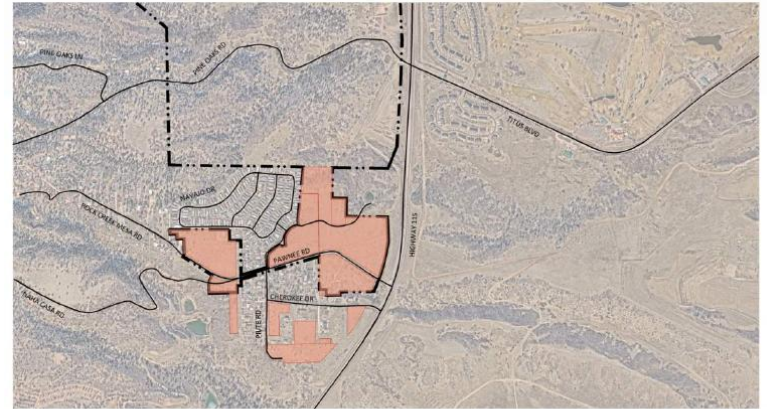
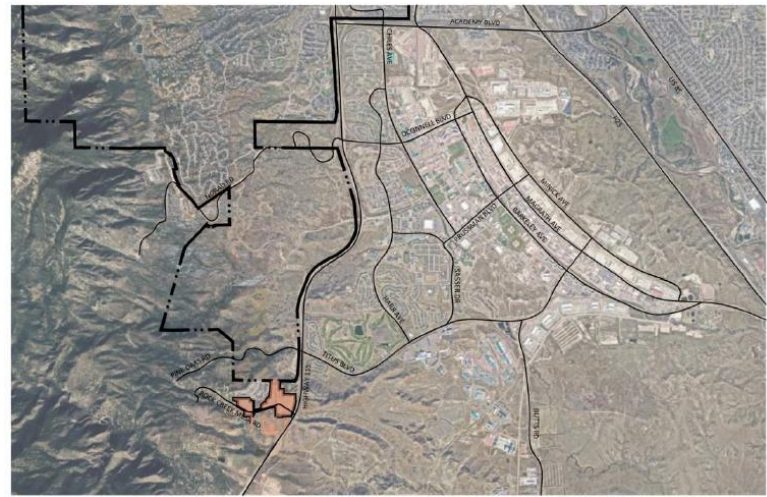
Request: Approval of the Amended and Restated Service Plan for Rock Creek Metropolitan District

Background:

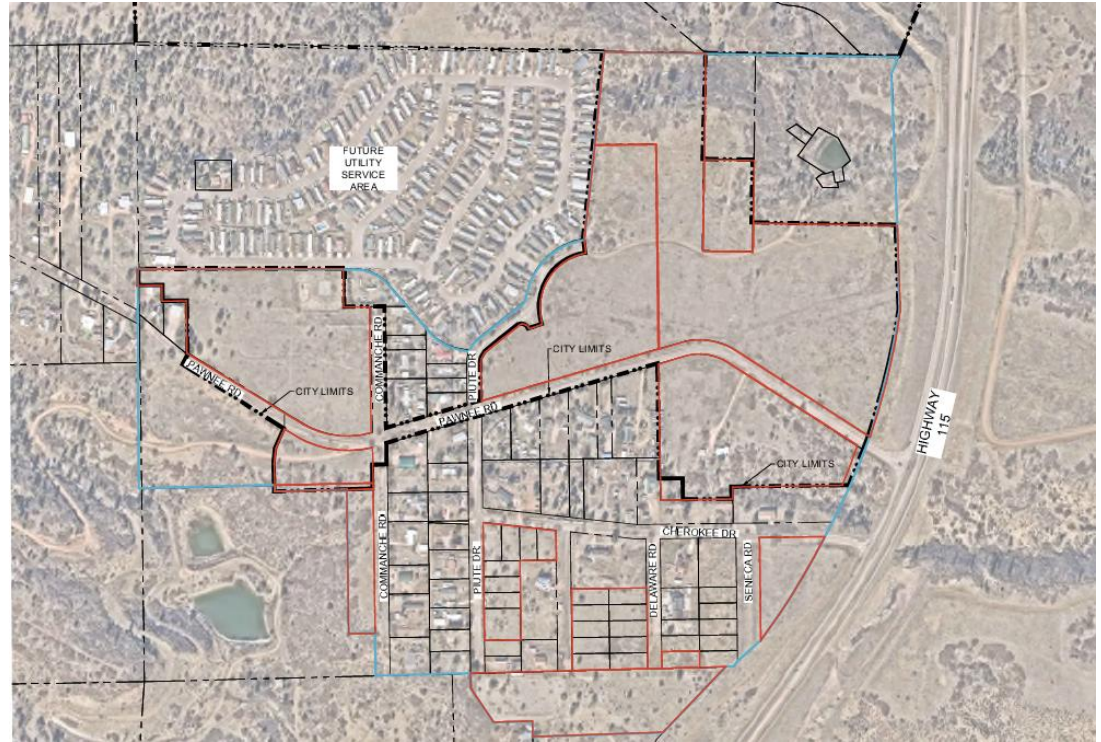
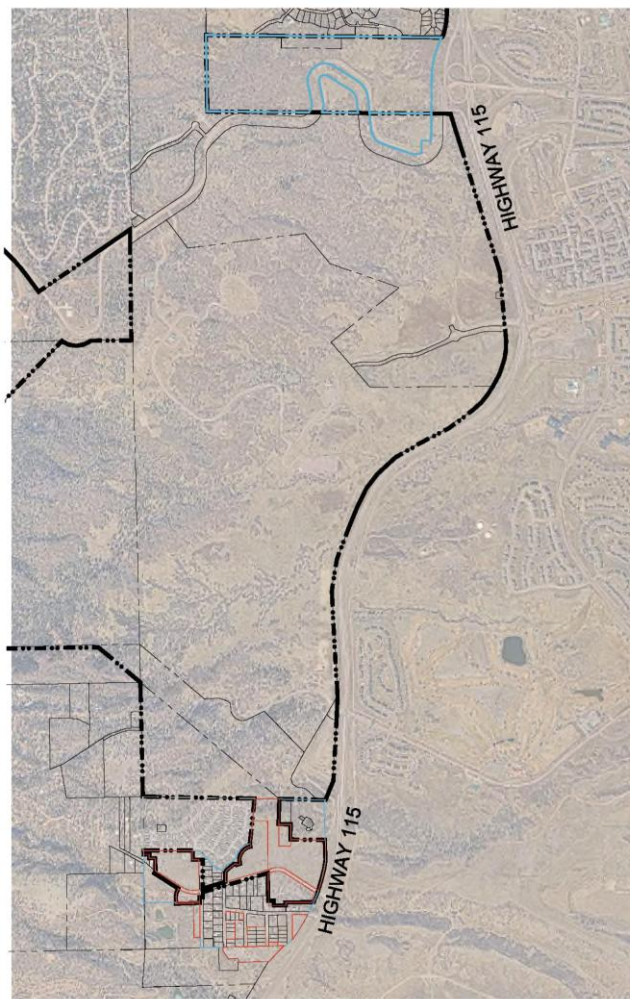
- The Board of County Commissioners approved the Service Plan for Rock Creek Metropolitan District on January 23, 2018.
- The District has constructed public improvements in accordance with the Service Plan.
- Outstanding Bonds:
 - \$6,110,000 Series 2021A-1 General Obligation Limited Tax and Special Revenue Bonds, Series
 - \$3,432,000 Series 2021A-2 Special Revenue Bonds

District Location

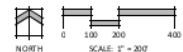
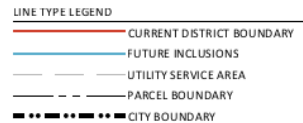
- Generally located south of the Cheyenne Mountain Air Force Base in El Paso County.
- A portion (42.84 acres) is located within the City of Colorado Springs



Boundaries



- Approximately 70.77 acres
- Colorado Springs Utilities will be the Water and Sewer Provider for the entire development



From Original Approval to Today: Key Changes

Progress to Date • Major public infrastructure completed: water, sewer, and roadway improvements • Work aligned with the 2018 Original Service Plan	What Changed • Property annexed into the City • Development plan has expanded • Infrastructure costs significantly increased
Why Costs Increased • Required larger and redundant water & sewer lines • Development expansion • 2018 assumptions: 240 MF & 211 SF • 2026 assumptions: 652 MF & 265 SF • Challenging topography • Inflation	Cost Impact • 2018 Estimate: \$4.6M • Current Estimate: \$37.8M → ~ 8x increase

———— Project scope and costs have increased significantly since 2018 —————→

What is Changing in the Service Plan

Public Infrastructure

- Updated Development Plan
- Revised cost estimates (**\$4.6M → \$37.8M**)
- Updated improvement maps

Financial Plan

- Aligns with current costs
- Includes refinancing existing bonds
- Supports remaining development

Updated Boundaries

- Reflects prior inclusions/exclusions
- Includes additional future inclusion area

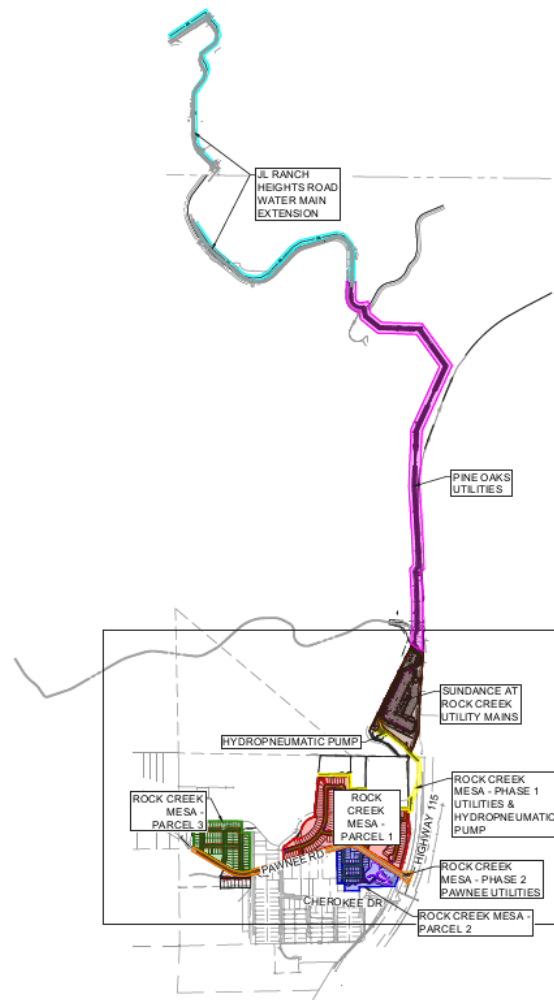
The Amended and Restated Service Plan reflects necessary public infrastructure, costs, and financing.

Public Improvement Costs (Closer Look)

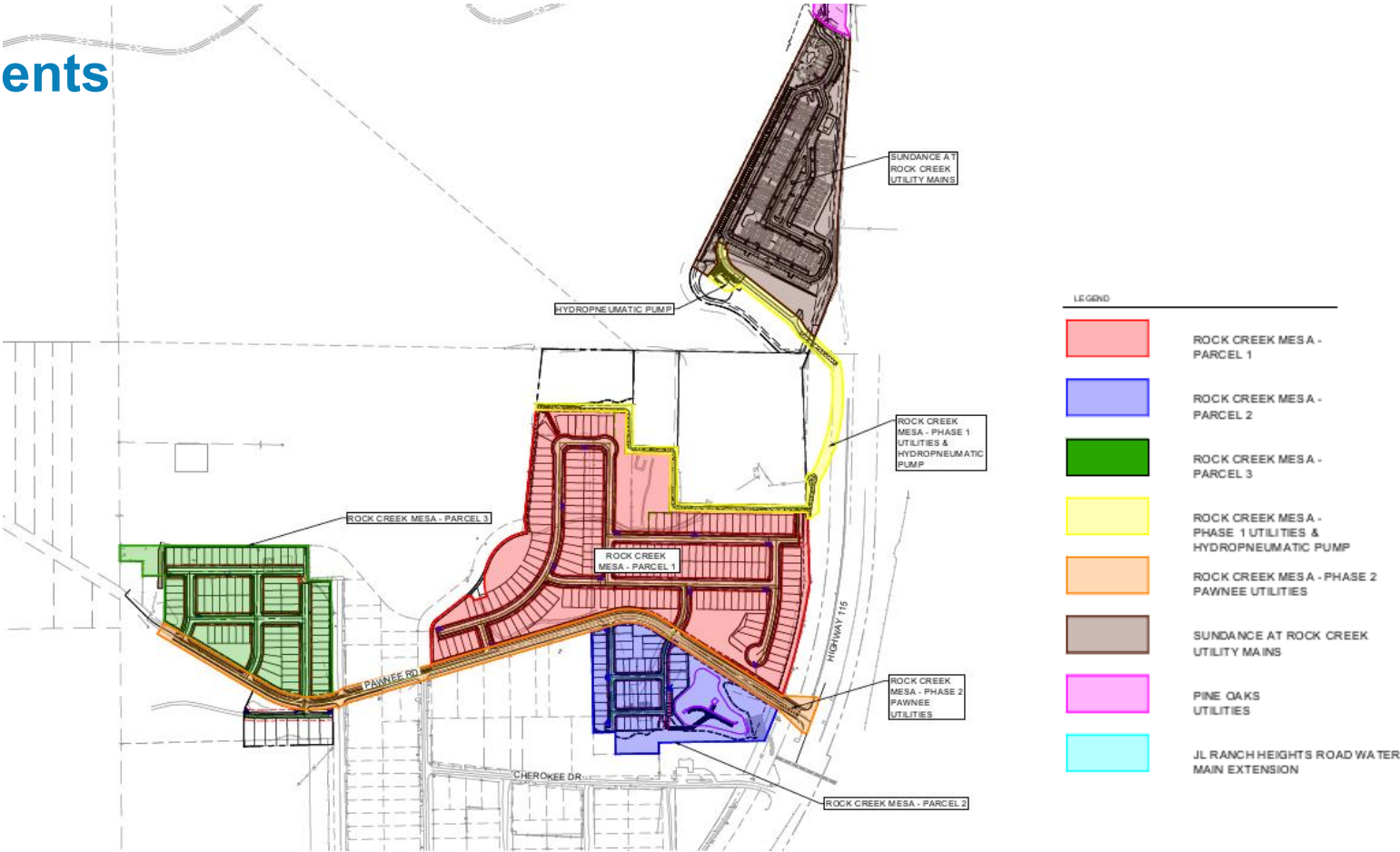
Public Improvement	2026 Estimate
Streets and Sidewalks	\$6,656,480
Sanitary Sewer	\$7,871,486
Water	\$12,380,842
Drainage	\$2,714,171
Utilities, Earthwork, Misc.	\$4,746,703
2026 Total with 10% Contingency	\$37,806,649

\$4,600,000 → \$37,806,649

Public Improvements



Public Improvements



Proposed O&M Mill Levy Increase

O&M Mill Levy:

- Current: **10** mills
 - Proposed: **20** mills
- Increase needed to sustain operations

Why the Increase:

- Maintain public assets as costs continue increasing (stormwater, parks, trails)
- Inflation: labor, utilities, professional services
- Increased insurance & risk costs

Increasing the O&M mill levy is necessary for the District to provide high-level services.

Key Financial Changes (At-a-Glance)

Debt Authorization

\$8M → \$48M

Funds remaining public improvements

Total Mill Levy

65 mills → 75 mills

Reflects O&M mill levy increase

Policy Alignment

Adopts County's Model Service Plan

40 year Debt Mill Levy Imposition
Term tied to refinancing current bonds

Updates ensure the District can complete infrastructure and operate sustainably.



District Impact on \$600,000 Residence

Total Mill Levy: 75 mills (Maximum Mill Levy)

Calculation:

$\$600,000 \times 0.068 = \$40,800$ (assessed valuation)

$\$40,800 \times 0.075 = \textbf{\$3,060 taxes owed per year}$
 $\textbf{= \$255 taxes owed each month}$

This reflects the maximum mill levy; actual rates may be lower.

*The above calculation utilizes a 6.8% residential rate.

Development Summary Projection

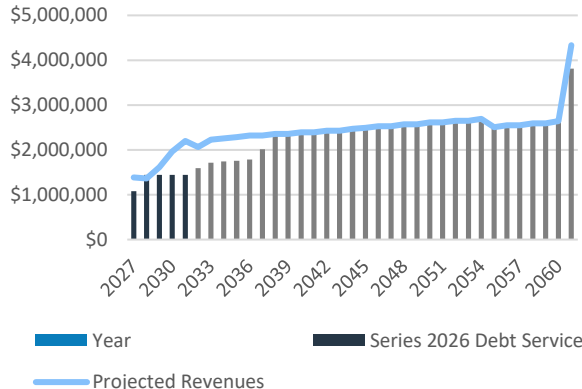
Rock Creek Metropolitan District - Updated Development Projection											
Statutory Actual Value (2026)	SFD 50' (R@CM)	Estate Lots (R@CM)	Duplex (RCM)	SFD 35' (RCM)	SFD 28'x90' (RCM)	SFD 28'x79' (RCM)	TH (RCM)	TH (TBA)	SFD Large (TBA)	Apts 1	Total Residential
	\$600,000	\$1,000,000	\$450,000	\$500,000	\$500,000	\$475,000	\$450,000	\$450,000	\$650,000	\$325,000	
2027	28	3	48	64	19	40	48				250
2028	20	3	48	61		15	5	43	2		197
2029		3	4						2	152	161
2030		3								152	155
2031		2								152	154
2032											0
2033											0
2034											0
2035											0
Total Units	48	14	100	125	19	55	53	43	4	456	917
Total Statutory Actual Value	\$28,800,000	\$14,000,000	\$45,000,000	\$62,500,000	\$9,500,000	\$26,125,000	\$23,850,000	\$19,350,000	\$2,600,000	\$148,200,000	\$379,925,000

Bond Payoff and Resident Impact

Bond Financing Summary:

- As demonstrated in the chart below, the projected revenues generated from the development of the District are sufficient to retire all anticipated debt to be issued by the District.
- Estimated impact to residents is approximately \$2,550/year, assuming an average home price of \$500,000**, reflective of the 75 mills anticipated to be generated by the District for both debt and operations.

Rock Creek MD - Projected Revenue and Debt Service



Limited Tax General Obligation Bonds, Series 2026 and Series 2031

	Series 2026A Bonds	Series 2026B Bonds	Series 2031A Bonds	Series 2031B Bonds	Total
Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt
Delivery Date	12/1/2026	12/1/2026	12/1/2031	12/1/2031	12/1/2026
Par Amount (\$)	\$23,965,000	\$3,910,000	\$28,960,000	\$4,924,000	\$61,759,000
Project Fund (\$)	\$20,758,225	\$3,792,700	-	\$4,212,280	\$28,763,205
Refunding Escrow			\$30,547,796		\$30,547,796
Debt Service Mill Levy (subject to adjustment)	50 mills	50 mills	50 mills	50 mills	50 mills
Interest Rate	6.000%	8.000%	5.000%	7.000%	
Final Maturity	12/1/2056	12/15/2056	12/1/2061	12/15/2061	
Maximum Imposition Period			40 Years		
First Call Date	5 Years @ 103% DTP				



District Transparency and Disclosure Requirements

- **Annual Report.** Required to file with the governing body.
- **Annual Town Hall Meeting for Residents.** The District must hold an annual town hall meeting to present status of public infrastructure and District financial position to the public.
- **District Website.** Must establish and maintain a district website with specific information listed.
- **Call for Nominations.** Must email or mail notice of calls for director nominations to each active registered elector 75-100 days before election and by one additional method. Must also post on the District's website and make hard copies available at Annual Town Hall Meeting if such meeting precedes an election.
- **Annual Transparency Notices.** Must be provided through specified means to eligible electors before January 15 of each year. Includes contact information, date of next election, names of directors up for election, and information on how to submit a self nomination form.
- **Disclosures.** Builders must provide written disclosure about the district, including expected future property taxes, to potential homebuyers before or during the execution of a contract. Pursuant to HB 25-1219, all sellers of residential property are required to provide such notice.



Conditions for Approval- Compliance with Section 32-1-201 through 209, C.R.S.

- **There is sufficient existing and projected need for continued organized service in the area to be serviced by the District.**
 - The improvements and proposed services are not available to the community through the County or other special districts. Significant investment in public infrastructure was needed and is still needed to develop the area. Financing and construction of the infrastructure through the District lowers costs and ensures the costs are spread among those in the community that will benefit from such development.
- **The existing service in the area to be served by the District is inadequate for present and projected needs.**
 - There are no other governmental entities in the vicinity that consider it feasible or practical to undertake the financing or construction of the public infrastructure needed to serve the property.
- **The District is capable of providing economical and sufficient service to the area within its boundaries.**
 - The District will ensure that the public improvements and other services are sufficient to support the community. The public financing tools available to the District, including tax-exempt financing, will lower the costs of the public improvements.
- **The area included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.**
 - The District will be limited to issuing debt within the confines of the Service Plan and limited to the amount the District can reasonably pay from the revenue derived from the debt service mill levy and other legally available revenue. The financial plan attached to the Service Plan is an example of how the District may finance the public improvements.



Questions and Discussion