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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: Rock Creek Metropolitan District (ID-17-003): Special District Service Plan

Parcel ID Nos: 65000-00-135, 65303-07-001, 65303-07-002, 65303-07-003, 65303-07-004, 65303-07-005, 65303-07-008, 65303-07-009, 65303-07-019, 65303-08-007, 65303-08-008, 65303-08-009, 65303-08-010, 65303-08-011, 65303-08-012, 65303-08-013, 65303-08-014, 65303-08-015, 65303-08-016, 65303-09-015, and 65304-00-009

APPLICANT:

**The Equity Group, LLC
90 South Cascade, Suite 1500
Colorado Springs, CO 80803**

REPRESENTATIVE:

**Spencer Fane
1700 Lincoln Street, Suite 2000
Denver, CO 80203-4554**

Commissioner District: 4

Planning Commission Hearing Date:	12/05/2017
Board of County Commissioners Hearing Date:	01/09/2018

EXECUTIVE SUMMARY

A request by The Equity Group, LLC, for approval of a Colorado Revised Statutes Title 32 Special District service plan for Rock Creek Metropolitan District in support of the development of 211 single-family residences and a 240 unit multi-family development. The proposed district is located on the west side of State Highway 115 across from the intersection of State Highway 115 and Titus Boulevard. The proposed District will initially be formed to include 30 acres. Approximately 16 acres of the proposed District are located in the City of Colorado Springs; however, Title 32 of the Colorado Revised Statutes allows special districts to cross municipal boundaries. The remaining 14 acres are located within unincorporated El Paso County. An additional 60 acres are planned

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for future inclusion into the proposed District. The 14 acres of land that are located in unincorporated El Paso County are located within the boundaries of the Southwestern/Highway 115 Comprehensive Plan (1990).

The proposed service plan grants the Rock Creek Metropolitan District authority as a full service district, which means it provides a full range of facilities and services. The purposes of the proposed 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; 4) park and recreation service; 5) mosquito control; 6) television relay and translation; 7) covenant enforcement and design review; 8) security services; and 9) operation and maintenance of District facilities and services. The applicant is proposing the following: a maximum debt authorization of \$8 million, a maximum debt mill levy of 50 mills for residentially zoned properties located in unincorporated El Paso County and 35 mills for commercially zoned property located in the City of Colorado Springs, an operations and maintenance mill levy of 10 mills, and a special purpose mill levy of 5 mills for covenant enforcement and design review.

The existing Rock Creek Mesa Water District provides water service to a limited number of properties that are to be included within the proposed Rock Creek Metropolitan District boundaries and that are located in unincorporated El Paso County. Due to contractual limitations, Rock Creek Mesa Water District is not able to provide water service to support new development within the District's existing boundaries. Water and wastewater services for new development within the District will be provided by the Colorado Springs Utilities for any property located within the City. The proposed Rock Creek Metropolitan District will provide water and wastewater services for property located in unincorporated El Paso County, specifically for those properties that cannot be served by the existing Rock Creek Mesa Water District.

Electrical and natural gas service will be provided by Colorado Springs Utilities. Fire protection and emergency services will be provided by Highway 115 Fire Protection District. Trash collection and internet services will be through private service providers contracted by individual property owners within the district boundaries.

The draft service plan has reserved the ability of the proposed District to exercise the power of eminent domain and dominant eminent domain. The service plan also reserves 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 solely for the purposes of servicing debt.

The applicant's justification for seeking approval of the service plan in advance of receiving the underlying land use approvals was to meet the timeline for getting on the ballot for the November 2017 election in order to form the district in 2017. The applicant did not meet the timeline necessary to place the formation of the District on the

November 2017 ballot. The applicant now intends to meet the timeline for a November, 2018 election to form the District. The applicant also states in the draft service plan that the formation of the District in advance of the land use approvals is necessary to facilitate the planning, implementation and financing of the engineering design and other related activities necessary for this project to complete the land use approval processes.

If it is determined that the request complies with the El Paso County Land Development Code (2016), the adopted El Paso County Special District Policies, and the criteria within the Colorado Revised Statutes for a Title 32 Special District Service Plan approval and if a motion for approval is made, then staff recommends including the conditions and notations identified in Section J of this report.

A. PLANNING COMMISSION SUMMARY

Request Heard: December 5, 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: N/A

Vote: 5 to 2 Curry and Lucia-Treese in opposition

Vote Rationale: N/A

Summary of Hearing: See attached minutes

Legal Notice: Published in Shopper Press December 20, 2017

B. REQUEST/WAIVERS/AUTHORIZATION

Request: A request for approval of a Colorado Revised Statutes Title 32 Special District service plan for Rock Creek Metropolitan District with a maximum debt authorization of \$8 million and a maximum combined mill levy of 65 mills, which represents a maximum of 50 mills assessed to residential property and 35 mills assessed to commercial property for debt service, a maximum of 10 mills for operations and maintenance, and a maximum special purpose mill levy of 5 mills for covenant enforcement and design review. The purposes of the District includes: 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; 4) park and recreation service; 5) mosquito control; 6) television relay and translation; 7) covenant enforcement and design review; 8) security services; and 9) ongoing operation and maintenance of District facilities and services.

C. BACKGROUND/ STATUS OF LAND USE APPROVALS

The proposed Rock Creek Metropolitan District is located on the west side of State Highway 115 adjacent to the intersection of State Highway 115 and Titus Boulevard.

Properties included in the proposed Rock Creek Metropolitan District are located within the Rock Creek Mesa Master Plan (circa 1971). The Plan included 176 acres of property and proposed a mixture of single family, multi-family, and commercial

land uses as well as a mobile home park. The proposed Rock Creek Metropolitan District boundaries overlap the existing Rock Creek Mesa Water District service area and District boundaries. The Rock Creek Mesa Water District was formed in 1956 and currently provides water service to approximately 300 customers within the service area. Additional discussion regarding the overlapping boundaries is contained in the STATUS OF MAJOR ISSUES and APPROVAL CRITERIA Sections of this report. A copy of the Rock Creek Mesa Water District service area has been included as an attachment to this report.

One of the properties to be included within the proposed District boundaries is a 16.25 acre parcel located within the City of Colorado Springs that is zoned PBC (Planned Business Center) under the City's zoning ordinance. Section 32-1-204.5 of the Colorado Revised Statutes states that the County has authority to approve a service plan in support of the formation of a special district where the boundaries of the proposed district will be partially located within an adjacent municipality. The City will retain land use authority over the development of the 16.25 acre property located in the City of Colorado Springs. Properties located in unincorporated El Paso County are currently zoned F-5 (Forestry) and RM-30 (Residential Multi-family) and are subject to the County's land use authority. Approximately 14 acres of property located within unincorporated El Paso County are proposed to be included in the District, with an additional 60 acres of land also located within unincorporated El Paso County planned for future inclusion into the District.

The Equity Group, LLC, anticipates developing a 240 unit multifamily project on the 16.25 acre property located within the City of Colorado Springs. The developer also anticipates the development of 211 single-family residential lots in unincorporated El Paso County in the area identified for future inclusion into the District as depicted on the District Boundary Map. The applications necessary to receive the underlying land use approvals have not yet been submitted.

The 2007 Special District Policies (Board Resolution 07-272) encourage applicants for developer-initiated districts to obtain the associated underlying land use approvals prior to, or at a minimum, in conjunction with the application for approval of the District service plan. The applicant has not obtained the associated land use approvals and has not submitted land use applications concurrently with the service plan request. Therefore, pursuant to the Special District Policies, the applicant has the burden of justifying the need for the District, including approval of the service plan, in advance of obtaining the underlying land use approvals. Underlying land use approvals typically include, but may not necessarily be limited to, sketch plan, rezoning, preliminary plan, and final plat approvals.

The applicant's initial justification for seeking approval of the service plan in advance of receiving the underlying land use approvals was to meet the timeline for getting on the ballot for the November, 2017 election in order to form the district in 2017. The applicant did not meet the November, 2017 election. The applicant now intends to meet the timeline for a November, 2018 election to form the District. The applicant

also states the formation of the District in advance of the land use approvals is necessary to facilitate the planning, implementation and financing of the engineering design and other related activities necessary for this project to complete the land use processes. The applicant is not prohibited in any way from submitting necessary applications to obtain the underlying land use approvals prior to forming the District November 2018.

Since the applicant has chosen to submit a service plan in advance of obtaining underlying land use approvals, recommended conditions have been included to address potential subsequent denial or modification of the land use applications. A notation has been added making it clear that the County has no obligation whatsoever to approve subsequent land use applications.

The service plan states that the purpose of the district is to finance the design and construction of the improvements necessary to support the anticipated development within the district's boundaries. Required subdivision improvements typically include, but are not necessarily limited to: water and wastewater lines and appurtenant facilities, local and collector level street improvements together with traffic and safety controls and devices, and stormwater facilities such as detention/water quality ponds, culverts, pipes, channels, swales, and weirs. The extent of the costs associated with designing and constructing these improvements cannot be verified at this time due to the lack of obtaining any of the underlying land use approvals. Additional discussion on the subdivision improvements is provided in Section G, Services, of this report.

The service plan proposes to reserve the district's ability to exercise the powers of eminent domain and dominant eminent domain only as necessary to further the clear public purposes of the district, and then, only for land intended to be owned, controlled or maintained by the district or by another governmental entity. The service plan expressly prohibits the exercise of these powers for the furtherance of any economic development plan, or to convey such property or to make such property available to a private entity for economic development purposes.

The service plan does not anticipate formation of a public improvements company for the purpose of accepting sales tax revenues. Any formation of a public improvements corporation will constitute a material modification of the service plan, which would require an amendment to the service plan and hearings before the Planning Commission and Board of County Commissioners.

Although a public improvement company is not anticipated at this time, the proposed service plan does state the following with regard to a separate non-profit development corporation:

“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.”

Fees collected by the non-profit corporation would be transferred to the District to be used for debt servicing. Formation of a separate non-profit development corporation would constitute a material modification of the service plan, which would require an amendment to the service plan as well as hearings before the Planning Commission and Board of County Commissioners.

D. APPLICABLE RESOLUTIONS: See attached

E. STATUS OF MAJOR ISSUES

As discussed in Section C, Background/Status of Land Use Approvals, the applicant has elected to seek approval of a service plan prior to receiving underlying land use approvals. The BOCC will need to determine whether the justification provided is adequate to support formation of the district with no guarantee of future land use approvals or definitive development plans to review and whether such justification is also consistent with the 2007 Special District Policies, which are discussed in greater detail below in Section F.2 of this report.

It should be noted that because the service plan is being considered in advance of a final plat application, costs for improvements identified with the final construction drawings and supporting financial estimates provided with future final plat applications may be higher than projected in the service plan. Actual construction costs could exceed the maximum debt authorization in the approved service plan. Any increase in the maximum debt authorization or the inclusion of additional development and/or permit fees would be considered a material modification of the service plan and, as such, would require BOCC approval of a service plan amendment.

The boundaries of the proposed District will overlap the boundaries of Rock Creek Mesa Water District. Contractual limitations prohibit the Rock Creek Mesa Water District from obtaining additional water resources for additional customers within its boundaries. Rock Creek Mesa Water District purchases water from Jon May Wells, LLC, to distribute to its customers. The District's contract with John May Wells, LLC only provides water for 300 taps which includes 236 mobile homes within the Cheyenne Mountain Estates Mobile Home Park.

The proposed service plan will authorize Rock Creek Metropolitan District to provide water service to properties within the overlapping district boundaries, which are currently not able to obtain water service from Rock Creek Mesa Water District. Formation of Rock Creek Metropolitan District and/or future provision of water service to properties in unincorporated El Paso County may require properties currently located in Rock Creek Mesa Water District that are not currently served by Rock Creek Mesa Water District to disconnect from the Water District.

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

A total of 211 single-family residential lots and 240 multi-family units are anticipated to be developed within the proposed Rock Creek Metropolitan District's boundaries. Development will require the construction of necessary supporting infrastructure such as on and off-site private and public improvements including water and wastewater, stormwater and drainage, transportation and safety infrastructure and the provision of other services such as covenant enforcement and design review, mosquito control, park and recreation, and television translation and relay services. The infrastructure and water resources required to extend water service to properties currently within but not able to be served by Rock Creek Mesa Water District is not available. The proposed service plan will authorize Rock Creek Metropolitan District to finance and construct the infrastructure and deliver the water resources necessary to serve these properties, which includes the anticipated development.

The stated purposes of the proposed District include financing of the above mentioned improvements. Currently there is no other entity that has expressed a desire and the ability to finance and/or construct the subdivision improvements necessary to support new development within the boundaries of the proposed District. The service plan proposed to justify the need for the District based on anticipated development with the District boundaries rather than actual land use approvals as such approvals have not yet been obtained. Approval of a service plan for the formation of a special district with the ability to issue debt without underlying land use approvals is not consistent with the Special District Policies.

A finding could be made that there is projected need for the District in the absence of underlying land use approvals based upon including the condition of approval below prohibiting the issuance of debt until and unless the rezoning, preliminary plan, and final plat approvals have been obtained for the anticipated development.

II. Existing service is inadequate for present and projected needs

Rock Creek Mesa Water District currently provides a limited amount water service to properties within the proposed Rock Creek Metropolitan District boundaries, but cannot provide service to additional properties currently unserved within the District's boundaries. All of the services identified in the service plan are currently unavailable in support of the existing and future

development within the boundaries of the proposed District. These services include financing, design, construction, and maintenance of water and wastewater utility line extensions, drainage and stormwater facilities, and street and transportation improvements, and parks and open space, mosquito control, television relay and translation, security, and covenant enforcement and design review services in support of new development.

There are no other service providers in the area that are willing or able to finance, design, and/or construct the required water and wastewater infrastructure, street and safety improvements, and drainage facilities. The lack of such alternative service provider(s) may be relied upon by the BOCC to justify a finding that existing service is inadequate to serve the anticipated development.

III. District is capable of providing economical and sufficient service

A financial summary attached to the proposed service plan, which is dated July 17, 2017, was submitted in support of the District's ability to economically provide sufficient service to the anticipated development. The financial summary includes a pro forma analysis of how the proposed mill levies assessed on properties to be included in the proposed District will be sufficient to service the debt issued by the District after development of the properties. The analysis is based upon anticipated development scenarios identified in the proposed service plan. The analysis is not based upon actual land use approvals as such approvals have not yet been obtained. Pursuant to the analysis and conclusions of the financial plan and based upon the anticipated development scenario, the district may be able to provide economical and sufficient service. This determination is largely based upon including the condition of approval below prohibiting the issuance of debt until and unless the rezoning, preliminary plan, and final plat approvals have been obtained for the anticipated development.

IV. Financial ability to discharge proposed indebtedness

The service plan projects initial cost estimates of \$4.6 million and authorizes a maximum debt of \$8 million. The July 10, 2017, financial plan submitted in support of the service plan indicates that the District would have the ability to discharge the proposed indebtedness if development proceeds as projected. The financial plan relied upon a four (4) year development build-out schedule consisting of a combination of single and multi-family units each year beginning in year 2019 and ending in year 2022. Specifically, 222 units are proposed in year 2019, 90 units in 2020, 31 units in 2021, and 108 units in 2022. The plan estimates a market price inflation of two percent (2%) per year. The plan also projects the generation of approximately \$13.4 million in revenues generated by the maximum debt service mill levy (50 mills). Based on the financial plan summary, the District would have the ability to discharge the proposed indebtedness.

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

Rock Creek Mesa Water District currently provides water to existing taps for property within the proposed Rock Creek Metropolitan District's boundaries. Rock Creek Mesa Water District is limited to providing service to existing customers whose properties were included into the District at the time of its formation in 1956. Although Rock Creek Mesa Water District provides water to property within its service area boundaries, the contractual limitations discussed above in this report prevent the District from providing water to new customers within its current boundaries. A copy of the map of the Rock Creek Mesa Water District service area has been included as an attachment to this report.

In addition to water service, none of the services proposed for the District, including wastewater, transportation, drainage and stormwater, television relay and translation, mosquito control, covenant and design review, and security services are available through other sources. A portion of the proposed District is located adjacent to the boundaries of the City of Colorado Springs. To staff's knowledge, the City has not taken any steps toward annexing these properties.

II. Facility and service standards compatible

Any public facilities proposed to be constructed and dedicated are required to meet the respective standards of El Paso County, the City of Colorado Springs, CDOT, and any other applicable utility provider and will be subject to each entities licensing and permitting requirements.

III. Compliance with master plan

The El Paso County Policy Plan (1998) has a dual purpose; it serves as a guiding document concerning broader land use planning issues, and provides a framework to tie together the more detailed sub-area elements of the County Master Plan. Relevant policies are as follows:

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.

The BOCC has adopted policies and procedures to provide a framework for the evaluation of applications for new, amended and updated special district service plans as authorized by Title 32 of the Colorado Revised Statutes. The applicant has submitted a draft service plan in support of the formation of a special district in accordance with these provisions.

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.

The service plan proposes a maximum indebtedness of \$8 million. The proposed public improvement costs are estimated at \$4.6 million. Land to be included in the proposed District includes a parcel located within the City of Colorado Springs and the proposed service area boundary is located approximately 2 miles south of existing urban density development in the City of Colorado Springs. The proposed service area is also directly adjacent on its western boundaries to military housing located on Fort Carson.

Policy 14.1.4

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

The intended purpose of the District is to finance and construct water and wastewater lines and facilities, roadway and street improvements, and drainage and stormwater facilities, provide television relay and translation, mosquito control, covenant enforcement and design review and security services, all of which support future development within the proposed service area.

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.

Staff has reviewed the service plan with supporting development analysis financial assumption summaries and find that they are generally reasonable. The assumptions are based on existing and anticipated additional commercial development. It should be noted that while future market conditions may introduce new and/or differing commercial establishments, future unforeseen market conditions could create a conditions that may significantly or adversely affect the proposed District's ability to discharge debt.

Staff recommends the service plan is in general conformance with the Policy Plan (1998) and particularly with regard to Section 14, Public Financing Districts, of the Plan.

The proposed District is located within the boundaries of the Southwestern Area/Highway 115 Comprehensive Plan (1990). The Plan does not specifically address districts, but does identify concerns over potential substandard and/or failing on-site wastewater treatment systems (OWTS) in Section III.3.D.d, Critical Issue Identification, Public Facilities, of the Plan. Approval of the District and the provision of central wastewater service will limit the number of new OWTS systems in the District boundaries and provide an opportunity for existing OWTS systems to be abandoned in favor of connection to new central wastewater service.

The Plan also addresses the limitations of Rock Creek Mesa Water District to issue additional water taps due to contractual limitations with the entity that supplies its water for existing customers.

Regarding the challenges of water resources on development in the area, Section II.3.2.a, Infrastructure, Utilities, Water, of the Plan states:

Water has been and will continue to be one of the main restricting limits on development in the Planning Area. In 1987 the County adopted a policy requiring new subdivisions, including those depending on ground water, to demonstrate supplies adequate in terms of quantity; quality and dependability, with adequacy being defined as a minimum of a 300-year water supply. This may make it difficult to plat new subdivisions in the Planning Area without the development of additional sources of water supply.

The ability of Rock Creek Metropolitan District to provide water service within its boundaries is consistent with the analysis of water issues in the Plan.

IV. Compliance with water quality management plan

Section 3.6, Wastewater Treatment Facilities, of the Pikes Peak Area Council of Government's Water Quality Management Plan 2010 Update states that, "If it is economically feasible, wastewater service will be provided in regional and subregional publicly owned wastewater treatment facilities, and small privately owned facilities will be avoided." The Plan, however, goes on to recommend that, "when deemed cost-effective and when practical alternatives exist, to avoid the proliferation of individual wastewater treatment facilities and/or wastewater treatment agencies." Wastewater service in the proposed District boundaries development area will be provided by Colorado Springs Utilities for property located within the City. Wastewater service for the properties located in unincorporated El Paso County will be provided by the proposed District.

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

See other service provision discussions in this staff report.

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 is consistent with the requirements of Colorado statutory law.

IV.Applicants responsible for meeting time lines

Staff has worked responsively to process and review the proposed service plan to meet the applicant's intent to get the question regarding formation of the District on the ballot for the November 7, 2017; however, the applicant was unable to meet the required deadlines. It is the applicant's responsibility to ensure all applicable timelines and procedures are followed in order to meet the desired 2018 election and District formation schedule.

V.Limiting proliferation of districts

The Special District Policies recognize "the many factors which may create a justification to form one or more new and independent special district(s), [however,] it is the policy of the County to discourage the unnecessary proliferation of additional districts in the County." Approval of this service plan amendment for the proposed District will create a new Title 32 Special District.

As discussed throughout this report, the proposed District boundaries overlap the existing Rock Creek Mesa Water District boundaries. Rock Creek Mesa Water District is not able to provide service to additional new customers and/or properties within its district boundaries. The formation of the proposed Rock Creek Metropolitan District will create an opportunity to bring water service to existing residences within Rock Creek Mesa Water District boundaries and provide water service for new development which is currently unable to be served by Rock Creek Mesa Water District.

The proposed Rock Creek Metropolitan District would be a full service district authorized to provide financing, construction, maintenance, and ongoing provision of water, wastewater, transportation, drainage and stormwater, television relay and translation, mosquito control, covenant

and design review, and security services in support of future development property within its boundaries. Rock Creek Mesa Water District only provides water service to existing customers within its boundaries; therefore, staff recommends that approval of the service plan will not result in unnecessary proliferation of districts.

VI.Coordination with other elected officials and departments

Staff and the applicant of the proposed District have coordinated with all applicable departments and have provided sufficient lead time to allow technical review of the proposed service plan.

VII.Address potential for annexation

A portion of the proposed District is located within the City of Colorado Springs. There is also a portion of the proposed District that is located adjacent to the City of Colorado Springs municipal boundaries. The unincorporated area of the proposed District is not included on the City of Colorado Springs Potential Annexation Areas Map (2006). The City was notified of the service plan submittal but has not expressed an interest in annexing the property.

VIII.Development Analysis

Service plans are required to provide a development analysis that includes a brief description of: 1) existing developed conditions within a proposed district's boundaries and additional inclusion areas; 2) total development at project buildout; 3) projected development phasing and absorption rates; and 4) status of underlying land use approvals. A summary of the development analysis is included in Section IV of the service plan.

The development analysis in the draft service plan states there are no public improvements within the proposed District's boundaries. There is Rock Creek Mesa Water District infrastructure located in the additional inclusion area. Final buildout is anticipated to be 211 single-family dwellings with average home prices around \$300,000 in year 2017 dollars and approximately 240 multi-family priced at approximately \$150,000 per unit in year 2017 dollars. The development analysis projects a five (5) year absorption rate. It is important to note that the analysis states that no underlying land use approvals have been obtained for development proposed within the District's boundaries. The development analysis is complete and is consistent with the adopted BOCC policies.

IX.Mill Levy Caps

Pursuant to the Special District Policies, the maximum debt service mill levy cap for full service districts should not exceed 50 mills, subject to Gallagher adjustment as permitted by law. The Gallagher adjustment is the allowed adjustment to the Maximum Debt Service Mill Levy, Maximum Operational Mill Levy, and/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 a district's organizational election is held. The proposed service plan includes a request for a debt service mill levy cap of 50 mills, which may be considered consistent with the Policies if the BOCC finds that the development and financial analyses adequately support the service plan. The same approach should also be taken with regard to the proposed operations mill levy cap of 10 mills. In addition, the Special District Policies allow, if justified and fully documented by supporting information, an increase in the Maximum Combined Mill Levy Caps of up to 5 (five) additional mills. This increase 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. A maximum combined mill levy cap of 65 mills is consistent with the adopted BOCC policies if adequate justification is found by the BOCC within the service plan and attached analyses in support of the increase.

To the extent permitted by law, all mill levy caps may be lifted once a 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 mill levy cap is subject to BoCC approval. 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).

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 master district configuration is not being proposed with this request.

XI.Multiple Districts

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

XII.Skeletal Service Plans

This is a complete service plan. Therefore, this policy is not applicable.

XIII.Authorization of Debt and Issuance of Bonds

The proposed maximum amount of indebtedness for the District is \$8 million. 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 BOCC. A condition of approval has been recommended limiting the amount of indebtedness the District may incur.

3. POLICY PLAN COMPLIANCE

As discussed in more detail above, the proposed service plan is in compliance with the El Paso County Policy Plan (1998) and particularly with regard to Section 14 of the Plan.

4. COMPLIANCE WITH COUNTY PROCEDURES AND GUIDELINES

Staff believes the service plan and application are 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 Colorado Springs Utilities for property located in the City and by Rock Creek Metropolitan District for property located in unincorporated El Paso County. The proposed district is requesting authority to finance, design, and construct water service infrastructure within the boundaries depicted on the District Boundary Map. The intent is to construct the necessary water lines and to dedicate such facilities for ongoing ownership and maintenance to the City of Colorado Springs for property located in the City. The District will own and maintain those facilities located in unincorporated El Paso County.

2. WASTEWATER

Wastewater service for future development within the proposed district will be provided by Colorado Springs Utilities for property located in the City and Rock Creek Metropolitan District for property located in unincorporated El Paso County. The proposed District is requesting authority to finance, design, and construct wastewater lines within the boundaries depicted on the District Boundary Map. The intent is to construct the necessary wastewater lines and to dedicate such facilities for ongoing ownership and maintenance to the City of Colorado Springs for property located in the City. The District will own and maintain those facilities located in unincorporated El Paso County.

3. TRANSPORTATION

Approval of the proposed service plan would authorize the District to issue debt in order to finance, design, and construct roadway improvements and necessary bridges, fences, trails, lighting, landscaping, and traffic and safety controls and devices, as needed, to support development within its boundaries. The District will be required to construct any necessary required transportation improvements to applicable El Paso County, City of Colorado Springs, and/or CDOT standards and to dedicate such facilities to the County, City, or CDOT as appropriate, for ongoing ownership and maintenance, subject to compliance with the respective licensing and permitting

requirements of each entity. All improvements constructed by the District located outside of the dedicated right-of-way shall be owned and maintained by the District unless otherwise provided through intergovernmental agreements with or between Colorado Springs Utilities or Rock Creek Mesa Water District.

4. DRAINAGE

Approval of the proposed service plan would authorize the district to finance, design, construct, and maintain drainage facilities, including detention/water quality 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. It is anticipated that all detention/water quality ponds will be privately owned and maintained by the District.

5. PARKS AND RECREATION

The El Paso County Parks Master Plan (2013) does not identify any open space, park facilities, or trails intersected by or within the proposed District's boundaries.

6. FIRE PROTECTION

Southwestern Highway 115 Fire Protection District provides emergency and fire protection service to properties located on the District Boundary Map that are in unincorporated El Paso County. Colorado Springs Fire Department provides emergency and fire protection services to properties in the City limits depicted on the District Boundary Map.

7. COMMUNITY FACILITIES

No specific community facilities are proposed with this service plan. The draft service plan does, however, authorize the District to finance, construct, own, and/or manage community facilities that are required in connection with future subdivision within its boundaries.

8. OTHER FACILITIES OR SERVICES

Colorado Springs Utilities currently provides electrical service within the proposed District's boundaries. Colorado Springs Utilities has natural gas service near the proposed District's boundaries which can be extended into the area in the future.

H. RELATIONSHIPS TO OTHER DISTRICTS OR MUNICIPALITIES

The district anticipates entering into an Intergovernmental Agreement with Colorado Springs Utilities and Rock Creek Mesa Water District, to the extent necessary, to deliver water and wastewater services to properties within the proposed District boundaries.

I. SCHOOL DISTRICT IMPACTS OR CONCERNS

The area of inclusion for the proposed district is located in Fountain/Fort Carson School District No. 8. The School District was provided a copy of the letter of intent and service plan for comment and review. No comments were received from the School District regarding formation of the proposed district.

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. As stated in the attached service plan, the maximum authorized debt for the Districts shall be limited to \$8 million until and unless the District receives Board of County Commissioner approval to increase the maximum authorized debt.
2. As stated in the proposed service plan, the maximum combined debt service and operational mill levy shall not exceed 65 mills (Gallagher-adjusted) for any property within the District, with no more than 50 mills devoted to debt service, no more than 10 mills devoted to operations, and no more than 5 mills for covenant enforcement and design review until and unless the Districts receive Board of County Commissioner approval to increase the maximum mill levies.
3. 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.
4. 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 development prepared by the developer, 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.
5. The district is expressly prohibited from creating 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)(I).

6. 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 (2017) and to require subdivision improvements agreements or development agreements and collateral of the developer at the final plat stage to guarantee improvements.
7. 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.
8. Assuming the District is formed, the District shall not be authorized to issue debt until and unless the rezoning, preliminary plan, and final plat approvals have been obtained and unless such approvals are consistent with the assumed land uses and densities identified within the service plan and consistent with the approved financial plan.
9. Future alteration of the densities and/or land uses identified in the service plan may be considered by the Planning and Community Development Department Director a material modification of the service plan. All material modifications of the service plan require review and approval by the Board of County Commissioners.
10. Any formation of a public improvements corporation would constitute a material modification of the service plan, which would require an amendment to the service plan and hearings before the Planning Commission and Board of County Commissioners.
11. Any formation of a separate non-profit development corporation would constitute a material modification of the service plan and would require an amendment to the service plan as well as hearings before the Planning Commission and Board of County Commissioners.

NOTATIONS

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.

2. Any increase or addition of services, powers, formation of new districts or entities either stated or unstated by this service plan will constitute a material modification of the service plan and require additional approvals by the Board of County Commissioners.

K. PUBLIC COMMENT AND NOTICE

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

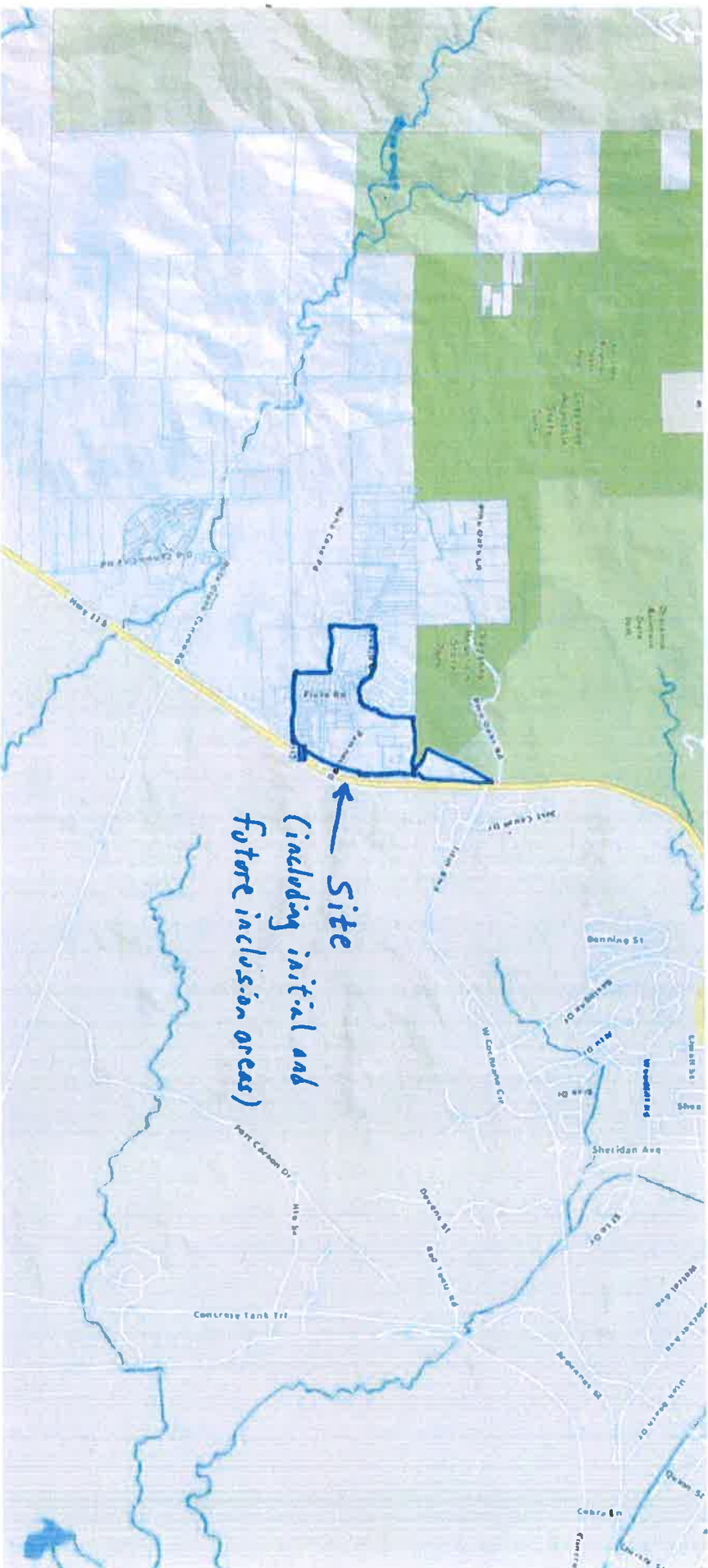
L. ATTACHMENTS

Vicinity Map
Letter of Intent
Proposed Service Plan and Attachments
2007 El Paso County Special District Polices
Rock Creek Mesa Water District Boundary Map
Rock Creek Metropolitan District Boundary Map
City of Colorado Springs Potential Annexation Areas Map
Planning Commission Minutes 12-05-17
Planning Commission Resolution
Board of County Commissioners Resolution

Rock Creek Metropolitan District

El Paso County Assessor's Office

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SpencerFane

RUSSELL W. DYKSTRA, PARTNER
DIRECT DIAL: (303) 839-3845
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File No. 5022841.0011

August 4, 2017

El Paso County
Planning and Community Development
Attn: Raimere Fitzpatrick
2880 International Circle
Colorado Springs, CO 80910

Re: Letter of Intent in Support of Formation of Proposed Rock Creek Metropolitan District

Mr. Fitzpatrick:

The proposed formation of the Rock Creek Metropolitan District (the "District") encompasses multiple parcels of land generally located to the West of Highway 115 and to the South of Cheyenne Mountain State Park ("Rock Creek Property"). The Rock Creek Property includes approximately 30 acres of land to be included within the initial boundaries of the District, as well as additional parcels that may total an estimated 90 acres or more (depending on how many of the parcels are ultimately included within the District). Including the proposed future inclusion area, ultimately the District is anticipated to consist of 240 multi-family residential units and 211 single family residential units (no commercial development is currently planned). The Rock Creek Property lies entirely within the boundaries of El Paso County, Colorado (the "County").

We respectfully request consideration of the District on the next possible public hearing of the Board of County Commissioners (the "Board") of the County in order to meet the requirements of a formation election in November 2017. As an initial matter, we note that some portion of the proposed District is located within the boundaries of the City of Colorado Springs. That said, where, as here, only a portion of the Project comprising the District will be located within the boundaries of the City of Colorado Springs, it is not necessary for the County to obtain consent from the City of Colorado Springs prior to formation of the District. In particular, C.R.S. §§ 32-1-202 (outlining the service plan filing requirements) and 32-1-204.5 (detailing the municipal approval process) provide that municipal approval is only necessary when a proposed district's boundaries will be "wholly contained within the boundaries of a municipality or municipalities." C.R.S. § 32-1-204.5.

One of the primary purposes of the District is to provide for the construction, installation, completion, financing and possible ownership, operation and maintenance of public improvements including, but not limited to, on and off-site streets, roadway, water and sanitary sewer, and park and recreation improvements, and services and powers provided for metropolitan districts authorized by the Special District Act, pursuant to Title 32, C.R.S. and provided within similar districts within the County. To the extent any of the authorized facilities and improvements are dedicated to and accepted by the County, the County shall own, operate and maintain such accepted facilities and related improvements. The District shall be authorized to own, operate and maintain any facilities and improvements not otherwise dedicated to and accepted by any applicable public entity acting as a Provider Jurisdiction (as defined in the proposed Service Plan), subject to any County rules and regulations.



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The owners of the property are Colorado Springs Equities LLC; and, Equity Management LLC Defined Benefit Retirement Plan. Preparation of the District's supporting documentation was provided by the District's organizers. The Developer of the Rock Creek Property is The Equity Group LLC. Cost estimates for the proposed public improvements were generated by Developer representatives, with the assistance of consultants FEI Engineers and Matrix Design Group, Inc., who have experience in the completion of similar improvements; it should be noted, though, that such costs estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall costs.

Developer representatives will make up the initial District Board in order to complete the proposed public improvements in accordance with approved development plans with the County. The new District will help pay for and structure the financing of public improvements and to make the lots and the property permit ready and will help absorb finished lots and homes into the County tax base.

Consistent with the proposed Service Plan, the Developer and the District intend to work with any overlapping service providers to obtain the necessary consents and/or approvals (as necessary) for the provision of necessary public services to the District including, but not limited to, water, wastewater/sewer and fire protection services. Additionally, the Developer and the District intend to coordinate the completion of the necessary public improvements in compliance with any approved development plans obtained by, or for the benefit of, the District.

I. Service Plan Letter of Intent.

The proponents for the formation of the District intend that this Service Plan shall be in conformity with the applicable standards contained in C.R.S. 32-1-203 and shall be compliant with all applicable County rules and regulations including, but not limited to County requirements for notice, publication, hearings and policies and procedures of the County for approval of a metropolitan district service plan. All pertinent facts, matters and issues shall be submitted to the County and evidence satisfactory to the County that each of the following was presented:

- a. There is sufficient existing and projected need for continued organized service in the area to be served by the District;
- b. The existing service in the area to be served by the District is not adequate for present and projected needs without the organization of the District;
- c. The District is capable of providing economical and sufficient services to the area it intends upon serving and/or financing the public improvements which shall be dedicated to and accepted by the County, or other Provider Jurisdiction;
- d. The area to be included within the District has, or will have the financial ability to discharge the proposed indebtedness of the District on a reasonable basis within the mill levy caps and restrictions provided by the County rules and regulations.
- e. The proposed service plan shall be consistent with applicable elements of the El Paso County Master Plan and Special District Policies.



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II. Major Service Plan Points for Rock Creek Metropolitan District.

- Approximately 30 acres of property in the initial boundaries, as well as the potential for an additional of up to an estimated 90 acres or more (depending on how many additional parcels are ultimately included within the District), and all within El Paso County.
- Completion of an estimated \$4,600,000 of on and off-site public improvements including, but not limited to on and off-site streets, roadway, water and sanitary, and landscaping improvements.
- Anticipated development of approximately 240 multi-family residential units and approximately 211 single family residential units.
- The estimated initial assessed value at time of complete build-out is \$7,778,704 (based upon an estimated initial market value at time of complete build-out of \$108,037,554 times 7.2%).
- The initial estimated cost of the public improvements needed for the project is \$4,600,000. The foregoing estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall costs.
- Public Improvements need additional financing from the District to complete.
- Debt is proposed to be issued in one or more series of bond issuances to allow for financing of constructed infrastructure and expedient completion of the overall project.
- Maximum Mill Levy of 65 mills inclusive of debt (50 mills), operations and administration (10 mills), and covenant enforcement and design review (up to 5 mills, if provided by the District), is proposed.
- Total projected mill levy of 50 mills for debt (residential), 35 mills for debt (commercial), 10 mills for operations and maintenance, and up to 5 mills for covenant enforcement and design review (if provided by the District) allows for financing of up to approximately \$7,600,000 based upon initial estimates.
- Requested Debt Authorization of \$8,000,000 allows for contingencies and financing variations based upon changes to construction costs, development build out and absorption of the project.
- Maximum voted interest rate of 12%, maximum underwriting discount of 5%.
- Metropolitan district powers allowed by the Special District Act and consistent with other El Paso County metropolitan districts.
- Formation Election after approval of the Service Plan in November 2017.
- There are no current residents within the District and no debt or bonds have been issued.



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- Mill levies, interest rate limitations, term limitations and underwriting discounts will be consistent with the present County imposed limitations with other service plans approved by the County.
- Maximum term of any bond issue is 30 years for General Obligation Bonds.
- Rock Creek Metropolitan District shall develop and finance its own property.

The Rock Creek Metropolitan District Service Plan will serve the best interests of the taxpayers, property owners and development of the property within the Rock Creek Property, will minimize non-interested party obligations, and will maximize both development and absorption within the District and County without delays in development. The formation of the District will allow for financing and development to pay for only those improvements and costs which are a direct benefit to the property within the District.

We look forward to working with the County on this matter.

Sincerely,
SPENCER FANE LLP

/s/ Russell W. Dykstra
Russell W. Dykstra, General Counsel

ph/

**ROCK CREEK
METROPOLITAN DISTRICT**

EL PASO COUNTY, COLORADO

**REVISED DRAFT
(August 25, 2017)**

SERVICE PLAN
FOR
ROCK CREEK
METROPOLITAN DISTRICT

Prepared by:

SPENCER FANE LLP
Attention: Russell W. Dykstra
1700 Lincoln Street, Suite 2000
Denver, CO 80203-4554
Phone: 303-839-3845
E-mail: rdykstra@spencerfane.com

REVISED DRAFT (August 25, 2017)

Applicant(s)

Developer:

The Equity Group LLC
Attention: Danny Mientka
90 South Cascade Avenue, Suite 1500
Colorado Springs, CO 80903
Office: (719) 448-4034

Proposed Initial Directors:

Danny Mientka
Rebecca Mientka
Melissa Christensen
Deirdre Aden-Smith

Consultants(s)

- Underwriter

D.A. Davidson & Co.
1550 Market Street, Suite 300
Denver, CO 80202

- Engineers

FEI Engineers
5325 South Valentia Way
Greenwood Village, CO 80111

- Consultant

Matrix Design Group, Inc.
2435 Research Parkway, Suite 300
Colorado Springs, CO 80920

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EXHIBITS

- A. Maps and Legal Descriptions
 - 1. Vicinity Map and Initially Included Property Map
 - 2. Legal Descriptions of Initially Included Properties
 - 3. Additional Included Property Map (if applicable)
- B. Development Summary
- C. Infrastructure Capital Costs
- D. Financial Plan Summary
- E. Annual Report and Disclosure Form

I. EXECUTIVE SUMMARY

The following is a summary of general information regarding the proposed District provided for the convenience of the reviewers of this 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:	Rock Creek Metropolitan District
Property Owner(s):	Colorado Springs Equities LLC; and, Equity Management LLC Defined Benefit Retirement Plan
Developer(s):	The Equity Group LLC
Description of Development:	<i>Approximately 30 acres within the initial proposed District boundaries in El Paso County and, together with the proposed additional boundary area, ultimately the District is anticipated to consist of 240 multi-family residential units with an average value of approximately \$160,000, and 211 single family residential units with an average value of approximately \$316,000</i>
Proposed Improvements to be Financed:	<i>Proposed completion of an estimated \$4,600,000 of on and off-site public improvements including, but not limited to, on and off-site streets, roadway, water and sanitary sewer, and park and recreation improvements. The foregoing costs estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall costs.</i>
Proposed Ongoing Services:	<i>The Developer and the District intend to work with any overlapping service providers to obtain the necessary consents and/or approvals for the provision of necessary services to the District including, but not limited to, water, wastewater, streets, drainage, parks and recreation, and fire protection services. Additionally, the District shall have the power and authority to provide other services as authorized under the Special District Act including, but not limited to, mosquito control, television relay and translation, covenant enforcement and design review, and security services.</i>
Infrastructure Capital Costs:	Initial costs estimates of approximately \$4,600,000

Maximum Debt Authorization:	Up to \$8,000,000
Proposed Debt Mill Levy:	50 Mills – residential; 35 Mills – commercial
Proposed O & M Mill Levy:	10 Mills
Proposed Special Purpose Mill Levy:	Covenant enforcement and design review – if provided by the District an additional mill levy of up to 5 mills may be utilized
Proposed Maximum Mill Levies:	65 Mills
Proposed Fees:	<i>(Development Fees of up to \$2,500 per single family equivalent units. Service Fees for covenant enforcement and design review (if provided) will be through a special purpose mill levy.)</i>

II. 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: means the property described in Section III. and depicted on the map found at Exhibit A.3 that is anticipated for future inclusion into the boundaries of the District.

Annual Report and Disclosure Statement: means the statement of the same name required to be filed annually with the Board of County Commissioners pursuant to Resolution 06-472 as may be amended.

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 greater than or equal to ten percent (10%) of all 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.

District: means the Rock Creek 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 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.

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, which, among other things, outlines what constitutes a material modification and the procedure for making a modification in a service plan.

Maximum Combined Mill Levy: The maximum combined 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 \$8,000,000.

Maximum Debt Service Mill Levy: The maximum 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 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 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*)

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

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, which laws generally outline the parameters of special districts, from organization through dissolution.

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 PUD plans, or subdivision plans.

III. INTRODUCTION

A. Overall Purpose and Intent.

The District will be created pursuant to the Special District Act. 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, in their discretion, will provide a part or all of various Public Improvements necessary and appropriate for the development of a project generally located within the unincorporated County to be known as "Rock Creek" (the "Project"). Where, as here, only a portion of the Project comprising the District will be located within the boundaries of the City of Colorado Springs, it is not necessary for the County to obtain consent from the City of Colorado Springs prior to formation of the District. In particular, C.R.S. §§ 32-1-202 (outlining the service plan filing requirements) and 32-1-204.5 (detailing the municipal approval process) provide that municipal approval is only necessary when a proposed district's boundaries will be "wholly contained within the boundaries of a municipality or municipalities." C.R.S. § 32-1-204.5. The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants, property owners and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements. Additional major purposes may include covenant enforcement, design review and park and recreation purposes.

B. Need For The District.

There is a need for creation of 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 the 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 this Service Plan the objectives of the County include an intent to allow the applicant(s) reasonable access to public tax-exempt financing for reasonable costs associated with the generally identified Public Improvements and to allow the applicant(s) 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 the District.

It is the additional objective of the County to allow for the District to provide for the identified ongoing services which either cannot or will not be provided by the County and/ or other districts.

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. The District shall have the power and authority to finance, design, construct, acquire, install, maintain, assess tap or other facility fees, and provide for potable water and irrigation water facilities and systems, including, but not limited to, water rights, water supply, treatment, storage, transmission, and distribution systems for domestic, irrigation, fire control, and other public purposes, together with all necessary and proper reservoirs, treatment facilities, wells, equipment, and appurtenances incident thereto, which may include, but shall not be limited to, transmission lines, pipes, distribution mains and laterals, storage facilities, and ditches, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. The District shall have the power and authority to contract with other private or governmental entities to provide any or all of the services the District are authorized or empowered to provide. To the extent necessary, the District shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction rules and regulations.

It is not determined yet whether or to what extent the District intends to join the El Paso County Water Authority following formation.

2. Sanitation. The District shall have the power and authority to finance, design, construct, acquire, install, maintain, assess tap or other facility fees, and provide for sanitary sewers and to transport wastewater to an appropriate wastewater treatment facility, with all

necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. To the extent necessary, the District shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction rules and regulations.

3. Street Improvements, Transportation and Safety Protection. The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for arterial and collector streets and roadway improvements including, but not limited to, bridges, curbs, gutters, culverts, storm sewers and drainage facilities, detention and retention ponds, retaining walls and appurtenances, sidewalks, paving, lighting, grading, landscaping, streetscaping, placement of underground utilities, snow removal, tunnels, and other street improvements, and architectural enhancements to any or all of the above, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. It is anticipated that the foregoing street improvements will be dedicated by the District to the County upon completion and, following acceptance by the County, the County will own, operation and maintain such street improvements.

4. Drainage. The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements, including, but not limited to, culverts, dams, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, water quality facilities, and all necessary and proper equipment, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. To the extent necessary, the District shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction rules and regulations.

5. Parks and Recreation. The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs including, but not limited to, grading, soil preparation, sprinkler systems, fencing, pavilions, playgrounds, playing fields, open space, bike trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping, streetscaping, storage buildings and facilities, weed control, paving, decorative paving, outdoor functional and decorative lighting, community events, and other services, programs and facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. To the extent necessary, the District shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction rules and regulations.

The District shall not have the authority to apply for or utilize any Conservation Trust ("Lottery") funds without the express prior consent of the Board of County Commissioners. The District shall have the authority to apply for and receive any other grant funds, including, but not limited to, Great Outdoors Colorado (GOCO) discretionary grants. Such approval, although required, is not considered to be a material modification which would require the need to revise this Service Plan.

6. Mosquito Control. The District shall have the power and authority to finance, design, construct, acquire, install, operate, maintain, and provide for systems and methods for the eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

7. Fire Protection. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the applicable Fire District. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

8. Television Relay and Translation. The District shall have the power and authority to finance, design, construct, install, acquire, operate, and maintain television relay and translator facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

9. Covenant Enforcement and Design Review. The District shall have the power and authority to provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32-1-1004(8), as amended, which section addresses covenant enforcement and design review services as additional powers of a metropolitan district under certain circumstances. The Covenant enforcement and design review powers will be coordinated through District No. 1 on behalf of all of the District pursuant to a Master Intergovernmental Agreement to be executed by the District at their organizational meeting.

10. Security Services. The District shall have the power and authority to provide security services within the boundaries of the District, subject to the limitations set forth in C.R.S. § 32-1-1004(7), as amended, which section addresses security services as an additional power of a metropolitan district under certain circumstances. In no way is this power and authority intended to limit or supplant the responsibility and authority of local law enforcement (i.e., the El Paso County Sheriff's Department) within the boundaries of the District.

11. Solid Waste Disposal. The District has no plans to provide solid waste disposal services.

12. General. To the extent any of the above referenced facilities, improvements and services are dedicated and accepted by the County, the County shall own, operate and maintain such accepted facilities and related improvements. The District shall be authorized to own, operate and maintain any facilities, improvements and appurtenances not otherwise dedicated to and accepted by any Provider Jurisdiction, subject to any applicable County rules and regulations.

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., as it

may be amended from time to time, which, among other things, outlines what constitutes a material modification and the procedure for making a modification in a service plan.

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 applicable 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 arrangements with the County of 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 area that may be served by the District is included as Exhibit A. The legal description of the District boundaries is in Exhibit A.

2. Additional Inclusion Areas/Boundary Adjustments. Additional inclusion areas are anticipated in addition to the initially included properties. These additional inclusion areas are found at Exhibit A.3. The District shall be authorized to include territory within the Additional Inclusion Area in accordance with applicable provisions of the Special District Act. Further, in order to accommodate the needs of Project phasing and other contingencies, the boundaries of the District may be adjusted via the inclusion or exclusion within the combined area of the Initial District Boundaries and the Additional Inclusion Areas in accordance with the applicable provisions of the Special District Act.

3. Extraterritorial Service Areas. The District does not anticipate providing services to areas outside of the Initial District Boundaries or the Additional Inclusion Area.

4. Analysis Of Alternatives. It is anticipated that the District will undertake the financing and construction of the improvements contemplated herein. If and as necessary, the District will enter into one or more intergovernmental agreements which will govern the relationships between and among the District and other entities (which may include other local jurisdictions) with respect to the financing, construction and operation of the improvements contemplated herein. Also if and as necessary, the District will establish a mechanism whereby the District may separately or cooperatively fund, construct, install and operate the improvements.

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-District 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 property described in Exhibit A.3 unless explicitly contemplated in this Service Plan.

IV. DEVELOPMENT ANALYSIS

A. Existing Developed Conditions.

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

B. Total Development At Project Buildout.

At complete Project build-out, development within the District (including both the current and future proposed inclusion area) is planned to consist of approximately 211 single family homes, with prices of homes in the project expected to average approximately \$300,000 in year 2017 dollars; and, approximately 240 multi-family units, with prices of units in the project expected to average approximately \$150,000 per unit in year 2017 dollars.

C. Development Phasing And Absorption.

Absorption of the project is projected to take 5 years, beginning in 2018 and ending in 2022 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 progressing. It is requested that the service plan approval process move forward so that the organizational and debt election can occur in November 2017. This will allow future purchasers to have full knowledge of the District. Additionally, approval of the District at this stage will facilitate the planning, implementation and financing of the engineering, design and other related activities necessary for this project to move forward.

V. INFRASTRUCTURE SUMMARY

Attached as Exhibit C is summary of the estimated costs of Public Improvements which are anticipated to be required within the District. A general description of the categories of Public Improvements is included in Section III.D. of this Service Plan. The total costs of the Public Improvement is estimated to be approximately \$4,600,000, in year 2017 dollars. It should be noted, though, the foregoing costs estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall costs. It is estimated that the District will finance up to approximately \$8,000,000, but the amount ultimately financed by the District will depend upon the ultimate costs of the Public Improvements, and will be subject to the Maximum Authorized Debt limit and financial capacity of the District within the limitations provided in the Service Plan.

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 Boards 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 \$8,000,000 in principal amount. The additional amount beyond actual costs is provided to allow for contingencies and unanticipated changes from the date of approval of this Service Plan.

C. Maximum Mill Levies.

1. Maximum Debt Service Mill Levy. The Maximum Debt Service Mill Levy shall be fifty (50) mills, subject to Gallagher Adjustment. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. (which outlines the various financial powers of a special district), and all other requirements of State law.

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

3. Maximum Special Purpose Mill Levy. The Maximum Special Purpose Mill Levy for the District is five (5) Mills, subject to Gallagher Adjustment.

4. Maximum Combined Mill Levy. The Maximum Combined Mill Levy is 65 Mills, subject to Gallagher Adjustment.

Increases to or removal of any of the Maximum Mill Levies shall be subject to Board of County

Commissioner approval without the need for a formal Service Plan Amendment (unless the Board otherwise requires).

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 the 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 this Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S., which defines "net effective interest rate" for purposes of the Special District Act) 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

A. Overlapping Taxing Entities.

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

For property located within the City of Colorado Springs:

El Paso County	.007589
El Paso County Road and Bridge Share	.000165
City of Colorado Springs	.004279
El Paso County Road and Bridge Share	.000165
Fountain/Fort Carson School. District No. 8	.024748
Pikes Peak Library District	.003957
Southeastern Colorado Water Conservancy	.000940
Total Existing Mill Levy:	.041843

The total mill levy for property located within the City of Colorado Springs including the initially proposed District's mill levy is .106843 mills.

For property located outside of the City of Colorado Springs:

El Paso County	.007589
El Paso County Road and Bridge (unshared)	.000330
Fountain/Fort Carson School. District No. 8	.024748
Pikes Peak Library District	.003957
Southwestern Highway 115 Fire Protection District	.013200
Total Existing Mill Levy:	.049824

The total mill levy for property located outside of the City of Colorado Springs including the initially proposed District's mill levy is .114824 mills.

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

B. Neighboring Jurisdictions.

The following additional taxing and or service providing entities include territory within three (s) miles of the Initial District Boundaries: Broadmoor Fire Protection District; Cheyenne Mountain 12 School District; City of Colorado Springs; El Paso County Conservation District; Fountain/Fort Carson 8 School District; Harrison 2 School District; Red Rock Valley Estates Water District; Rock Creek Mesa Water District; Southeastern Colorado Water Conservancy District; Southwestern Highway 115 Fire Protection District; and, Widefield 3 School District.

Anticipated relationships and impacts to these entities: As noted previously, the Developer and the District intend to work with any overlapping service providers to obtain the necessary consents and/or approvals for the provision of necessary services to the District including, but not limited to, water, wastewater and fire protection services.

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 file a petition in the appropriate District Court for dissolution, 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., which, among other things, outlines the various circumstances under which the Division of Local Government may pursue dissolution of a district.

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), which generally outlines the annual reporting parameters, and as further articulated by Board of County Commissioners Resolution No. 07-273, which Resolution adopted the County's model service plan.

B. Material Modifications of this Service Plan shall be subject to the provisions contained in Section 32-1-207, C.R.S. (as it may be amended from time to time, which, among other things, outlines what constitutes a material modification and the procedure for making a modification in a service plan), 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 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 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, Planning and Community Development 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 that 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.

EXHIBIT A

MAPS AND LEGAL DESCRIPTIONS

**Rock Creek Metropolitan District
Boundary Map - Initial Inclusion & Future Inclusion**

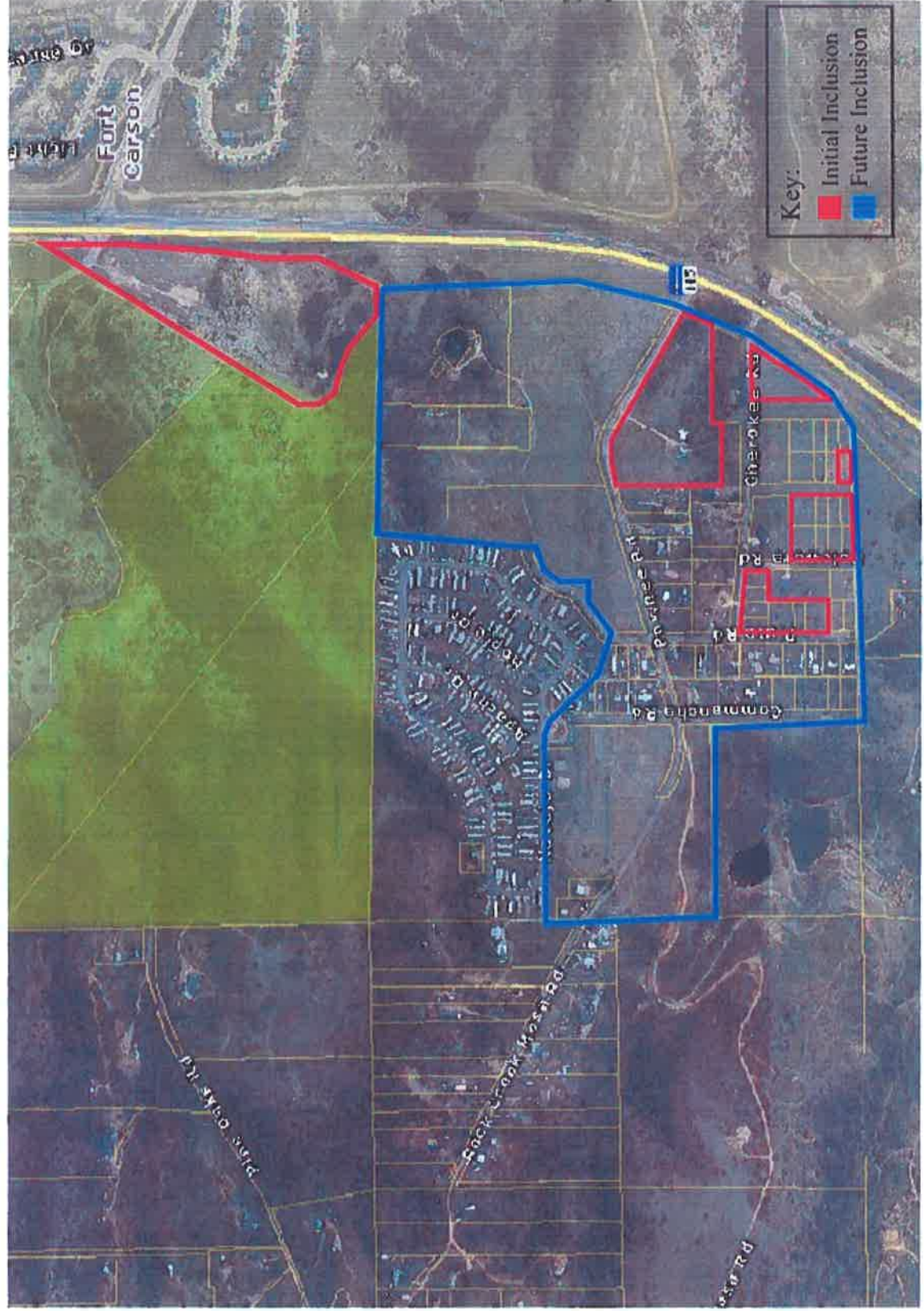


EXHIBIT A

ROCK CREEK METROPOLITAN DISTRICT

Property Address: 3 30-15-66
Tax Schedule No. 65000-00-135
Ownership: Colorado Springs Equities LLC

Legal Description:

THAT PART OF W2NE4 SEC 30-15-66 LY BETWEEN OLD AND NEW CANON CITY ROADS

Property Address: Cherokee Drive
Tax Schedule No. 65303-07-001
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 1 BLOCK 8 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: 153 Cherokee Drive
Tax Schedule No. 65303-07-002
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 2 BLOCK 8 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Cherokee Drive
Tax Schedule No. 65303-07-003
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 3 BLOCK 8 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Cherokee Drive
Tax Schedule No. 65303 07 004
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 4 BLOCK 8 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: 0 Piute Road
Tax Schedule No. 65303 07 005
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 5 BLOCK 8 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Piute Road
Tax Schedule No. 65303 07 008
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 6 BLOCK 8 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Piute Road
Tax Schedule No. 65303 07 009
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 7 BLOCK 8 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Piute Road
Tax Schedule No. 65303 07 019
Ownership: Colorado Springs Equities LLC

Legal Description: LOTS 8 & 9 BLOCK 8 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Seneca Road
Tax Schedule No. 65303-08-007
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 15, BLOCK 9, ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Delaware Road
Tax Schedule No. 65303 08 008
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 6 BLOCK 9 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Delaware Road
Tax Schedule No. 65303 08 009
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 7 BLOCK 9 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Seneca Road
Tax Schedule No. 65303 08 010
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 14 BLOCK 9 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Seneca Road
Tax Schedule No. 65303 08 011
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 13 BLOCK 9 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Delaware Road
Tax Schedule No. 65303-08-012
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 8 BLOCK 9 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Delaware Road
Tax Schedule No. 65303 08 013
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 9 BLOCK 9 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Seneca Road
Tax Schedule No. 65303 08 014
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 12 BLOCK 9 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Seneca Road
Tax Schedule No. 65303 08 015
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 11 BLOCK 9 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Delaware Road
Tax Schedule No. 65303 08 016
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 10 BLOCK 9 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: Seneca Road
Tax Schedule No. 65303 09 015
Ownership: Colorado Springs Equities LLC

Legal Description: LOT 8 BLOCK 10 ROCK CREEK MESA SUBDIVISION ADDITION 2

Property Address: 0 30-15-66
Tax Schedule No: 65304-00-009
Ownership: Equity Management LLC Defined Benefit Retirement Plan

Legal Description:

That portion of the South half of Section 30 in Township 15 South, Range 66 West of the 6th P.M., described as follows: Commencing at the South quarter corner of said Section 30; Thence East on the South line thereof 206.7 feet to its intersection with the center line of State Highway No. 115 as described in Deed recorded in Book 941 at page 394 of the records of El Paso County, Colorado, under Reception No. 604859; Thence Northerly on the center line of said highway, 716 feet, more or less, to the most Easterly corner of the tract of land described in Deed to Howard L. McMillen and Evelyn B. McMillen recorded in Book 1393 at page 121 of said records under Reception No. 904410 for the point of beginning of the tract to be described hereby; Thence Westerly on the Northerly line of said McMillen tract to an angle point thereon; thence North on an Easterly line of said McMillen tract 100 feet to a corner thereof; Thence West on the Northerly line of said McMillen tract 300 feet to a corner thereof; Thence North on an Easterly line thereof 292 feet; Thence East parallel with the South line of said Section 300 feet; Thence South parallel with the West line of said Section 242 feet; Thence East parallel with the South line of said Section to intersect the center line of said State Highway No. 115; Thence Southwesterly on said center line to the point of beginning; EXCEPT that portion described in Deed recorded in Book 2035 at page 159 under Reception No. 368209; and that portion of the South half of Section 30 in Township 15 South, Range 66 West of the 6th P.M., described as follows: Commencing at a point where the center line of State Highway No. 115 and the Northeast corner of that tract of land conveyed to Percy G. and Opal May Griffin in Book 1570 at page 408 of the El Paso County, Colorado, records coincide; thence West along the North line of said Griffin tract to a point which is a corner of said Griffin tract; thence North along and

Easterly line of said Griffin tract a distance of 242 feet to a point which is a corner of said Griffin tract; thence West along the North line of said Griffin tract a distance of 300 feet to a point on an East line of that tract of land conveyed to Howard L. McMillen and Evelyn E. McMillen by Deed recorded in Book 1393 at page 121; thence North on said East line of said McMillen tract a distance of 353 feet to the South line of the County Road as it is now used; Thence Easterly and Southeasterly along the South line of said County road to its intersection with the center line of State Highway No. 115; Thence Southwesterly along the center line of said State Highway to the place of beginning; County of El Paso, State of Colorado

Property Address: 0 Sioux Road
Tax Schedule No. 65304 01 001
Ownership: Colorado Springs Equities LLC

Legal Description: ALL BLOCK 11 ROCK CREEK MESA SUBDIVISION ADDITION EXCEPT
.777 ACRES TO HIGHWAY

EXHIBIT B

DEVELOPMENT SUMMARY

Approximately 211 single family homes are anticipated to be developed and completed over a period of 4 years beginning in 2018, with prices of such homes expected to average approximately \$300,000 in year 2017 dollars.

Additionally, approximately 240 multi-family units are anticipated to be developed and completed over a period of 5 years beginning in 2018, with prices of such units expected to average approximately \$150,000 per unit in year 2017 dollars.

EXHIBIT C

ESTIMATED INFRASTRUCTURE CAPITAL COSTS

Pine Oaks - Sanitary Sewer Extension
Opinion of Probable Construction Costs
Matrix Design Group, Inc.
March 11, 2015

	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Mobile Home Park Connection</u>				
Development Charges for Mobile Homes (Connection Fees)*	236	ea	\$ 1,900	\$ 448,400
Development Charges for Single Family Unit (Connection Fees)*	1	ea	\$ 2,882	\$ 2,882
Cost Recovery for JL Ranch Pump Station	42.77	ac	\$ 161	\$ 6,900
* Requires City Council approval for outside user				\$ 458,182

Extension Costs from Mobile Home Park to New Lift Station

Mobilization	1	ls	\$ 7,500	\$ 7,500
Grading within Easement	1	ls	\$ 25,000	\$ 25,000
Erosion Control	1	ls	\$ 7,500	\$ 7,500
Reseeding/Stabilization	1	ls	\$ 5,000	\$ 5,000
Connection from Existing MHP System to New System	1	ls	\$ 10,000	\$ 10,000
8" Sanitary Sewer Main	1,675	lf	\$ 45.00	\$ 75,375
4' Manhole	7	ea	\$ 4,500.00	\$ 31,500
Subtotal - Hard Costs				\$ 161,875

Design Survey	1	ls	\$ 3,500	\$ 3,500
Easement Documentation	1	ls	\$ 2,000	\$ 2,000
Engineering	1	ls	\$ 12,500	\$ 12,500
Construction Surveying	1	ls	\$ 2,500	\$ 2,500
Construction Management	1	ls	\$ 5,000	\$ 5,000
Subtotal - Soft Costs				\$ 25,500

Subtotal Project Costs	\$ 187,375
Contingency (20%)	\$ 37,475
Total Estimated Cost	\$ 224,850

Extension Costs from New Lift Station to JL Ranch Height Road

Mobilization	1	ls	\$ 15,000	\$ 15,000
Grading within Easement	1	ls	\$ 50,000	\$ 50,000
Erosion Control	1	ls	\$ 20,000	\$ 20,000
Reseeding/Stabilization	1	ls	\$ 15,000	\$ 15,000
Lift Station	1	ls	\$ 450,000	\$ 450,000
Electric Service for Lift Station	1	ls	\$ 15,000	\$ 15,000
4" Sanitary Sewer Force Main	5,700	lf	\$ 40.00	\$ 228,000
4' Manhole	1	ea	\$ 4,500.00	\$ 4,500
Check Valves	10	ea	\$ 1,000.00	\$ 10,000
Air Release Station	1	ea	\$ 12,500.00	\$ 12,500
5' Manhole with Sewer Tie-in to Gravity Main (Includes bypass pumping)	1	ls	\$ 10,000	\$ 10,000
Upgrades to JL Ranch Pump Station	1	ls	\$ 80,000	\$ 80,000
Cost Recovery for JL Ranch Pump Station	16.04	ac	\$ 161	\$ 2,588
Subtotal - Hard Costs				\$ 912,588

208 Permitting/Permitting Fees/Preliminary Engineering Design	1	ls	\$ 50,000	\$ 50,000
Design Survey	1	ls	\$ 3,500	\$ 3,500
Easement Documentation	1	ls	\$ 2,500	\$ 2,500
Final Engineering	1	ls	\$ 45,000	\$ 45,000
Construction Surveying	1	ls	\$ 3,500	\$ 3,500
Construction Management	1	ls	\$ 10,000	\$ 10,000
Subtotal - Soft Costs				\$ 114,500

Subtotal Project Costs	\$ 1,027,088
Contingency (20%)	\$ 205,418
Total Estimated Cost	\$ 1,232,505

Pine Oaks - Water Main Extension
Opinion of Probable Construction Costs
Matrix Design Group, Inc.
March 11, 2015

	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Extension Costs from Northern Property Boundary to JL Ranch Heights Road</u>				
Mobilization	1	ls	\$ 15,000	\$ 15,000
Grading within Easement	1	ls	\$ 50,000	\$ 50,000
Erosion Control	1	ls	\$ 20,000	\$ 20,000
Reseeding/Stabilization	1	ls	\$ 15,000	\$ 15,000
8" Water Main with Bends and Valves	10,950	lf	\$ 50.00	\$ 547,500
Air Release Station	1	ea	\$ 12,500.00	\$ 12,500
Cost Recovery ?????		ac	\$	\$ -
Subtotal - Hard Costs				\$ 660,000
Design Survey	1	ls	\$ 3,500	\$ 3,500
Easement Documentation	1	ls	\$ 2,500	\$ 2,500
Final Engineering	1	ls	\$ 25,000	\$ 25,000
Construction Surveying	1	ls	\$ 3,500	\$ 3,500
Construction Management	1	ls	\$ 10,000	\$ 10,000
Subtotal - Soft Costs				\$ 44,500
Subtotal Project Costs				\$ 704,500
Contingency (20%)				\$ 140,900
Total Estimated Cost				\$ 845,400



TECHNICAL MEMORANDUM

TO: Mr. Dany Mientka, The Equity Group, LLC

FROM: Nathan Martinson, P.E.

REVIEWED BY: Bob Frachetti, P.E.

DATE: June 9, 2017

SUBJECT: Pine Oaks Lift Station, Alternative Service Area Cost Comparison

PN/File No.: EQTY-17-0235 5.0

The purpose of this technical memorandum (TM) is to evaluate alternatives and costs to potentially connect two additional service areas into the planned Pine Oaks lift station (Project) for the Sundance at Rock Creek Apartments Development (Sundance). Adding service areas to this Project will increase capital and long term operation and maintenance (O&M) costs. However, the present worth of O&M costs may be less than the capital.

1. BACKGROUND

The Equity Group (Owner) is currently in planning phases for the Sundance development which will reside in El Paso County, Colorado. The planned lift station will be located in the south or southeastern portion of the Sundance development site, with the exact location to be determined. The lift station will convey municipal wastewater through a 5,500-linear foot of force main to a terminal gravity sewer which is owned, operated, and maintained by Colorado Springs Utilities (CSU). The force main will run along north portion of State Highway 115 (Vietnam Veterans Memorial Highway) until it reaches the terminal manhole. At a minimum, the primary service area will consist of wastewater from the Sundance development, and the Project's lift station and force main will be sized to convey this wastewater generated from the planned 240 apartment units. See Attachment A for the Sundance development site plan provided from the Owner.

With the assistance of this TM's findings, the Owner may decide to negotiate two other adjacent service area land owners to use the Sundance's lift station. The two adjacent service areas evaluated for potential tie in are: (1) The Pinions at Rock Creek Mesa (Pinions) located west of Sundance, and (2) Cheyenne Mountain Estates Mobile Home Park (Cheyenne Estates) located to the northwest of Sundance. The Pinions is an adjacent development that is also currently in the planning stages while the Cheyenne Estates is existing and currently using individual septic systems for wastewater disposal and treatment.

This TM will determine sewer flows from these potential service areas and provide a conceptual level Engineer's Opinion of Probable Construction Cost (OPCC) for each. FEI notes potential service area tap fees, user fees, or similar for each additional service area were not evaluated within the scope of this TM. Additionally, easement costs and/or land use acquisition costs from one service area to another are excluded.

2. PROBABLE COST APPROACH & METHODOLOGY

FEI used a lump sum price approach to estimate the conceptual capital cost for the lift station for the three alternatives. Each portion of work is divided into one of the Construction Specification Institute (CSI) Divisions - 1 through 16. Each CSI Division is further subdivided into specific portions of work (i.e., line item for each product/material) – where a lump sum price is given for each line item.

To reach a total estimated conceptual level, capital project cost, the subtotal cost must also be adjusted to account for construction prorates, contractor's overhead and profit, a construction contingency, and an estimate for engineering services. It is FEI's experience that construction prorates typically account for 18 percent of the subtotal; 10 percent for overhead and profit; and for typical cost estimations at this conceptual level, a 30 percent design/construction contingency; and 15 percent estimate for engineering services. Contingency can be adjusted based on projected changes from the conceptual planning stages to final design plans and specifications. A detailed breakout of the subtotals and adjustments is included in the OPCCs provided as an attachment to this TM.

To determine the lump sum prices for each line item, FEI used the following sources to assist in the development of each OPCC:

- Historic bid tabulations from FEI's archived lift station projects within Colorado (adjusted for inflation, 2017 dollars)
- Historic bid tabulations from various other sources within Colorado (adjusted for inflation, 2017 dollars)
- Historic contractor cost estimates for previously completed FEI projects (adjusted for inflation, 2017 dollars)
- Unit price cost data from published sources (e.g., RS Means)
- When multiple sources provided cost estimates for specific line items, FEI used the most reliable source, which was typically local contractor cost estimates for projects completed within the last calendar year.

2.1. DESIGN ASSUMPTIONS FOR BASE COST OF LIFT STATION AND FORCE MAIN

A base cost will be determined for the lift station and force main as these facilities will be required, at a minimum, to serve the Sundance development service area. This base cost evaluation is also considered "Alternative 1". The costs for tying in the alternative service areas are considered "adder costs", and are in addition to the base cost generated for Alternative 1.

By evaluating and incorporating feedback from the Owner; Matrix Design Services (the Owner's Representative); and CSU, FEI has made the following assumptions to assist in the preparation of each the Alternative 1 base cost and additional alternative costs:

- Lift station wetwell will be a buried, below grade structure not exceeding 25 feet in depth and utilizing submersible non-clog sewage pumps.
- Lift station and its components will include submersible solids handling pumps, accessories, valves, and discharge piping to the force main. Accessories include but are not limited to: motors, motor starters, guide rails for removal, electrical, packaged controls, level sensors, flow metering devices, and other instrumentation.
- A masonry block building with a control room and backup generator room will be provided. The masonry building will meet all code requirements, including a fully automated HVAC system. Access to the wetwell and pumps will be provided exterior of the building. Interior

access of the wetwell and pumps within the building is considerably more expensive and not a typical design practice.

- Electrical components include a backup generator, service disconnects, lighting panels, lights, receptacles, interior transformer(s), and other electrical gear. Electrical service requirements prior to the main service disconnect are the responsibility of the electrical utility and are not included.
- Native soils that are easily excavated, backfilled, and compacted, and do not consist of bedrock.
- Ground water table is greater than 25 feet below ground surface. Groundwater dewatering for construction is not included.
- Bedrock would not be encountered within the vicinity of the excavation for the lift station.

All OPCC's made available within this TM are preliminary, conceptual, and are subject to change as the design progresses. The relative accuracy of the OPCC is costs provided with a 30 percent contingency due to the current preliminary and conceptual state of the project.

3. SERVICE AREA ALTERNATIVES

Each service area alternative added to Alternative 1, or the base alternative, will increase the cost and would ultimately be passed onto the users via tap fees and/or monthly user fees. As mentioned, the Owner may negotiate with the adjacent service area landowners provided there is cost benefit to do so.

The receiving treatment facility for all potential service areas for this lift station is owned and operated by CSU. El Paso County and CSU provide guidelines for sewer generation estimates on a gallon per person per day basis. Both El Paso County and CDPHE On-site Wastewater Treatment Systems regulations (Regulation 43) recommend a design wastewater generation rate of 75 gallons per day (gpd) per person. FEI used historic census data to determine the persons per household for each dwelling unit (DU). This TM will analyze expected sewer flow from these service areas by categorizing them into three alternatives.

1. Alternative 1 (Base Cost): Sundance at Rock Creek Apartments.
2. Alternative 2: Sundance at Rock Creek Apartments combined with Pinons at Rock Creek Mesa.
3. Alternative 3: Sundance at Rock Creek Apartments combined with Pinions at Rock Creek Mesa and the existing Cheyenne Estates.

3.1. ALTERNATIVE 1 (BASE ALTERNATIVE): SUNDANCE AT ROCK CREEK APARTMENTS

The Sundance development will be located near the intersection of Pine Oaks Road and State Highway 115. The development will be a 2-phased construction and the buildout service area will have 240 DU. Based on US Census Data for Colorado Springs, average occupancy for apartments is 2.27 persons per household (i.e., DU). Based on the County sewer flow design requirements of 75 gallons per person per day, the service area is expected to generate 40,900 gallons of wastewater per day (average day flow). See Figure 1 for the service area location and the proposed location of the lift station.

Table 1 presents the flow calculations for this base alternative.

Table 1. Alternative 1 Estimated Wastewater Generation (Sundance Apartments)

Item	Value	Unit
Number of Apartments	240	Dwelling Units
Number of persons per Apartment ⁽¹⁾	2.27	Persons/household
Sewer flow per person ⁽²⁾	75	Gallons per day
Total Estimated Average Daily Flow	40,900	Gallons per day
Total Estimated Peak Hour Flow⁽³⁾	204,500	Gallons per day
	142	Gallons per minute

(1) US Census Bureau for City of Colorado Springs.

(2) Per El Paso County and CDPHE On-Site Wastewater Treatment Systems Regulation.

(3) Peaking factor of 5.0.

Table 2 provides the OPCC for Alternative 1 which includes the wet well below grade structures, above grade structures, lift station equipment, and electrical/controls. The cost of the force main was not included, as preliminary flow data indicates the pipe size will not change, and likely will remain the minimum size of 4-inch for all alternatives. Additionally, the gravity sewer pipelines within the Sundance development were omitted as they will not directly impact the lift station or alternate service areas.

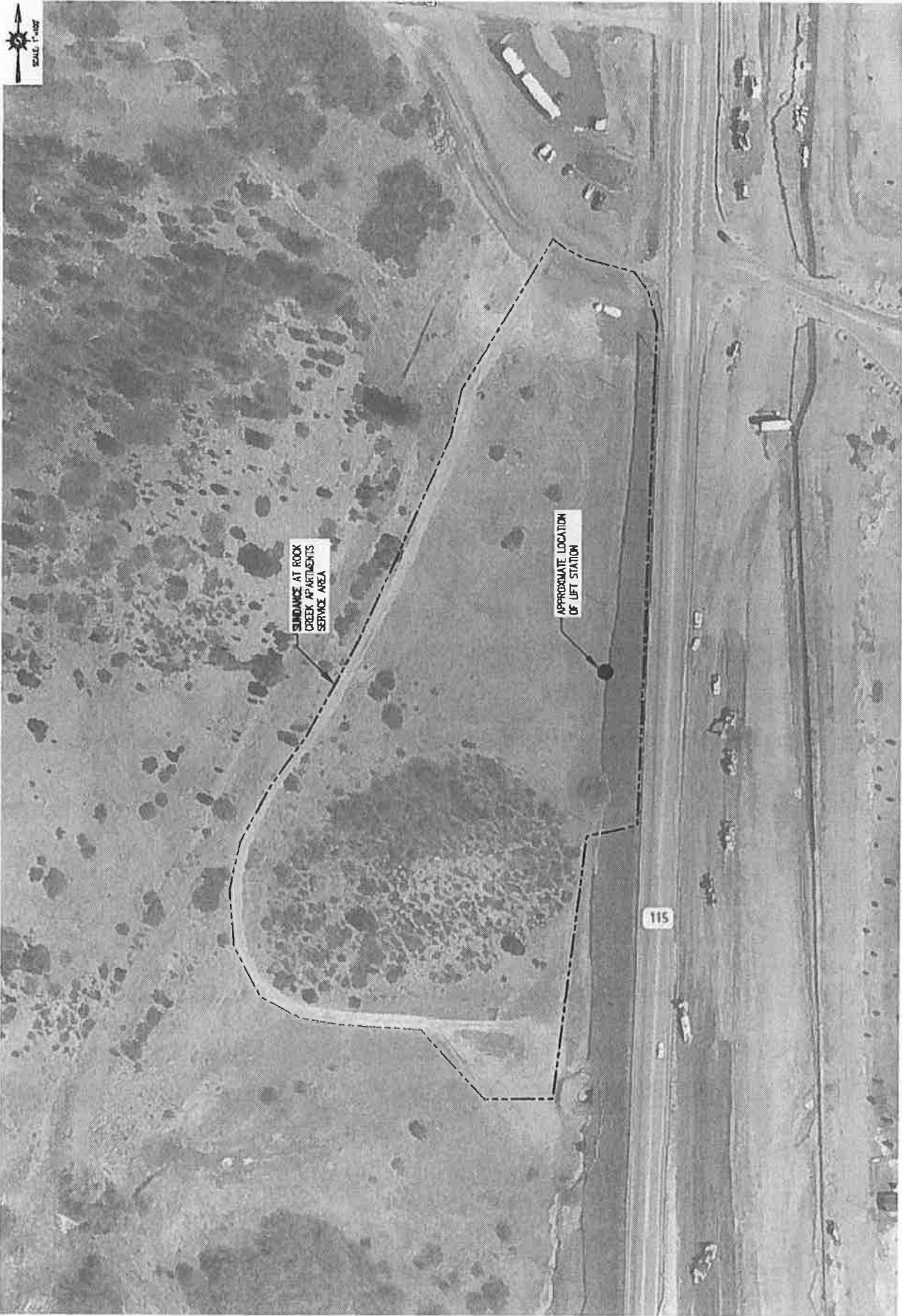
Table 2. Alternative 1 Opinion of Probably Construction Cost (Sundance Apartments)

Division	Item	Alternative 1 (Base Cost)
2	Civil / Site Work ⁽¹⁾	\$ 25,000
3	Concrete (precast)	\$ 100,000
4	Masonry ⁽²⁾	\$ 50,000
5	Metals	\$ 15,000
9	Finishes	\$ 15,000
11	Equipment	\$ 100,000
15	Mechanical/HVAC	\$ 5,000
16	Electrical, Instrumentation & Controls	\$ 250,000
	Raw Subtotal 1	\$ 560,000
	Construction Prorates (18%)	\$ 100,800
	Contractor's Overhead & Profit (10%)	\$ 56,000
	Subtotal 2	\$ 716,800
	Engineering (15%)	\$ 107,500
	Contingency (30%)	\$ 215,000
	TOTAL CONSTRUCTION COST	\$ 1,039,400

(1) Does not include cost of force main construction or sanitary sewer within Sundance.

(2) Assumes above grade masonry block building.

Alternative 1 is used as base cost for the additions of Alternative 2 and Alternative 3. Subtotal 1 cost is the bare cost for construction. Construction prorates and contractor overhead & profit (OH&P) costs are added to construction subtotal 1 to calculate subtotal 2 cost. Engineering and contingency costs are added to subtotal 2 cost to calculate the total construction cost. The 30 percent contingency is considered a conservative, industry standard value used for conceptual cost estimates.



3.2. ALTERNATIVE 2: SUNDANCE AND THE PINONS AT ROCK CREEK MESA

The Pinons at Rock Creek Mesa (Pinons) development will be located near the intersection of Pawnee Road and State Highway 115, and will be to the south of the Apartments. The Pinons is projected to have 211 single family DU. Based on US Census Data for Colorado Springs, average occupancy for single family DU is 3.04 persons per household. Based on 75 gallons per person per day, the Pinons service area will generate 48,100 gallons of wastewater per day (average day flow). The Pinons and Sundance service areas will result in a combined sewer flow of 89,000 gallons per day. Table 3 provides the breakdown of sewer flow from the Sundance and the Pinons. Figure 2 shows the service area locations and additional sanitary facilities required.

Table 3. Alternative 2 Estimated Wastewater Generation

Total Wastewater Generation Rates	Value	Unit
Number of Homes at Pinons	211	Dwelling Unit
Number of persons per Single Family Home ⁽¹⁾	3.04	Persons per Household
Sewer flow per person ⁽²⁾	75	Gallons per day
Flow from Pinons	48,100	Gallons per day
Flow from Apartments (Sundance)	40,900	Gallons per day
Total Estimated Average Daily Flow	89,000	Gallons per day
Total Estimated Peak Hour Flow⁽³⁾	445,000	Gallons per day
	309	Gallons per minute

(1) US Census Bureau for City of Colorado Springs

(2) Per El Paso County and CDPHE

(3) Peaking factor of 5.0.

The main additional cost for Alternative 2 includes additional installation of approximately 1,400 linear feet of gravity sewer required to convey wastewater from the Pinons development to the Sundance development.



Cost estimate for Alternative 2 is split into an added cost included with the Alternative 1 base cost. The added cost will include the additional gravity sewer pipe from Pinons to Sundance, increased concrete requirement for additional wet well emergency storage capacity, increased equipment cost for larger pumps and motors, and increased electrical and instrumentation cost. Table 4 provides the OPCC for Alternative 2.

Table 4. Alternative 2 Opinion of Probable Construction Cost (Apartments + Pinions)

Division	Item	Alternative 2 (Adder Cost)
	Alternative 1, Base Cost Construction Subtotal 1	\$ 560,000
2	Civil / Site Work ⁽¹⁾	\$ 105,000
3	Concrete ⁽²⁾	\$ 50,000
11	Equipment ⁽³⁾	\$ 25,000
16	Electrical, Instrumentation & Controls	\$ 25,000
	Raw Alternative 2 Additional Cost	\$ 205,000
	Raw Alternative 2 - Construction Subtotal 1	\$ 765,000
	Construction Prorates (18%)	\$ 137,700
	Contractor's Overhead & Profit (10%)	\$ 76,500
	Subtotal 2	\$ 979,200
	Engineering (15%)	\$ 146,900
	Contingency (30%)	\$ 293,800
	TOTAL CONSTRUCTION COST	\$ 1,419,900

(1) 1,400 linear feet of 8-inch gravity sanitary sewer.

(2) Additional concrete for additional emergency wetwell storage capacity.

(3) Increased equipment size to accommodate additional flow

3.3. ALTERNATIVE 3: SUNDANCE, PINIONS, AND CHEYENNE ESTATES

Alternative 3 includes Sundance, Pinons, and adds the neighboring Cheyenne Estates to the lift station service area. The Cheyenne Estates is currently located to the southwest of the Apartments development and uses individual septic systems for their current method of waste disposal. The Park's buildout currently has 240 mobile homes and does not plan on additional spaces in the future.

At this time, flow data from the existing Cheyenne Estates is not available. El Paso County Board of Health and CDPHE On-site Wastewater Treatment Systems regulations (Regulation 43) recommends design sewer flow of 300 gallons per day per Cheyenne Estates space, which results in approximately 4 persons per mobile home. Table 5 provides the breakdown of generated sewer flow from all three service areas.

Table 5. Alternative 3 Estimated Wastewater Generation

Total Wastewater Generation Rates	Value	Unit
Number of Mobile Homes	240	Dwelling Units
Flow per Mobile Home Space	300	Gallons per day per space
Flow from Sundance	40,900	Gallons per day
Flow from Pinons	48,100	Gallons per day
Flow from Mobile Homes	72,000	Gallons per day
Total Estimated Average Daily Flow	161,000	Gallons per day
Total Estimated Peak Hour Flow⁽³⁾	805,000	Gallons per day
	559	Gallons per minute

(1) 1,400 linear feet of 8-inch gravity sanitary sewer.

(2) Additional concrete for additional emergency wetwell storage capacity.

(3) Peaking factor of 5.0.

The main additive cost for Alternative 3 is approximately 1,150 linear feet of gravity sewer line from the mobile homes, which can connect to the proposed gravity sewer line from the Pinions, then continue as a combined gravity sewer to the lift station. FEI notes that due to the individual onsite sewer treatment systems at the Cheyenne Estates, it is likely that an interior gravity sewer collection system does not exist – this cost is not included in the scope of this TM, and assumes any interior collection improvements would not be provided by the Equity Group. Figure 3 shows the service areas and proposed gravity sewer line facilities for this alternative.

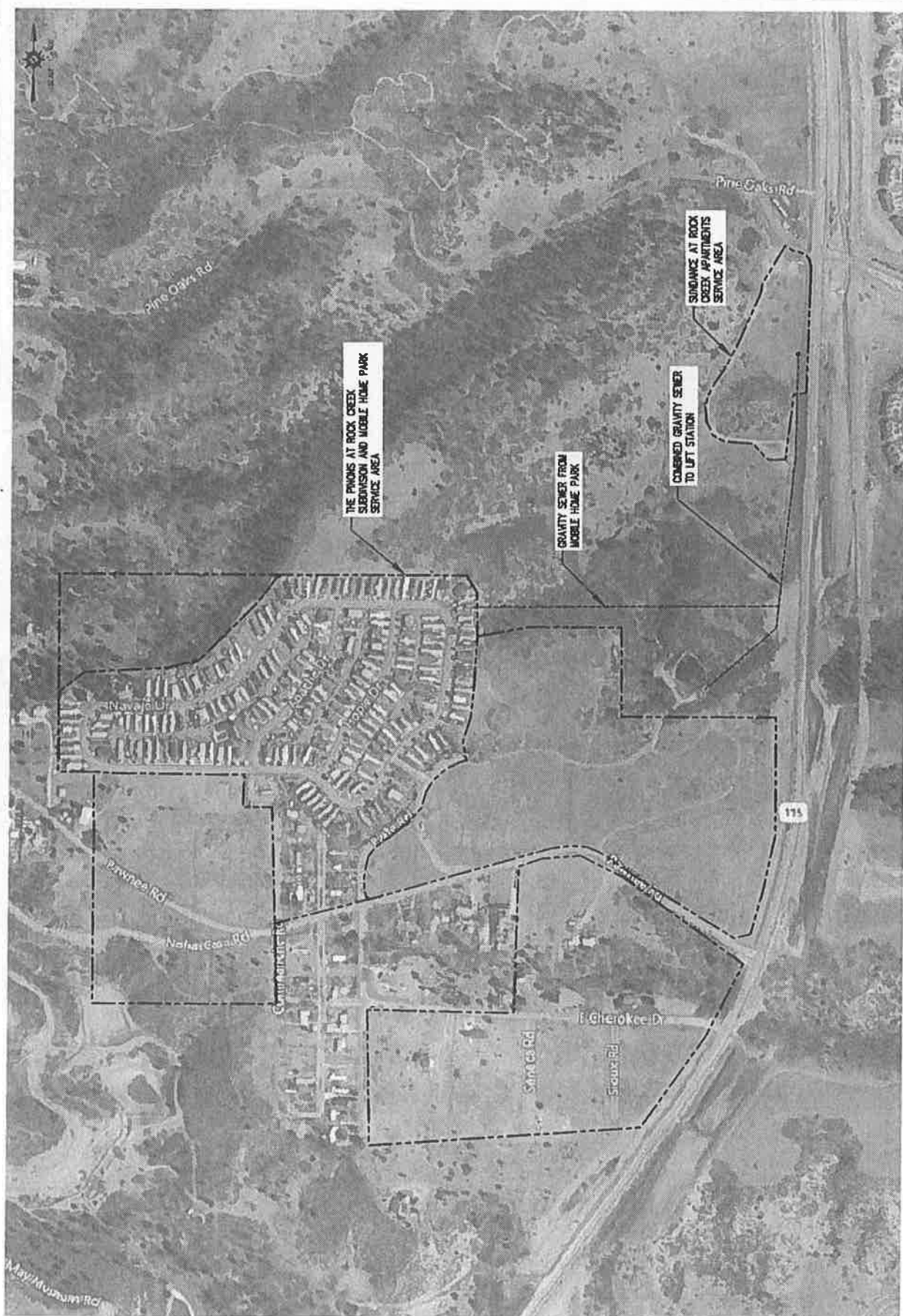
Like Alternative 2, the cost estimate for Alternative 3 is split into adder cost and base cost. The adder cost will include the cost for gravity sewer pipe from Pinons to lift station, increased concrete requirement, increased equipment cost and increased electrical and instrumentation cost. The adder cost will then be added to the Alternative 1 cost to calculate Alternative 3 OPC. Table 6 provides the OPC for Alternative 3. Adder cost is added to construction subtotal 1 cost from Table 2 to calculate Construction Subtotal 1 cost for Alternative 3.

**Table 6. Alternative 3 Opinion of Probable Construction Costs
(Apartments + Pinions + Park)**

Division	Item	Alternative 3 (Adder Cost)
	Raw Alternative 1, Base Cost Construction Subtotal 1	\$ 560,000
	Raw Alternative 2, Construction Subtotal 1	\$ 205,000
2	Civil / Site Work ⁽¹⁾	\$ 87,000
3	Concrete	\$ 50,000
11	Equipment	\$ 25,000
16	Electrical, Instrumentation & Controls	\$ 25,000
	Raw Alternative 3 Additional Cost	\$ 187,000
	Raw Alternative 3 - Construction Subtotal 1	\$ 952,000
	Construction Prorates (18%)	\$ 171,400
	Contractor's Overhead & Profit (10%)	\$ 95,200
	Subtotal 2	\$ 1,218,600
	Engineering (15%)	\$ 182,800
	Contingency (30%)	\$ 365,600
	TOTAL CONSTRUCTION COST	\$ 1,767,000

(1) 1,150 linear feet of 8-inch gravity sanitary sewer.

FIGURE No. 3



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4. PROBABLE COST SUMMARY

Capital construction costs are summarized and compared below for each alternative in Table 7.

Table 7. Conceptual Probable Construction Costs

Item	Alternative 1 (Base Cost)	Alternative 2	Alternative 3
Raw Base Cost	\$ 560,000	--	--
Alternative Adder Cost ⁽¹⁾	--	\$ 205,000	\$ 187,000
Raw Construction Subtotal 1	\$ 560,000	\$ 765,000	\$ 1,352,000
Adjusted Subtotal 2 ⁽²⁾	\$ 716,800	\$ 979,200	\$ 1,218,600
TOTAL CONSTRUCTION COST ⁽³⁾	\$ 1,039,400	\$ 1,419,900	\$ 1,767,000

(1) Additional cost for collection sewer from one service area to another, plus costs for lift station to handle additional flow.

(2) Includes Contractor Overhead and Profit and Construction Prorates.

(3) Includes Engineering and 30 percent Contingency.

(4) Costs do not include gravity sewer systems interior of any service area, only from one service area to another. Additionally, for conceptual purposes, the shortest alignment routes from one service area to another were assumed. Alternate routes will increase costs.

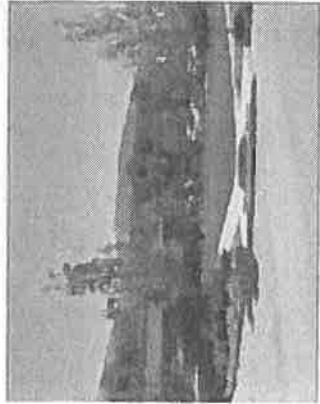
(5) Costs do not include cost of force main.

(6) Costs do not include easement or land acquisition costs.

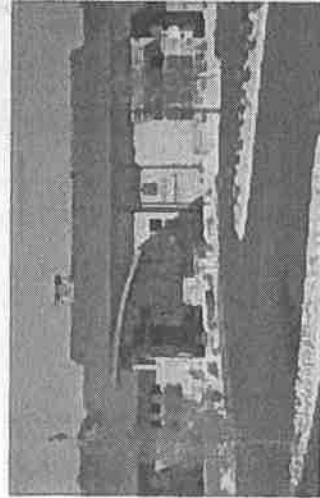
5. ATTACHMENTS

Attachment A	Sundance At Rock Creek Apartments Site Plan
Attachment B	Pinons at Rock Creek Mesa Site Plan

END OF MEMORANDUM



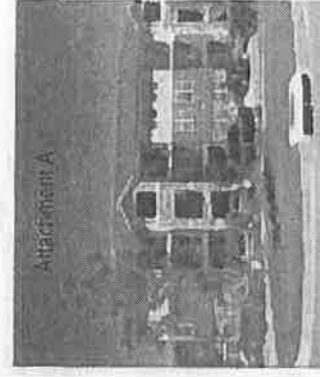
Clubhouse



Pool Amenity Area

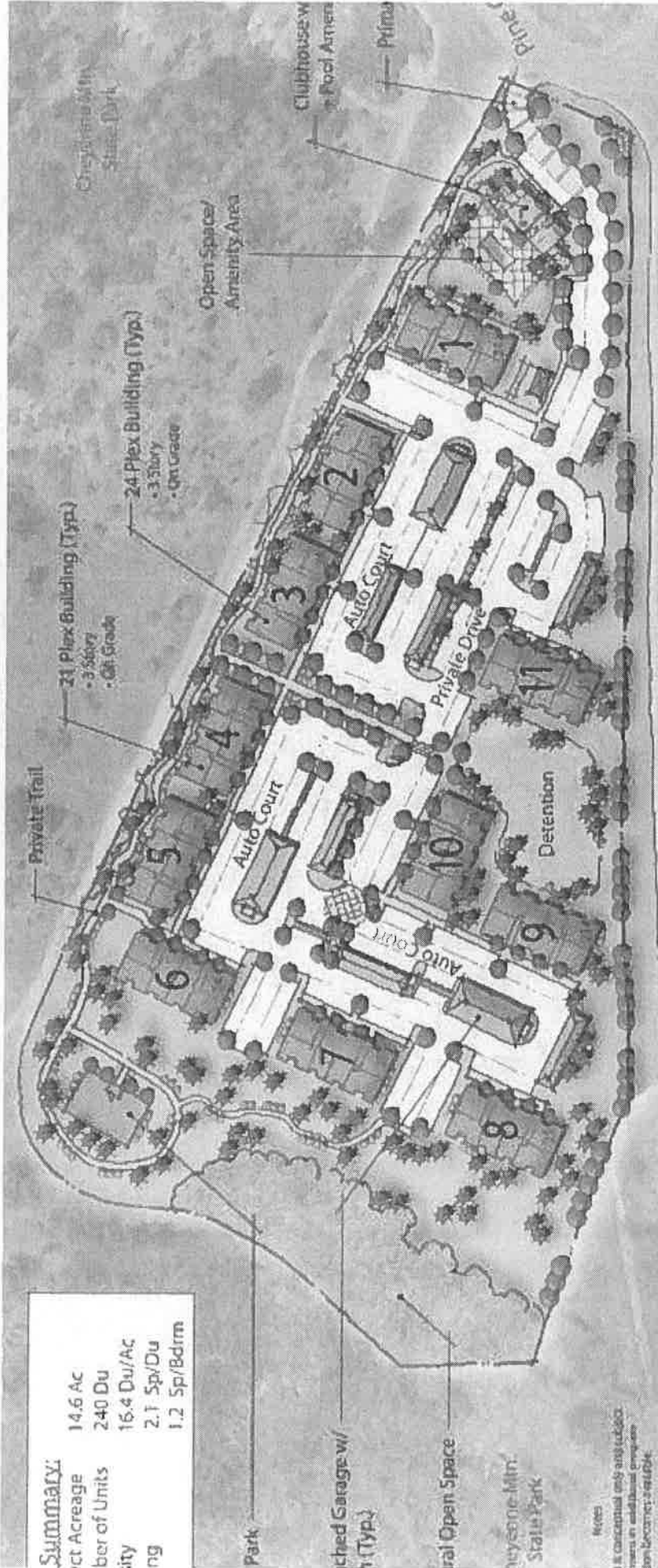


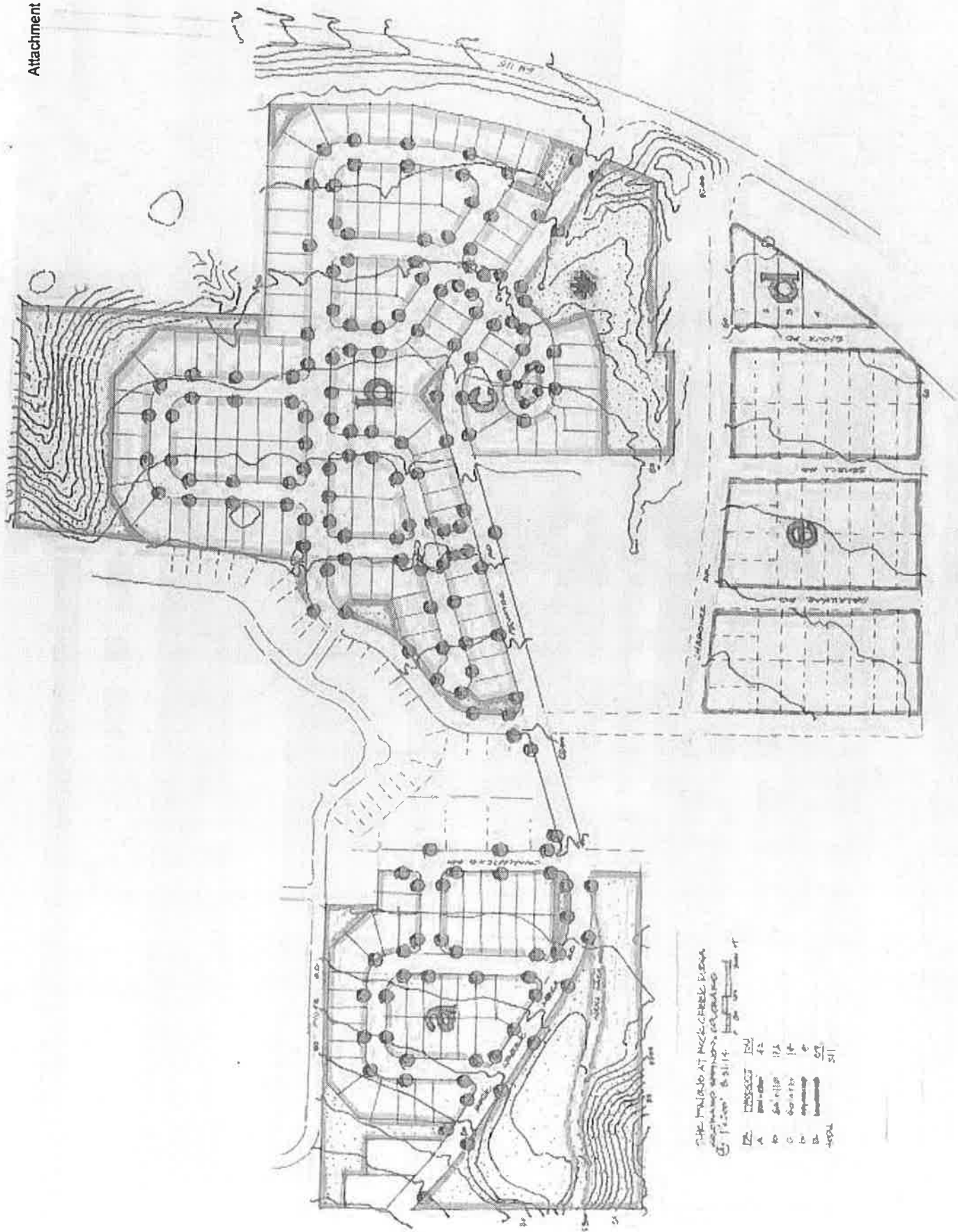
Attachment A



Elevation Imagery

Summary:	
Project Acreage	14.6 Ac
Number of Units	240 Du
Unit Type	16.4 Du/Ac
Unit Type	2.1 Sp/Du
Unit Type	1.2 Sp/Bd/rm





THE MILAD AT MCKEE CREEK ROAD
 1/2" = 1' SCALE

ITEM	DESCRIPTION	AMOUNT
A	1st floor	42
B	2nd floor	12
C	3rd floor	14
D	4th floor	57
TOTAL		85



EXHIBIT D

FINANCIAL PLAN SUMMARY

ROCK CREEK METROPOLITAN DISTRICT
Development Projection at \$5.277 (target) Mills for Debt Service
Series 2019, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity, plus Series 2019B Cash-Flow Sub.

YEAR	Total Per 1 Unit	Unit Value Biennial @ 2.0%	Cumulative Market Value	Ass'd Value @ 7.20% of Market (Exp. Inv)	Cumulative Market Value	Ass'd Value @ 20.00% of Market (Exp. Inv)	Total Assessed Value	District D/S Mill Levy (\$5.277 Cap)	District D/S Mill Levy Collections @ 95%	District S.O. Taxes Collected @ 95%	Total Available Revenue
2017	0	0	0	0	0	0	\$0	\$5,277	0	0	\$0
2018	0	0	48,890,720	0	2,700,000	0	1,357,200	55,277	73,522	4,411	0
2019	222	973,814	78,317,150	0	930,000	1,357,200	4,288,732	55,277	783,000	13,940	77,933
2020	90	88,393,789	3,505,732	0	1,820,000	783,000	5,008,535	55,277	320,074	18,204	246,268
2021	31	1,767,875	108,037,554	5,638,835	0	269,700	6,833,431	55,277	370,177	22,211	339,278
2022	108	0	108,037,554	8,363,631	0	469,800	7,778,704	55,277	421,384	25,283	392,388
2023	0	2,160,751	110,198,305	7,778,704	0	0	7,934,278	55,277	429,811	25,789	448,687
2024	0	2,203,966	112,402,271	7,934,278	0	0	8,092,964	55,277	438,408	26,304	455,600
2025	0	2,248,045	114,650,316	8,092,964	0	0	8,254,823	55,277	447,176	26,831	464,712
2026	0	2,293,008	116,943,323	8,254,823	0	0	8,419,819	55,277	456,116	27,387	474,008
2027	0	2,338,868	119,282,189	8,419,819	0	0	8,588,318	55,277	465,242	27,915	483,156
2028	0	2,385,644	121,667,833	8,588,318	0	0	8,760,084	55,277	474,547	28,473	493,156
2029	0	2,433,357	124,101,190	8,760,084	0	0	8,935,286	55,277	483,718	29,042	503,019
2030	0	2,482,024	126,583,214	8,935,286	0	0	9,113,981	55,277	493,116	29,623	513,080
2031	0	2,531,664	129,114,878	9,113,981	0	0	9,296,271	55,277	503,593	30,216	523,341
2032	0	2,582,298	131,697,175	9,296,271	0	0	9,482,197	55,277	513,864	30,820	533,808
2033	0	2,633,944	134,331,119	9,482,197	0	0	9,671,841	55,277	523,838	31,436	544,484
2034	0	2,686,822	137,017,741	9,671,841	0	0	9,865,277	55,277	534,416	32,065	555,374
2035	0	2,740,355	139,758,096	9,865,277	0	0	10,062,777	55,277	545,116	32,705	566,481
2036	0	2,794,888	142,552,984	10,062,777	0	0	10,264,416	55,277	555,941	33,355	577,811
2037	0	2,850,521	145,403,505	10,264,416	0	0	10,471,016	55,277	566,991	34,015	589,481
2038	0	2,907,454	148,310,959	10,471,016	0	0	10,683,016	55,277	578,271	34,685	601,481
2039	0	2,965,687	151,275,646	10,683,016	0	0	10,899,966	55,277	589,791	35,365	613,811
2040	0	3,025,320	154,300,966	10,899,966	0	0	11,121,416	55,277	601,541	36,055	626,481
2041	0	3,086,453	157,387,419	11,121,416	0	0	11,347,816	55,277	613,541	36,755	639,481
2042	0	3,149,086	160,536,505	11,347,816	0	0	11,578,716	55,277	625,791	37,465	652,811
2043	0	3,213,219	163,749,724	11,578,716	0	0	11,813,616	55,277	638,291	38,185	666,481
2044	0	3,278,852	167,028,176	11,813,616	0	0	12,053,116	55,277	651,041	38,915	680,481
2045	0	3,346,085	170,372,861	12,053,116	0	0	12,297,216	55,277	664,041	39,655	694,811
2046	0	3,414,918	173,784,779	12,297,216	0	0	12,545,916	55,277	677,291	40,405	709,481
2047	0	3,485,351	177,265,130	12,545,916	0	0	12,799,416	55,277	690,791	41,165	724,481
2048	0	3,557,384	180,814,514	12,799,416	0	0	13,057,816	55,277	704,541	41,935	739,811
2049	0	3,631,017	184,433,531	13,057,816	0	0	13,320,816	55,277	718,541	42,715	755,481
2050	0	3,706,250	188,123,281	13,320,816	0	0	13,588,416	55,277	732,791	43,505	771,481
2051	0	3,783,083	191,884,364	13,588,416	0	0	13,860,816	55,277	747,291	44,305	787,811
2052	0	3,861,516	195,716,880	13,860,816	0	0	14,138,016	55,277	762,041	45,115	804,481
2053	0	3,941,549	199,621,429	14,138,016	0	0	14,420,016	55,277	777,041	45,935	821,481
2054	0	4,023,182	203,600,611	14,420,016	0	0	14,706,816	55,277	792,291	46,765	838,811
2055	0	4,106,415	207,655,026	14,706,816	0	0	15,000,016	55,277	807,791	47,605	856,481
2056	0	4,191,248	211,786,274	15,000,016	0	0	15,299,816	55,277	823,541	48,455	874,481
2057	0	4,277,681	216,000,000	15,299,816	0	0	15,604,816	55,277	839,541	49,315	892,811
2058	0	4,365,714	220,296,714	15,604,816	0	0	15,915,816	55,277	855,791	50,185	911,481
2059	0	4,455,347	224,676,061	15,915,816	0	0	16,232,816	55,277	872,291	51,065	930,481
2060	0	4,546,580	229,139,641	16,232,816	0	0	16,556,816	55,277	889,041	51,955	949,811
2061	0	4,639,413	233,686,454	16,556,816	0	0	16,886,816	55,277	906,041	52,855	969,481
2062	0	4,733,846	238,310,299	16,886,816	0	0	17,222,816	55,277	923,291	53,765	989,481
2063	0	4,830,000	243,010,300	17,222,816	0	0	17,564,816	55,277	940,791	54,685	1,009,811
2064	0	4,927,763	247,787,063	17,564,816	0	0	17,912,816	55,277	958,541	55,615	1,030,481
2065	0	5,027,136	252,634,199	17,912,816	0	0	18,266,816	55,277	976,541	56,555	1,051,481
2066	0	5,128,119	257,552,318	18,266,816	0	0	18,626,816	55,277	994,791	57,505	1,072,811
2067	0	5,230,702	262,541,020	18,626,816	0	0	19,000,016	55,277	1,013,291	58,465	1,094,481
2068	0	5,334,885	267,600,905	19,000,016	0	0	19,378,416	55,277	1,032,041	59,435	1,116,481
2069	0	5,440,668	272,732,573	19,378,416	0	0	19,762,416	55,277	1,051,041	60,415	1,138,811
2070	0	5,548,051	277,936,624	19,762,416	0	0	20,152,816	55,277	1,070,291	61,405	1,161,481
2071	0	5,657,034	283,213,658	20,152,816	0	0	20,549,816	55,277	1,089,791	62,405	1,184,481
2072	0	5,767,617	288,563,675	20,549,816	0	0	20,953,816	55,277	1,109,541	63,415	1,207,811
2073	0	5,879,800	294,000,000	20,953,816	0	0	21,364,816	55,277	1,129,541	64,435	1,231,481
2074	0	5,993,583	299,513,583	21,364,816	0	0	21,782,816	55,277	1,149,791	65,465	1,255,481
2075	0	6,108,966	305,104,549	21,782,816	0	0	22,207,816	55,277	1,170,291	66,505	1,279,811
2076	0	6,225,949	310,774,498	22,207,816	0	0	22,639,816	55,277	1,191,041	67,555	1,304,481
2077	0	6,344,532	316,519,030	22,639,816	0	0	23,078,816	55,277	1,212,041	68,615	1,329,481
2078	0	6,464,715	322,338,745	23,078,816	0	0	23,524,816	55,277	1,233,291	69,685	1,354,811
2079	0	6,586,500	328,233,245	23,524,816	0	0	23,977,816	55,277	1,254,791	70,765	1,380,481
2080	0	6,709,885	334,203,130	23,977,816	0	0	24,437,816	55,277	1,276,541	71,855	1,406,481
2081	0	6,834,868	340,247,998	24,437,816	0	0	24,902,816	55,277	1,298,541	72,955	1,432,811
2082	0	6,961,451	346,368,449	24,902,816	0	0	25,373,816	55,277	1,320,791	74,065	1,459,481
2083	0	7,089,634	352,564,083	25,373,816	0	0	25,850,816	55,277	1,343,291	75,185	1,486,481
2084	0	7,219,417	358,833,499	25,850,816	0	0	26,334,816	55,277	1,366,041	76,315	1,513,811
2085	0	7,350,800	365,174,300	26,334,816	0	0	26,825,816	55,277	1,389,041	77,455	1,541,481
2086	0	7,483,783	371,588,083	26,825,816	0	0	27,323,816	55,277	1,412,291	78,605	1,569,481
2087	0	7,618,366	378,076,449	27,323,816	0	0	27,828,816	55,277	1,435,791	79,765	1,597,811
2088	0	7,754,549	384,639,998	27,828,816	0	0	28,340,816	55,277	1,459,541	80,935	1,626,481
2089	0	7,892,332	391,278,330	28,340,816	0	0	28,859,816	55,277	1,483,541	82,115	1,655,481
2090	0	8,031,715	397,990,045	28,859,816	0	0	29,385,816	55,277	1,507,791	83,305	1,684,811
2091	0	8,172,698	404,772,743	29,385,816	0	0	29,918,816	55,277	1,532,291	84,505	1,714,481
2092	0	8,315,281	411,625,024	29,918,816	0	0	30,458,816	55,277	1,557,041	85,715	1,744,811
2093	0	8,459,464	418,547,488	30,458,816	0	0	31,004,816	55,277	1,582,041	86,935	1,775,481
2094	0	8,605,247	425,539,735	31,004,816	0	0	31,556,816	55,277	1,607,291	88,165	1,806,481
2095	0	8,752,630	432,592,365	31,556,816	0	0	32,115,816	55,277	1,632,791	89,405	1,837,811
2096	0	8,901,613	439,705,978	32,115,816	0	0	32,680,816	55,277	1,658,541	90,655	1,869,481
2097	0	9,052,196	446,880,174	32,680,816	0	0	33,251,816	55,277	1,684,541	91,915	1,901,481
2098	0	9,204,379	454,114,553	33,251,816	0	0	33,828,816	55,277	1,710,791	93,185	1,933,811
2099	0	9,358,162	461,418,715	33,828,816	0	0	34,412,816	55,277	1,737,291	94,465	1,966,481
2100	0	9,513,545	468,792,260	34,412,816	0	0	35,003,816	55,277	1,764,041	95,755	1,999,481
2101	0	9,670,528	476,235,788	35,003,816	0	0	35,601,816	55,277	1,791,041	97,055	2,032,811
2102	0	9,829,111	483,747,900	35,601,816	0	0	36,206,816	55,277	1,818,291	98,365	2,066,481
2103</											

ROCK CREEK METROPOLITAN DISTRICT
Development Projection at 65.277 (target) Mills for Debt Service

Series 2019, G.O. Bonds, Non-Rated, 150x, 30-yr. Maturity; plus Series 2019B Cash-Flow Subs.

YEAR	Net Available for Debt Svc	Ser. 2019 \$4,940,000 Par (Net \$3,760 Mil)	Annual Surplus	Surplus Released @ 50% DA to \$400,000	Cumulative Surplus \$400,000 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Cov. of Mat DS: @ 65.277 target	Cov. of Mat DS: @ 65.277 Cap
2017	\$0		n/a		0	n/a	n/a	0.0%	0.0%
2018	0		n/a		0	n/a	n/a	0.0%	0.0%
2019	0	\$0	0		0	365%	6%	0.0%	0.0%
2020	77,933		77,933	0	77,933	116%	6%	0.0%	0.0%
2021	246,266	148,364	97,903	0	176,835	84%	5%	166.0%	188.0%
2022	339,278	296,728	42,551	0	218,386	73%	5%	114.3%	114.3%
2023	382,388	296,728	85,660	0	314,046	84%	5%	132.2%	132.2%
2024	446,667	341,728	104,939	0	418,985	83%	4%	130.7%	130.7%
2025	446,667	339,028	107,639	30,624	486,000	81%	4%	131.7%	131.7%
2026	455,600	346,328	109,272	109,272	486,000	61%	4%	131.6%	131.6%
2027	455,600	346,028	107,572	107,572	486,000	59%	4%	130.9%	130.9%
2028	464,712	354,428	110,284	110,284	486,000	59%	4%	131.1%	131.1%
2029	464,712	355,228	109,484	109,484	486,000	56%	4%	130.8%	130.8%
2030	474,008	360,728	113,279	113,279	486,000	55%	4%	131.4%	131.4%
2031	474,008	360,628	113,379	113,379	486,000	53%	4%	131.4%	131.4%
2032	483,486	370,228	113,258	113,258	486,000	51%	4%	130.6%	130.6%
2033	483,486	368,928	114,558	114,558	486,000	49%	3%	131.1%	131.1%
2034	483,156	377,328	115,828	115,828	486,000	48%	3%	130.7%	130.7%
2035	493,156	374,628	118,528	118,528	486,000	45%	3%	131.6%	131.6%
2036	503,019	382,028	120,992	120,992	486,000	44%	3%	131.7%	131.7%
2037	503,019	383,328	119,692	119,692	486,000	41%	3%	131.2%	131.2%
2038	513,080	394,028	118,052	118,052	486,000	39%	3%	130.2%	130.2%
2039	513,080	393,528	119,552	119,552	486,000	38%	3%	130.4%	130.4%
2040	523,341	402,428	120,914	120,914	486,000	34%	2%	130.0%	130.0%
2041	523,341	400,128	123,214	123,214	486,000	31%	2%	130.8%	130.8%
2042	533,808	407,228	126,580	126,580	486,000	29%	2%	131.1%	131.1%
2043	533,808	408,128	125,680	125,680	486,000	25%	2%	130.8%	130.8%
2044	544,484	418,128	126,357	126,357	486,000	22%	2%	130.2%	130.2%
2045	544,484	416,628	127,857	127,857	486,000	19%	1%	130.7%	130.7%
2046	555,374	424,228	131,146	131,146	486,000	18%	1%	130.9%	130.9%
2047	555,374	425,328	130,046	130,046	486,000	12%	1%	130.6%	130.6%
2048	566,481	435,228	131,254	131,254	486,000	8%	0%	130.2%	130.2%
2049	566,481	432,228	134,254	630,254	0	0%	0%	131.1%	131.1%
	14,170,268	10,761,642	3,408,455	3,408,455					

(All in \$ mil)

ROCK CREEK METROPOLITAN DISTRICT
Development Projection at \$5.277 (target) Mills for Debt Service
Series 2019, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity; plus Series 2019B Cash-Flow Subs.

Cash-Flow Subs. > > >

YEAR	Surplus Available for Debt Service	Application of Prior Year Surplus	Date Bonds Issued	Total Available for Debt Service	Sub Bond Interest @ 6.00%	Less Payments Toward Sub Bond Interest	Accrued Interest + Int. on Bal. @ 6.00%	Less Payments Toward Accrued Interest	Balance of Accrued Interest	Sub Bonds Principal Issued	Less Payments Toward Bond Principal	Balance of Bond Principal	Total Sub. Debt Pmtls.	Surplus Cash Flow	Surplus Release	Cum. Surplus
2017	0	0		0	\$2,598	\$0	\$2,598	\$0	\$2,598	\$835,000	\$0	\$835,000	\$0	0	0	0
2018	0	0	12/1/19	0	66,800	0	66,800	0	66,800	0	0	835,000	0	0	0	0
2019	0	0	0	0	72,368	0	72,368	0	141,974	0	0	835,000	0	0	0	0
2020	0	0	0	0	78,158	0	78,158	0	220,132	0	0	835,000	0	0	0	0
2021	0	0	0	0	84,411	0	84,411	0	304,543	0	0	835,000	0	0	0	0
2022	0	0	0	0	91,183	0	91,183	0	395,706	0	0	835,000	0	0	0	0
2023	0	0	0	0	67,633	0	67,633	0	463,539	0	0	835,000	30,624	0	0	0
2024	30,624	0	0	30,624	66,800	30,624	66,800	42,472	458,150	0	0	835,000	109,272	0	0	0
2025	109,272	0	0	109,272	66,800	66,800	37,083	40,772	458,150	0	0	835,000	107,572	0	0	0
2026	110,284	0	0	110,284	66,800	66,800	38,652	40,772	458,150	0	0	835,000	110,284	0	0	0
2027	109,484	0	0	109,484	66,800	66,800	38,322	43,484	448,967	0	0	835,000	109,484	0	0	0
2028	113,279	0	0	113,279	66,800	66,800	35,749	42,684	439,932	0	0	835,000	113,279	0	0	0
2029	113,279	0	0	113,279	66,800	66,800	35,185	48,479	428,648	0	0	835,000	113,279	0	0	0
2030	113,279	0	0	113,279	66,800	66,800	34,292	46,578	416,362	0	0	835,000	113,279	0	0	0
2031	113,259	0	0	113,259	66,800	66,800	33,309	46,459	403,212	0	0	835,000	113,259	0	0	0
2032	114,559	0	0	114,559	66,800	66,800	32,257	47,759	387,710	0	0	835,000	114,559	0	0	0
2033	115,828	0	0	115,828	66,800	66,800	31,017	49,028	368,668	0	0	835,000	115,828	0	0	0
2034	118,328	0	0	118,328	66,800	66,800	29,576	51,526	347,746	0	0	835,000	118,328	0	0	0
2035	120,992	0	0	120,992	66,800	66,800	27,820	54,192	321,374	0	0	835,000	120,992	0	0	0
2036	119,892	0	0	119,892	66,800	66,800	25,710	52,892	294,183	0	0	835,000	119,892	0	0	0
2037	119,052	0	0	119,052	66,800	66,800	23,535	52,252	265,476	0	0	835,000	119,052	0	0	0
2038	118,552	0	0	118,552	66,800	66,800	21,238	52,752	233,962	0	0	835,000	118,552	0	0	0
2039	120,914	0	0	120,914	66,800	66,800	18,717	54,114	198,566	0	0	835,000	120,914	0	0	0
2040	123,214	0	0	123,214	66,800	66,800	15,885	56,414	158,037	0	0	835,000	123,214	0	0	0
2041	126,580	0	0	126,580	66,800	66,800	12,643	59,780	110,900	0	0	835,000	126,580	0	0	0
2042	125,680	0	0	125,680	66,800	66,800	8,872	58,880	68,882	0	0	835,000	125,680	0	0	0
2043	126,357	0	0	126,357	66,800	66,800	4,871	59,557	6,207	0	0	835,000	126,357	0	0	0
2044	127,857	0	0	127,857	66,800	66,800	487	6,703	0	0	54,000	781,000	353	0	353	0
2045	131,148	353	0	131,500	62,480	62,480	0	0	0	0	89,000	712,000	127,503	(334)	0	20
2046	130,048	20	0	130,068	56,960	56,960	0	0	0	0	73,000	639,000	131,480	88	0	106
2047	131,254	106	0	131,359	51,120	51,120	0	0	0	0	80,000	559,000	131,120	134	0	238
2048	630,254	0	0	630,254	44,720	44,720	0	0	0	0	559,000	0	603,720	26,534	26,773	0
2049	3,408,455	478	0	3,408,934	1,954,878	1,581,904	864,778	984,779	0	835,000	835,000	0	3,381,882	26,773	26,773	0

COI (ent):
Proceeds:

835,000
25,030
809,970

ROCK CREEK METROPOLITAN DISTRICT
Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper's Mill Levy	Total Collections @ 8%	Specific Ownership Tax @ 6%	Total Available For O&M	Total Mills
2017	0	11.055	0	0	0	66.332
2018	1,357,200	11.055	14,704	832	15,536	66.332
2019	4,288,732	11.055	46,484	2,789	49,273	66.332
2020	5,808,535	11.055	64,012	3,841	67,853	66.332
2021	6,833,431	11.055	74,033	4,442	78,475	66.332
2022	7,778,704	11.055	84,274	5,056	89,330	66.332
2023	7,778,704	11.055	84,274	5,056	89,330	66.332
2024	7,834,278	11.055	85,959	5,158	91,117	66.332
2025	7,934,278	11.055	85,959	5,158	91,117	66.332
2026	8,082,864	11.055	87,678	5,261	92,939	66.332
2027	8,082,864	11.055	87,678	5,261	92,939	66.332
2028	8,254,823	11.055	89,432	5,366	94,798	66.332
2029	8,419,919	11.055	91,221	5,473	96,694	66.332
2030	8,588,316	11.055	93,045	5,583	98,628	66.332
2031	8,588,316	11.055	93,045	5,583	98,628	66.332
2032	8,760,084	11.055	94,906	5,694	100,600	66.332
2033	8,760,084	11.055	94,906	5,694	100,600	66.332
2034	8,935,286	11.055	96,804	5,808	102,612	66.332
2035	8,935,286	11.055	96,804	5,808	102,612	66.332
2036	9,113,991	11.055	98,740	5,924	104,664	66.332
2037	9,113,991	11.055	98,740	5,924	104,664	66.332
2038	9,298,271	11.055	100,715	6,043	106,758	66.332
2039	9,298,271	11.055	100,715	6,043	106,758	66.332
2040	9,482,197	11.055	102,729	6,164	108,893	66.332
2041	9,482,197	11.055	102,729	6,164	108,893	66.332
2042	9,671,841	11.055	104,784	6,287	111,071	66.332
2043	9,671,841	11.055	104,784	6,287	111,071	66.332
2044	9,865,277	11.055	106,879	6,413	113,292	66.332
2045	9,865,277	11.055	106,879	6,413	113,292	66.332
2046			2,873,544	180,413	2,833,957	

Development Projection -- Buildout Plan (updated 7/7/17)

[1] Adj. to actual/prelim. AV

SOURCES AND USES OF FUNDS
ROCK CREEK METROPOLITAN DISTRICT
Combined Results
For the period ended 12/31/2019
GENERAL OBLIGATION BONDS, SERIES 2019A
SUBORDINATE BONDS, SERIES 2019B
For the period ended 12/31/2019

[Preliminary -- for discussion only]

Dated Date 12/01/2019
Delivery Date 12/01/2019

Sources:	SERIES 2019A	SERIES 2019B	Total
Bond Proceeds:			
Par Amount	4,960,000.00	835,000.00	5,795,000.00
	4,960,000.00	835,000.00	5,795,000.00
<hr/>			
Uses:	SERIES 2019A	SERIES 2019B	Total
Project Fund Deposits:			
Project Fund	3,780,053.01	809,950.00	4,590,003.01
Other Fund Deposits:			
Capitalized Interest Fund	444,646.99		444,646.99
Debt Service Reserve	436,100.00		436,100.00
	880,746.99		880,746.99
Cost of Issuance:			
Other Cost of Issuance	200,000.00		200,000.00
Delivery Date Expenses:			
Underwriter's Discount	99,200.00	25,050.00	124,250.00
	4,960,000.00	835,000.00	5,795,000.00

SOURCES AND USES OF FUNDS

ROCK CREEK METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019A
55.277 (target) Mills
Non-Rated, 130x, 30-yr. Maturity
[Preliminary – for discussion only]

Dated Date	12/01/2019
Delivery Date	12/01/2019

Sources:

Bond Proceeds:	
Par Amount	4,960,000.00
	<u>4,960,000.00</u>

Uses:

Project Fund Deposits:	
Project Fund	3,780,053.01
Other Fund Deposits:	
Capitalized Interest Fund	444,646.99
Debt Service Reserve	<u>436,100.00</u>
	880,746.99
Cost of Issuance:	
Other Cost of Issuance	200,000.00
Delivery Date Expenses:	
Underwriter's Discount	99,200.00
	<u>4,960,000.00</u>

BOND SUMMARY STATISTICS

ROCK CREEK METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019A

55.277 (target) Mills

Non-Rated, 130x, 30-yr. Maturity

[Preliminary – for discussion only]

Dated Date	12/01/2019
Delivery Date	12/01/2019
First Coupon	06/01/2020
Last Maturity	12/01/2049
Arbitrage Yield	6.000000%
True Interest Cost (TIC)	6.171001%
Net Interest Cost (NIC)	6.000000%
All-In TIC	6.532524%
Average Coupon	6.000000%
Average Life (years)	22.544
Duration of Issue (years)	12.115
Par Amount	4,960,000.00
Bond Proceeds	4,960,000.00
Total Interest	6,709,200.00
Net Interest	6,808,400.00
Bond Years from Dated Date	111,820,000.00
Bond Years from Delivery Date	111,820,000.00
Total Debt Service	11,669,200.00
Maximum Annual Debt Service	869,200.00
Average Annual Debt Service	388,973.33
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
30-yr Term Bond	4,960,000.00	100.000	6.000%	22.544	06/17/2042	6,894.40
	4,960,000.00			22.544		6,894.40

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,960,000.00	4,960,000.00	4,960,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-99,200.00	-99,200.00	
- Cost of Issuance Expense		-200,000.00	
- Other Amounts			
Target Value	4,860,800.00	4,660,800.00	4,960,000.00
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	6.171001%	6.532524%	6.000000%

DETAILED BOND DEBT SERVICE
ROCK CREEK METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019A
55.277 (target) Mills
Non-Rated, 130x, 30-yr. Maturity
[Preliminary -- for discussion only]

30-yr Term Bond

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020			148,800	148,800	
12/01/2020			148,800	148,800	297,600
06/01/2021			148,800	148,800	
12/01/2021			148,800	148,800	297,600
06/01/2022			148,800	148,800	
12/01/2022			148,800	148,800	297,600
06/01/2023			148,800	148,800	
12/01/2023			148,800	148,800	297,600
06/01/2024			148,800	148,800	
12/01/2024	45,000	6.000%	148,800	193,800	342,600
06/01/2025			147,450	147,450	
12/01/2025	45,000	8.000%	147,450	192,450	339,900
06/01/2026			146,100	146,100	
12/01/2026	55,000	6.000%	146,100	201,100	347,200
06/01/2027			144,450	144,450	
12/01/2027	60,000	8.000%	144,450	204,450	348,900
06/01/2028			142,650	142,650	
12/01/2028	70,000	6.000%	142,650	212,650	355,300
06/01/2029			140,550	140,550	
12/01/2029	75,000	6.000%	140,550	215,550	356,100
06/01/2030			138,300	138,300	
12/01/2030	85,000	8.000%	138,300	223,300	361,600
06/01/2031			135,750	135,750	
12/01/2031	90,000	6.000%	135,750	225,750	361,500
06/01/2032			133,050	133,050	
12/01/2032	105,000	6.000%	133,050	238,050	371,100
06/01/2033			129,900	129,900	
12/01/2033	110,000	8.000%	129,900	239,900	369,800
06/01/2034			128,600	128,600	
12/01/2034	125,000	6.000%	128,600	251,600	378,200
06/01/2035			122,850	122,850	
12/01/2035	130,000	6.000%	122,850	252,850	375,700
06/01/2036			118,950	118,950	
12/01/2036	145,000	6.000%	118,950	263,950	382,900
06/01/2037			114,600	114,600	
12/01/2037	155,000	8.000%	114,600	269,600	384,200
06/01/2038			109,950	109,950	
12/01/2038	175,000	6.000%	109,950	284,950	394,900
06/01/2039			104,700	104,700	
12/01/2039	185,000	6.000%	104,700	289,700	394,400
06/01/2040			99,150	99,150	
12/01/2040	205,000	6.000%	99,150	304,150	403,300
06/01/2041			93,000	93,000	
12/01/2041	215,000	6.000%	93,000	308,000	401,000
06/01/2042			88,550	88,550	
12/01/2042	235,000	6.000%	88,550	321,550	408,100
06/01/2043			79,500	79,500	
12/01/2043	250,000	6.000%	79,500	329,500	409,000
06/01/2044			72,000	72,000	
12/01/2044	275,000	6.000%	72,000	347,000	419,000
06/01/2045			63,750	63,750	
12/01/2045	290,000	6.000%	63,750	353,750	417,500
06/01/2046			55,050	55,050	
12/01/2046	315,000	6.000%	55,050	370,050	425,100
06/01/2047			45,600	45,600	
12/01/2047	335,000	6.000%	45,600	380,600	426,200
06/01/2048			35,550	35,550	
12/01/2048	365,000	6.000%	35,550	400,550	436,100
06/01/2049			24,600	24,600	
12/01/2049	820,000	6.000%	24,600	844,600	869,200
	4,960,000		6,709,200	11,669,200	11,669,200

NET DEBT SERVICE

ROCK CREEK METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019A

55.277 (target) Mills

Non-Rated, 130x, 30-yr. Maturity

[Preliminary -- for discussion only]

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve	Capitalized Interest Fund	Net Debt Service
12/01/2020		297,600	297,600		-297,600	
12/01/2021		297,600	297,600	-436.10	-148,800	148,363.90
12/01/2022		297,600	297,600	-872.20		296,727.80
12/01/2023		297,600	297,600	-872.20		296,727.80
12/01/2024	45,000	297,600	342,600	-872.20		341,727.80
12/01/2025	45,000	294,900	339,900	-872.20		339,027.80
12/01/2026	55,000	292,200	347,200	-872.20		346,327.80
12/01/2027	60,000	288,900	348,900	-872.20		348,027.80
12/01/2028	70,000	285,300	355,300	-872.20		354,427.80
12/01/2029	75,000	281,100	356,100	-872.20		355,227.80
12/01/2030	85,000	276,600	361,600	-872.20		360,727.80
12/01/2031	90,000	271,500	361,500	-872.20		360,627.80
12/01/2032	105,000	266,100	371,100	-872.20		370,227.80
12/01/2033	110,000	259,800	369,800	-872.20		368,927.80
12/01/2034	125,000	253,200	378,200	-872.20		377,327.80
12/01/2035	130,000	245,700	375,700	-872.20		374,827.80
12/01/2036	145,000	237,900	382,900	-872.20		382,027.80
12/01/2037	155,000	229,200	384,200	-872.20		383,327.80
12/01/2038	175,000	219,900	394,900	-872.20		394,027.80
12/01/2039	185,000	209,400	394,400	-872.20		393,527.80
12/01/2040	205,000	198,300	403,300	-872.20		402,427.80
12/01/2041	215,000	186,000	401,000	-872.20		400,127.80
12/01/2042	235,000	173,100	408,100	-872.20		407,227.80
12/01/2043	250,000	159,000	409,000	-872.20		408,127.80
12/01/2044	275,000	144,000	419,000	-872.20		418,127.80
12/01/2045	290,000	127,500	417,500	-872.20		416,627.80
12/01/2046	315,000	110,100	425,100	-872.20		424,227.80
12/01/2047	335,000	91,200	426,200	-872.20		425,327.80
12/01/2048	365,000	71,100	436,100	-872.20		435,227.80
12/01/2049	820,000	49,200	869,200	-436,972.20		432,227.80
	4,960,000	8,709,200	11,669,200	-460,957.70	-446,400	10,761,842.30

BOND SOLUTION

**ROCK CREEK METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019A
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
12/01/2020		297,600	-297,600		77,933	77,933	
12/01/2021		297,600	-149,236	148,364	246,266	97,903	165.98814%
12/01/2022		297,600	-872	296,728	339,278	42,551	114.33994%
12/01/2023		297,600	-872	296,728	392,388	95,660	132.23822%
12/01/2024	45,000	342,600	-872	341,728	446,667	104,939	130.70835%
12/01/2025	45,000	339,900	-872	339,028	446,667	107,639	131.74930%
12/01/2026	55,000	347,200	-872	346,328	455,600	109,272	131.55170%
12/01/2027	60,000	348,900	-872	348,028	455,600	107,572	130.90911%
12/01/2028	70,000	355,300	-872	354,428	464,712	110,284	131.11616%
12/01/2029	75,000	356,100	-872	355,228	464,712	109,484	130.82087%
12/01/2030	85,000	361,600	-872	360,728	474,006	113,279	131.40278%
12/01/2031	90,000	361,500	-872	360,628	474,006	113,379	131.43922%
12/01/2032	105,000	371,100	-872	370,228	483,486	113,259	130.59162%
12/01/2033	110,000	369,800	-872	368,928	483,486	114,559	131.05179%
12/01/2034	125,000	378,200	-872	377,328	493,156	115,828	130.69703%
12/01/2035	130,000	375,700	-872	374,828	493,156	118,328	131.56874%
12/01/2036	145,000	382,900	-872	382,028	503,019	120,992	131.67087%
12/01/2037	155,000	384,200	-872	383,328	503,019	119,692	131.22433%
12/01/2038	175,000	394,900	-872	394,028	513,080	119,052	130.21409%
12/01/2039	185,000	394,400	-872	393,528	513,080	119,552	130.37954%
12/01/2040	205,000	403,300	-872	402,428	523,341	120,914	130.04601%
12/01/2041	215,000	401,000	-872	400,128	523,341	123,214	130.79354%
12/01/2042	235,000	408,100	-872	407,228	533,808	126,580	131.08342%
12/01/2043	250,000	409,000	-872	408,128	533,808	125,680	130.79436%
12/01/2044	275,000	419,000	-872	418,128	544,484	126,357	130.21959%
12/01/2045	290,000	417,500	-872	416,628	544,484	127,857	130.68842%
12/01/2046	315,000	425,100	-872	424,228	555,374	131,146	130.91410%
12/01/2047	335,000	426,200	-872	425,328	555,374	130,046	130.57552%
12/01/2048	365,000	436,100	-872	435,228	566,481	131,254	130.15746%
12/01/2049	820,000	869,200	-436,972	432,228	566,481	134,254	131.06086%
	4,960,000	11,669,200	-907,358	10,761,842	14,170,298	3,408,456	

SOURCES AND USES OF FUNDS

ROCK CREEK METROPOLITAN DISTRICT SUBORDINATE BONDS, SERIES 2019B Non-Rated, Cash-Flow Bonds, Annual Pay, 12/15/2049 (Stated) Maturity [Preliminary -- for discussion only]

Dated Date	12/01/2019
Delivery Date	12/01/2019

Sources:

Bond Proceeds:	
Par Amount	835,000.00
	835,000.00

Uses:

Project Fund Deposits:	
Project Fund	809,950.00
Delivery Date Expenses:	
Underwriter's Discount	25,050.00
	835,000.00

BOND PRICING

**ROCK CREEK METROPOLITAN DISTRICT
SUBORDINATE BONDS, SERIES 2019B
Non-Rated, Cash-Flow Bonds, Annual Pay, 12/15/2049 (Stated) Maturity
[Preliminary – for discussion only]**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
30-yr. Term Bond:	12/15/2049	835,000	8.000%	8.000%	100.000
		835,000			

Dated Date	12/01/2019	
Delivery Date	12/01/2019	
First Coupon	12/15/2019	
Par Amount	835,000.00	
Original Issue Discount		
Production	835,000.00	100.000000%
Underwriter's Discount	-25,050.00	-3.000000%
Purchase Price	809,950.00	97.000000%
Accrued Interest		
Net Proceeds	809,950.00	

Series 2022, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity; plus Series 2022B Cash-Flow Subs.

[1] RAR @ 7.98% thru 2017

ROCK CREEK METROPOLITAN DISTRICT
Development Projection at \$5,277 (target) Mills for Debt Service
Series 2022, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity, plus Series 2022B Cash-Flow Subs.

YEAR	Net Available for Debt Svc.	Ser. 2022 \$4,625,000 Pw (Net \$5,171 MM)	Annual Surplus	Surplus Release @ 50% DVA to \$52,500	Cumulative Surplus to \$52,500 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Acct Value Ratio	Cov. of Net DB: @ \$5,277 target	Cov. of Net DB: @ \$5,277 Cap
2017	\$0		n/a		0	n/a	n/a	0.0%	0.0%
2018	0		n/a		0	n/a	n/a	0.0%	0.0%
2019	0		n/a		0	0%	0%	0.0%	0.0%
2020	77,933		n/a		0	0%	0%	0.0%	0.0%
2021	246,286		n/a		0	0%	0%	0.0%	0.0%
2022	339,278		n/a		0	0%	0%	0.0%	0.0%
2023	392,368		339,278	339,278	339,278	85%	5%	0.0%	0.0%
2024	446,867		85,064	0	434,342	74%	5%	132.0%	132.0%
2025	446,867		116,943	0	551,286	73%	5%	135.5%	135.5%
2026	455,800		330,724	84,728	582,500	70%	5%	135.1%	135.1%
2027	455,800		331,524	124,076	582,500	69%	5%	137.4%	137.4%
2028	464,712		332,124	123,476	582,500	86%	5%	137.2%	137.2%
2029	464,712		332,524	132,188	582,500	84%	5%	139.8%	139.8%
2030	474,006		332,724	131,988	582,500	82%	4%	139.7%	139.7%
2031	474,006		332,724	141,282	582,500	60%	4%	142.5%	142.5%
2032	483,488		332,524	141,482	582,500	57%	4%	142.5%	142.5%
2033	483,488		332,124	151,382	582,500	56%	4%	145.8%	145.8%
2034	483,156		331,524	151,982	582,500	53%	4%	145.8%	145.8%
2035	483,156		330,724	162,432	582,500	51%	4%	148.1%	148.1%
2036	503,019		334,724	158,432	582,500	48%	3%	147.3%	147.3%
2037	503,019		333,324	169,895	582,500	46%	3%	150.9%	150.9%
2038	513,080		331,724	171,295	582,500	44%	3%	151.6%	151.6%
2039	513,080		328,924	183,156	582,500	42%	3%	155.5%	155.5%
2040	523,341		332,924	180,156	582,500	38%	3%	154.1%	154.1%
2041	523,341		330,524	182,817	582,500	37%	3%	158.3%	158.3%
2042	533,808		332,924	180,417	582,500	34%	2%	157.2%	157.2%
2043	533,808		328,924	203,884	582,500	32%	2%	161.8%	161.8%
2044	544,484		331,724	202,084	582,500	29%	2%	160.9%	160.9%
2045	544,484		333,124	211,360	582,500	28%	2%	163.4%	163.4%
2046	555,374		334,124	210,360	582,500	23%	2%	163.0%	163.0%
2047	555,374		328,724	225,650	582,500	21%	1%	168.4%	168.4%
2048	566,481		330,124	225,250	582,500	18%	1%	168.2%	168.2%
2049	566,481		330,124	238,357	582,500	15%	1%	171.8%	171.8%
2050	577,811		334,724	231,757	582,500	12%	1%	169.2%	169.2%
2051	583,838		333,724	244,087	582,500	9%	1%	173.1%	173.1%
2052	595,192		337,324	246,312	582,500	6%	0%	171.3%	171.3%
			257,868	840,368	0	0%	0%	174.7%	174.7%
	15,926,937	9,634,320	5,668,418	5,668,418					

(AM1017 Zmiba)

ROCK CREEK METROPOLITAN DISTRICT
Development Projection at \$5,277 (target) Mills for Debt Service
Series 2022, G.O. Bonds, Non-Rated, 130x, 30-yr. Maturity, plus Series 2022B Cash-Flow Subs.

Cash-Flow Subs. >>>

YEAR	Surplus Available for Debt Service	Application of Price Year Surplus	Date Bonds Issued	Total Available for Debt Service	Sub Bond Interest on Balance 7.00%	Less Payments Toward Sub Bond Interest	Accrued Interest * Int. on Bal. @ 7.00%	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 Releases	Cum. Surplus
2017	0	0	12/1/22	0	\$4,780	\$0	\$4,780	\$0	\$4,780	\$1,756,000	\$0	\$1,756,000	\$0	0	0	0
2018	0	0		0	122,920	0	122,920	0	122,920	1,756,000	0	1,756,000	0	0	0	0
2019	0	0		0	122,920	0	131,882	0	131,882	1,756,000	0	1,756,000	0	0	0	0
2020	84,728	84,728	0	84,728	122,920	84,728	56,387	0	316,304	1,756,000	0	1,756,000	84,728	0	0	0
2021	124,076	124,076	0	124,076	122,920	122,920	22,141	1,156	337,269	1,756,000	0	1,756,000	124,076	0	0	0
2022	123,476	123,476	0	123,476	122,920	122,920	23,610	556	360,343	1,756,000	0	1,756,000	123,476	0	0	0
2023	132,188	132,188	0	132,188	122,920	122,920	25,224	9,268	378,299	1,756,000	0	1,756,000	132,188	0	0	0
2024	131,988	131,988	0	131,988	122,920	122,920	26,341	9,068	393,572	1,756,000	0	1,756,000	131,988	0	0	0
2025	141,282	141,282	0	141,282	122,920	122,920	27,550	18,362	402,760	1,756,000	0	1,756,000	141,282	0	0	0
2026	141,462	141,462	0	141,462	122,920	122,920	28,193	18,562	412,391	1,756,000	0	1,756,000	141,462	0	0	0
2027	151,362	151,362	0	151,362	122,920	122,920	28,697	28,442	412,815	1,756,000	0	1,756,000	151,362	0	0	0
2028	151,862	151,862	0	151,862	122,920	122,920	28,897	29,042	412,870	1,756,000	0	1,756,000	151,862	0	0	0
2029	162,432	162,432	0	162,432	122,920	122,920	28,887	39,512	402,045	1,756,000	0	1,756,000	162,432	0	0	0
2030	158,432	158,432	0	158,432	122,920	122,920	28,143	35,512	394,676	1,756,000	0	1,756,000	158,432	0	0	0
2031	169,695	169,695	0	169,695	122,920	122,920	27,627	46,776	375,528	1,756,000	0	1,756,000	169,695	0	0	0
2032	171,285	171,285	0	171,285	122,920	122,920	26,287	48,375	353,438	1,756,000	0	1,756,000	171,285	0	0	0
2033	183,156	183,156	0	183,156	122,920	122,920	24,741	60,236	317,944	1,756,000	0	1,756,000	183,156	0	0	0
2034	180,156	180,156	0	180,156	122,920	122,920	22,258	57,235	282,965	1,756,000	0	1,756,000	180,156	0	0	0
2035	192,817	192,817	0	192,817	122,920	122,920	19,008	69,897	232,875	1,756,000	0	1,756,000	192,817	0	0	0
2036	190,417	190,417	0	190,417	122,920	122,920	16,301	67,497	181,679	1,756,000	0	1,756,000	190,417	0	0	0
2037	203,884	203,884	0	203,884	122,920	122,920	12,718	80,964	113,432	1,756,000	0	1,756,000	203,884	0	0	0
2038	202,084	202,084	0	202,084	122,920	122,920	7,940	78,184	42,208	1,756,000	0	1,756,000	202,084	0	0	0
2039	211,360	211,360	0	211,360	122,920	122,920	2,956	45,163	0	1,713,000	43,000	1,713,000	202,084	277	0	277
2040	210,360	210,360	277	210,360	118,610	118,610	0	0	0	1,623,000	90,000	1,623,000	211,083	0	0	0
2041	225,650	225,650	728	225,650	113,610	113,610	0	0	0	1,511,000	112,000	1,511,000	209,910	450	0	728
2042	225,250	225,250	768	225,250	105,770	105,770	0	0	0	1,381,000	120,000	1,381,000	225,610	40	0	768
2043	236,357	236,357	248	236,357	87,370	87,370	0	0	0	1,252,000	138,000	1,252,000	225,770	(520)	0	248
2044	231,757	231,757	235	231,757	87,840	87,840	0	0	0	1,108,000	144,000	1,108,000	236,370	(13)	0	235
2045	244,087	244,087	353	244,087	77,560	77,560	0	0	0	942,000	166,000	942,000	231,640	117	0	353
2046	246,312	246,312	880	246,312	65,940	65,940	0	0	0	761,000	181,000	761,000	243,560	527	0	880
2047	640,368	640,368	0	640,368	53,270	53,270	0	0	0	0	761,000	0	246,940	(628)	0	252
2048	5,668,418	3,489		5,671,907	3,430,090	3,141,278	744,780	744,780	0	1,756,000	1,756,000	0	814,270	26,098	26,350	0
2049													5,642,088	26,350	26,350	
2050																
2051																
2052																

COI (est):
Proceeds:

52,680
1,703,320

ROCK CREEK METROPOLITAN DISTRICT
Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Op'n/s Mill Levy	Total Collections \$ 100%	Specific Ownership Tax \$ 1%	Total Available For O&M	Total Mills
2017	0	11.055	0	0	0	66.332
2018	1,357,200	11.055	14,704	882	15,586	66.332
2019	4,288,732	11.055	46,464	2,788	49,252	66.332
2020	5,808,535	11.055	64,012	3,841	67,853	66.332
2021	6,833,431	11.055	74,033	4,442	78,475	66.332
2022	7,778,704	11.055	84,274	5,056	89,330	66.332
2023	7,934,278	11.055	85,858	5,158	91,017	66.332
2024	8,092,964	11.055	87,678	5,261	92,939	66.332
2025	8,254,823	11.055	89,432	5,368	94,798	66.332
2026	8,418,919	11.055	91,221	5,473	96,694	66.332
2027	8,588,318	11.055	93,045	5,583	98,628	66.332
2028	8,760,064	11.055	94,906	5,694	100,600	66.332
2029	8,935,288	11.055	96,804	5,808	102,612	66.332
2030	9,113,991	11.055	98,740	5,924	104,664	66.332
2031	9,296,271	11.055	100,715	6,043	106,758	66.332
2032	9,482,167	11.055	102,729	6,164	108,893	66.332
2033	9,671,841	11.055	104,784	6,287	111,071	66.332
2034	9,865,277	11.055	106,879	6,413	113,292	66.332
2035	10,062,583	11.055	109,017	6,541	115,558	66.332
2036	10,263,835	11.055	111,197	6,672	117,869	66.332
			3,002,776	180,167	3,182,942	

ROCK CREEK METROPOLITAN DISTRICT

Development Projection – Buildout Plan (updated 7/17/17)

Residential Development													
YEAR	SFD					Apts					Total		
	# Lots Devel'd	Incr/(Decr) In Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value	# Lots Devel'd	Incr/(Decr) In Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value	Residential Market Value	Total Res'l Units	Value of Platted & Developed Lots Adjustment ¹ Adjusted Value
2017	0	0	0	\$300,000	0	0	0	0	\$150,000	0	\$0	0	0
2018	90	2,700,000	0	306,000	0	132	1,980,000	0	153,000	0	0	0	4,680,000
2019	90	0	90	312,120	28,090,800	0	(1,980,000)	132	156,060	20,599,920	48,690,720	222	(1,980,000)
2020	31	(1,770,000)	90	318,362	28,652,616	0	0	0	159,181	0	28,652,616	90	(1,770,000)
2021	0	(930,000)	31	324,730	10,066,619	108	1,620,000	0	162,365	0	10,066,619	31	690,000
2022	0	0	0	331,224	0	0	(1,620,000)	108	165,612	17,886,109	17,886,109	108	(1,620,000)
2023	0	0	0	337,849	0	0	0	0	168,924	0	0	0	0
2024	0	0	0	344,606	0	0	0	0	172,303	0	0	0	0
2025	0	0	0	351,498	0	0	0	0	175,749	0	0	0	0
2026	0	0	0	358,528	0	0	0	0	179,264	0	0	0	0
2027	0	0	0	365,698	0	0	0	0	182,849	0	0	0	0
2028	0	0	0	373,012	0	0	0	0	186,506	0	0	0	0
2029	0	0	0	380,473	0	0	0	0	190,236	0	0	0	0
2030	0	0	0	388,082	0	0	0	0	194,041	0	0	0	0
2031	0	0	0	395,844	0	0	0	0	197,922	0	0	0	0
2032	0	0	0	403,761	0	0	0	0	201,880	0	0	0	0
2033	0	0	0	411,836	0	0	0	0	205,918	0	0	0	0
2034	0	0	0	420,072	0	0	0	0	210,036	0	0	0	0
2035	0	0	0	428,474	0	0	0	0	214,237	0	0	0	0
2036	0	0	0	437,043	0	0	0	0	218,522	0	0	0	0
2037	0	0	0	445,784	0	0	0	0	222,892	0	0	0	0
	211	0	211		66,810,035	240	0	240		38,486,029	105,296,064	451	0

[1] Adj. to actual/prelim. AV

SOURCES AND USES OF FUNDS
ROCK CREEK METROPOLITAN DISTRICT
Combined Results
Amounts in thousands of dollars
GENERAL OBLIGATION BONDS, SERIES 2022A
SUBORDINATE BONDS, SERIES 2022B
Amount in \$

[Preliminary -- for discussion only]

Dated Date 12/01/2022
Delivery Date 12/01/2022

Sources:	SERIES 2022A	SERIES 2022B	Total
Bond Proceeds:			
Par Amount	5,825,000.00	1,756,000.00	7,581,000.00
	5,825,000.00	1,756,000.00	7,581,000.00
<hr/>			
Uses:	SERIES 2022A	SERIES 2022B	Total
Project Fund Deposits:			
Project Fund	5,170,500.00	1,703,320.00	6,873,820.00
Other Fund Deposits:			
Debt Service Reserve	338,000.00		338,000.00
Cost of Issuance:			
Other Cost of Issuance	200,000.00		200,000.00
Delivery Date Expenses:			
Underwriter's Discount	116,500.00	52,680.00	169,180.00
	5,825,000.00	1,756,000.00	7,581,000.00

SOURCES AND USES OF FUNDS

ROCK CREEK METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2022A
55.277 (target) Mills
Non-Rated, 130x, 30-yr. Maturity
(Full Growth / No Reassessment Projections)
[Preliminary -- for discussion only]

Dated Date	12/01/2022
Delivery Date	12/01/2022

Sources:

Bond Proceeds:	
Par Amount	5,825,000.00
	<u>5,825,000.00</u>

Uses:

Project Fund Deposits:	
Project Fund	5,170,500.00
Other Fund Deposits:	
Debt Service Reserve	338,000.00
Cost of Issuance:	
Other Cost of Issuance	200,000.00
Delivery Date Expenses:	
Underwriter's Discount	116,500.00
	<u>5,825,000.00</u>

BOND SUMMARY STATISTICS

**ROCK CREEK METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2022A
55.277 (target) Mills
Non-Rated, 130x, 30-yr. Maturity
(Full Growth / No Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date	12/01/2022
Delivery Date	12/01/2022
First Coupon	06/01/2023
Last Maturity	12/01/2052
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.161194%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.449734%
Average Coupon	4.000000%
Average Life (years)	19.174
Duration of Issue (years)	12.730
Par Amount	5,825,000.00
Bond Proceeds	5,825,000.00
Total Interest	4,467,600.00
Net Interest	4,584,100.00
Bond Years from Dated Date	111,690,000.00
Bond Years from Delivery Date	111,690,000.00
Total Debt Service	10,292,600.00
Maximum Annual Debt Service	676,000.00
Average Annual Debt Service	343,086.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
30-yr Term Bond	5,825,000.00	100.000	4.000%	19.174	02/02/2042	10,135.50
	5,825,000.00			19.174		10,135.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,825,000.00	5,825,000.00	5,825,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-116,500.00	-116,500.00	
- Cost of Issuance Expense		-200,000.00	
- Other Amounts			
Target Value	5,708,500.00	5,508,500.00	5,825,000.00
Target Date	12/01/2022	12/01/2022	12/01/2022
Yield	4.161194%	4.449734%	4.000000%

DETAILED BOND DEBT SERVICE

ROCK CREEK METROPOLITAN DISTRICT

GENERAL OBLIGATION BONDS, SERIES 2022A

55.277 (target) Mills

Non-Rated, 130x, 30-yr. Maturity

(Full Growth / No Reassessment Projections)

[Preliminary -- for discussion only]

30-yr Term Bond

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2023			116,500	116,500	
12/01/2023	65,000	4.000%	116,500	181,500	298,000
06/01/2024			115,200	115,200	
12/01/2024	100,000	4.000%	115,200	215,200	330,400
06/01/2025			113,200	113,200	
12/01/2025	105,000	4.000%	113,200	218,200	331,400
06/01/2026			111,100	111,100	
12/01/2026	110,000	4.000%	111,100	221,100	332,200
06/01/2027			108,900	108,900	
12/01/2027	115,000	4.000%	108,900	223,900	332,800
06/01/2028			106,600	106,600	
12/01/2028	120,000	4.000%	106,600	226,600	333,200
06/01/2029			104,200	104,200	
12/01/2029	125,000	4.000%	104,200	228,200	333,400
06/01/2030			101,700	101,700	
12/01/2030	130,000	4.000%	101,700	231,700	333,400
06/01/2031			99,100	99,100	
12/01/2031	135,000	4.000%	99,100	234,100	333,200
06/01/2032			96,400	96,400	
12/01/2032	140,000	4.000%	96,400	236,400	332,800
06/01/2033			93,600	93,600	
12/01/2033	145,000	4.000%	93,600	238,600	332,200
06/01/2034			90,700	90,700	
12/01/2034	150,000	4.000%	90,700	240,700	331,400
06/01/2035			87,700	87,700	
12/01/2035	160,000	4.000%	87,700	247,700	335,400
06/01/2036			84,500	84,500	
12/01/2036	165,000	4.000%	84,500	249,500	334,000
06/01/2037			81,200	81,200	
12/01/2037	170,000	4.000%	81,200	251,200	332,400
06/01/2038			77,800	77,800	
12/01/2038	175,000	4.000%	77,800	252,800	330,600
06/01/2039			74,300	74,300	
12/01/2039	185,000	4.000%	74,300	259,300	333,600
06/01/2040			70,600	70,600	
12/01/2040	190,000	4.000%	70,600	260,600	331,200
06/01/2041			66,800	66,800	
12/01/2041	200,000	4.000%	66,800	266,800	333,800
06/01/2042			62,800	62,800	
12/01/2042	205,000	4.000%	62,800	267,800	330,600
06/01/2043			58,700	58,700	
12/01/2043	215,000	4.000%	58,700	273,700	332,400
06/01/2044			54,400	54,400	
12/01/2044	225,000	4.000%	54,400	279,400	333,800
06/01/2045			49,900	49,900	
12/01/2045	235,000	4.000%	49,900	284,900	334,800
06/01/2046			45,200	45,200	
12/01/2046	240,000	4.000%	45,200	285,200	330,400
06/01/2047			40,400	40,400	
12/01/2047	250,000	4.000%	40,400	290,400	330,800
06/01/2048			35,400	35,400	
12/01/2048	260,000	4.000%	35,400	295,400	330,800
06/01/2049			30,200	30,200	
12/01/2049	275,000	4.000%	30,200	305,200	335,400
06/01/2050			24,700	24,700	
12/01/2050	285,000	4.000%	24,700	309,700	334,400
06/01/2051			19,000	19,000	
12/01/2051	300,000	4.000%	19,000	319,000	338,000
06/01/2052			13,000	13,000	
12/01/2052	650,000	4.000%	13,000	663,000	676,000
	5,825,000		4,467,600	10,292,600	10,292,600

NET DEBT SERVICE

**ROCK CREEK METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2022A
55.277 (target) Mills
Non-Rated, 130x, 30-yr. Maturity
(Full Growth / No Reassessment Projections)
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve	Net Debt Service
12/01/2023	65,000	233,000	298,000	-676	297,324
12/01/2024	100,000	230,400	330,400	-676	329,724
12/01/2025	105,000	226,400	331,400	-676	330,724
12/01/2026	110,000	222,200	332,200	-676	331,524
12/01/2027	115,000	217,800	332,800	-676	332,124
12/01/2028	120,000	213,200	333,200	-676	332,524
12/01/2029	125,000	208,400	333,400	-676	332,724
12/01/2030	130,000	203,400	333,400	-676	332,724
12/01/2031	135,000	198,200	333,200	-676	332,524
12/01/2032	140,000	192,800	332,800	-676	332,124
12/01/2033	145,000	187,200	332,200	-676	331,524
12/01/2034	150,000	181,400	331,400	-676	330,724
12/01/2035	160,000	175,400	335,400	-676	334,724
12/01/2036	165,000	169,000	334,000	-676	333,324
12/01/2037	170,000	162,400	332,400	-676	331,724
12/01/2038	175,000	155,600	330,600	-676	329,924
12/01/2039	185,000	148,600	333,600	-676	332,924
12/01/2040	190,000	141,200	331,200	-676	330,524
12/01/2041	200,000	133,600	333,600	-676	332,924
12/01/2042	205,000	125,600	330,600	-676	329,924
12/01/2043	215,000	117,400	332,400	-676	331,724
12/01/2044	225,000	108,800	333,800	-676	333,124
12/01/2045	235,000	99,800	334,800	-676	334,124
12/01/2046	240,000	90,400	330,400	-676	329,724
12/01/2047	250,000	80,800	330,800	-676	330,124
12/01/2048	260,000	70,800	330,800	-676	330,124
12/01/2049	275,000	60,400	335,400	-676	334,724
12/01/2050	285,000	49,400	334,400	-676	333,724
12/01/2051	300,000	38,000	338,000	-676	337,324
12/01/2052	650,000	26,000	676,000	-338,676	337,324
	5,825,000	4,467,600	10,292,600	-358,280	9,934,320

BOND SOLUTION

**ROCK CREEK METROPOLITAN DISTRICT
 GENERAL OBLIGATION BONDS, SERIES 2022A
 55.277 (target) Mills
 Non-Rated, 130x, 30-yr. Maturity
 (Full Growth / No Reassessment Projections)
 [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
12/01/2023	65,000	298,000	-676	297,324	388,361	91,037	130.61894%
12/01/2024	100,000	330,400	-676	329,724	435,332	105,608	132.02935%
12/01/2025	105,000	331,400	-676	330,724	435,332	104,608	131.63014%
12/01/2026	110,000	332,200	-676	331,524	435,332	103,808	131.31250%
12/01/2027	115,000	332,800	-676	332,124	435,332	103,208	131.07528%
12/01/2028	120,000	333,200	-676	332,524	435,332	102,808	130.91760%
12/01/2029	125,000	333,400	-676	332,724	435,332	102,608	130.83891%
12/01/2030	130,000	333,400	-676	332,724	435,332	102,608	130.83891%
12/01/2031	135,000	333,200	-676	332,524	435,332	102,808	130.91760%
12/01/2032	140,000	332,800	-676	332,124	435,332	103,208	131.07528%
12/01/2033	145,000	332,200	-676	331,524	435,332	103,808	131.31250%
12/01/2034	150,000	331,400	-676	330,724	435,332	104,608	131.63014%
12/01/2035	160,000	335,400	-676	334,724	435,332	100,608	130.05714%
12/01/2036	165,000	334,000	-676	333,324	435,332	102,008	130.60339%
12/01/2037	170,000	332,400	-676	331,724	435,332	103,608	131.23333%
12/01/2038	175,000	330,600	-676	329,924	435,332	105,408	131.94931%
12/01/2039	185,000	333,600	-676	332,924	435,332	102,408	130.76031%
12/01/2040	190,000	331,200	-676	330,524	435,332	104,808	131.70979%
12/01/2041	200,000	333,600	-676	332,924	435,332	102,408	130.76031%
12/01/2042	205,000	330,600	-676	329,924	435,332	105,408	131.94931%
12/01/2043	215,000	332,400	-676	331,724	435,332	103,608	131.23333%
12/01/2044	225,000	333,800	-676	333,124	435,332	102,208	130.68180%
12/01/2045	235,000	334,800	-676	334,124	435,332	101,208	130.29069%
12/01/2046	240,000	330,400	-676	329,724	435,332	105,608	132.02935%
12/01/2047	250,000	330,800	-676	330,124	435,332	105,208	131.86937%
12/01/2048	260,000	330,800	-676	330,124	435,332	105,208	131.86937%
12/01/2049	275,000	335,400	-676	334,724	435,332	100,608	130.05714%
12/01/2050	285,000	334,400	-676	333,724	435,332	101,608	130.44686%
12/01/2051	300,000	338,000	-676	337,324	441,157	103,833	130.78152%
12/01/2052	650,000	676,000	-338,676	337,324	441,157	103,833	130.78152%
	5,825,000	10,292,600	-358,280	9,934,320	13,024,653	3,090,333	

SOURCES AND USES OF FUNDS

ROCK CREEK METROPOLITAN DISTRICT SUBORDINATE BONDS, SERIES 2022B Non-Rated, Cash-Flow Bonds, Annual Pay, 12/15/2052 (Stated) Maturity [Preliminary -- for discussion only]

Dated Date	12/01/2022
Delivery Date	12/01/2022

Sources:

Bond Proceeds:	
Par Amount	1,756,000.00
	1,756,000.00

Uses:

Project Fund Deposits:	
Project Fund	1,703,320.00
Delivery Date Expenses:	
Underwriter's Discount	52,680.00
	1,756,000.00

BOND PRICING

**ROCK CREEK METROPOLITAN DISTRICT
SUBORDINATE BONDS, SERIES 2022B
Non-Rated, Cash-Flow Bonds, Annual Pay, 12/15/2052 (Stated) Maturity
[Preliminary -- for discussion only]**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
30-yr. Term Bond:	12/15/2052	1,756,000	7.000%	7.000%	100.000
		1,756,000			

Dated Date	12/01/2022	
Delivery Date	12/01/2022	
First Coupon	12/15/2022	
Par Amount	1,756,000.00	
Original Issue Discount		
Production	1,756,000.00	100.000000%
Underwriter's Discount	-52,680.00	-3.000000%
Purchase Price	1,703,320.00	97.000000%
Accrued Interest		
Net Proceeds	1,703,320.00	

EXHIBIT E

ANNUAL REPORT AND DISCLOSURE FORM (Sample attached)

**EL PASO COUNTY SPECIAL DISTRICT
ANNUAL REPORT and DISCLOSURE FORM**

1.	Name of District(s):	Rock Creek Metropolitan District
2.	Report for Calendar Year:	2018
3.	Contact Information	SPENCER FANE LLP Attention: Russell W. Dykstra 1700 Lincoln Street, Suite 2000 Denver, CO 80203-4554 Phone: 303-839-3845 E-mail: rdykstra@spencerfane.com
4.	Meeting Information	Meeting information can be found by contacting the contact person listed above.
5.	Type of District(s)/ Unique Representational Issues (if any)	Colorado Revised Statutes Title 32 Metropolitan District
6.	Authorized Purposes of the District(s)	The Service Plan authorizes all permissible purposes as allowed under Colorado Revised Statutes Title 32
7.	Active Purposes of the District(s)	Proposed design, construction and completion of an estimated \$4,600,000 of on and off-site public improvements including, but not limited to, on and off-site streets, roadway, water and sanitary sewer, and park and recreation improvements
8.	Current Certified Mill Levies a. Debt Service b. Operational c. Other d. Total	a. 50 Mills (as may be Gallagher adjusted) b. 10 Mills (as may be Gallagher adjusted) c. 5 Mills (as may be Gallagher adjusted) d. 65 Mills (as may be Gallagher adjusted)
9.	Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable).	Assume a residential property with a value of \$300,000 x 7.96% = \$23,880 (assessed value); \$23,880 x .065 = \$1,552 taxes per year due to the District Assume a commercial property with a value of \$500,000 x 29% = \$145,000 (assessed value); \$145,000 x .065 = \$9,425 taxes per year due to the District
10.	Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals) a. Debt Service b. Operational c. Other d. Total	a. 50 Mills (as may be Gallagher adjusted) b. 10 Mills (as may be Gallagher adjusted) c. 5 Mills (as may be Gallagher adjusted) d. 65 Mills (as may be Gallagher adjusted)
11.	Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as	See #9 above.

	applicable).	
12.	Current Outstanding Debt of the District (as of the end of year of this report)	N/A
13.	Total voter-authorized debt of the District (including current debt)	N/A
14.	Debt proposed to be issued, reissued or otherwise obligated in the coming year.	N/A
15.	Major facilities/ infrastructure improvements initiated or completed in the prior year	N/A
16.	Summary of major property exclusion or inclusion activities in the past year.	N/A

Reminder:

- A. As per Colorado Revised Statutes, Section 32-1-306 (as it may be amended from time to time, which, among other things, outlines requirements to be met following organization of a district), 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.

Name and Title of Respondent

Signature of Respondent

Date

RETURN COMPLETED FORM TO: El Paso County Board of County Commissioners
Attention: Clerk to the Board
200 South Cascade Avenue
Colorado Springs, Colorado 80903

****NOTE:** As per CRS Section 32-1-104(2) (which outlines certain requirements related to the filing of an annual notice), a copy of this report should also be submitted to:

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

County Treasurer – 1675 West Garden of the Gods Road, Suite 2100, Colorado Springs, Colorado 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.

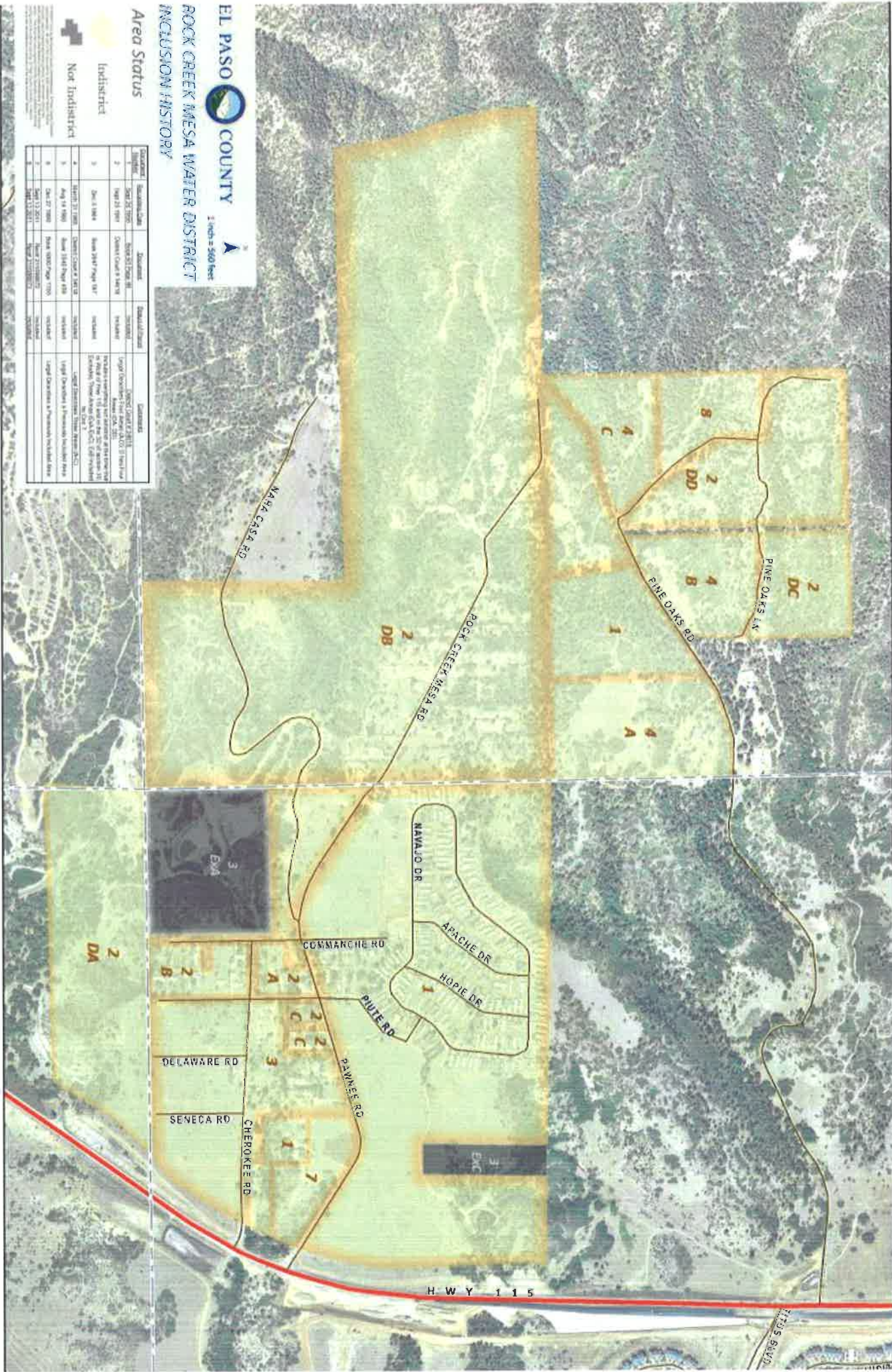
ROCK CREEK MESA WATER DISTRICT
INCLUSION HISTORY

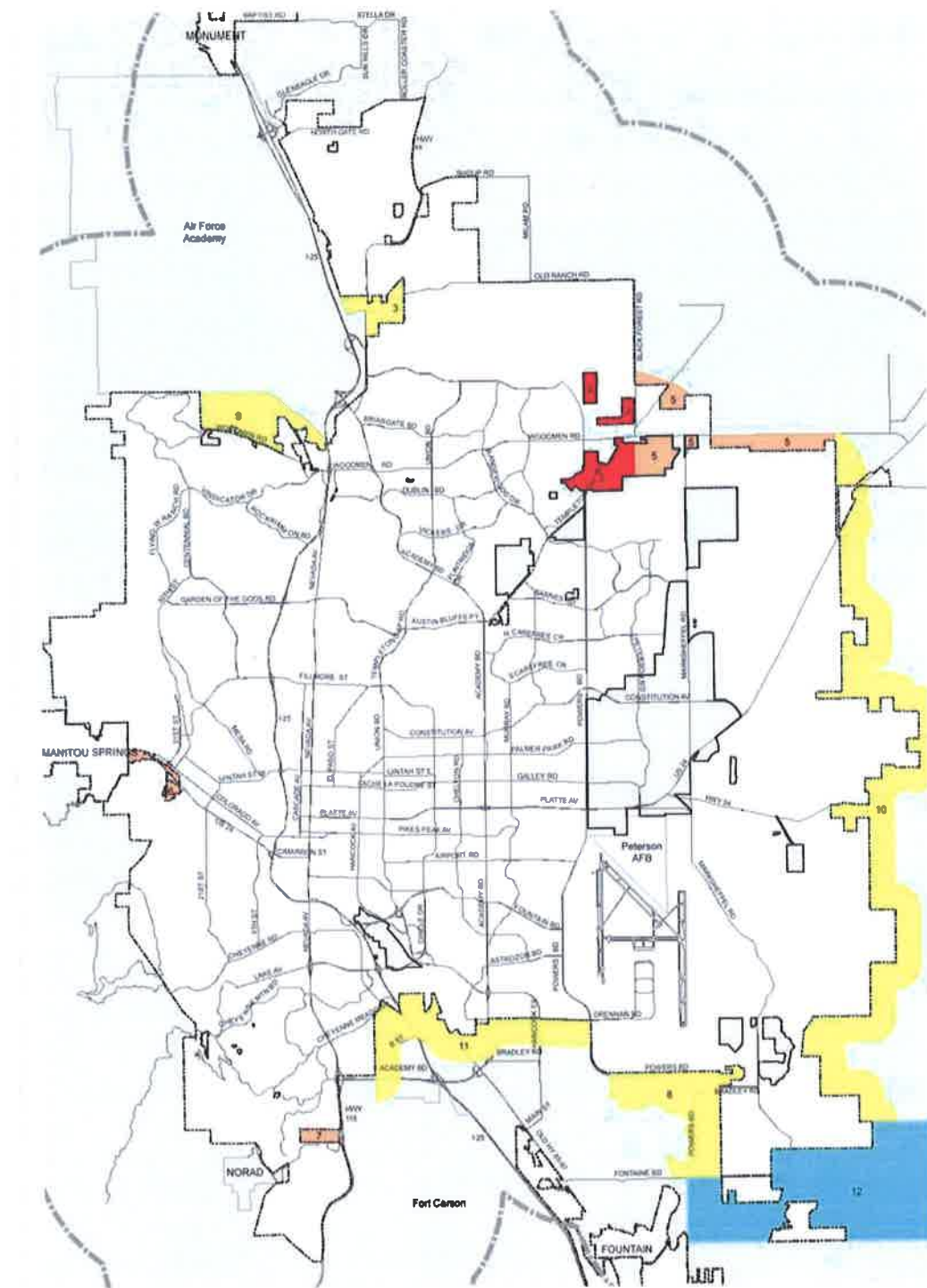
Area Status

Indistrict

Not Indistrict

Year	Area	Source	Area	Area	Area
1	1961-1962	Rock Creek Mesa	1961-1962	1961-1962	1961-1962
2	1963-1964	Rock Creek Mesa	1963-1964	1963-1964	1963-1964
3	1965-1966	Rock Creek Mesa	1965-1966	1965-1966	1965-1966
4	1967-1968	Rock Creek Mesa	1967-1968	1967-1968	1967-1968
5	1969-1970	Rock Creek Mesa	1969-1970	1969-1970	1969-1970
6	1971-1972	Rock Creek Mesa	1971-1972	1971-1972	1971-1972
7	1973-1974	Rock Creek Mesa	1973-1974	1973-1974	1973-1974
8	1975-1976	Rock Creek Mesa	1975-1976	1975-1976	1975-1976
9	1977-1978	Rock Creek Mesa	1977-1978	1977-1978	1977-1978
10	1979-1980	Rock Creek Mesa	1979-1980	1979-1980	1979-1980
11	1981-1982	Rock Creek Mesa	1981-1982	1981-1982	1981-1982
12	1983-1984	Rock Creek Mesa	1983-1984	1983-1984	1983-1984
13	1985-1986	Rock Creek Mesa	1985-1986	1985-1986	1985-1986
14	1987-1988	Rock Creek Mesa	1987-1988	1987-1988	1987-1988
15	1989-1990	Rock Creek Mesa	1989-1990	1989-1990	1989-1990
16	1991-1992	Rock Creek Mesa	1991-1992	1991-1992	1991-1992
17	1993-1994	Rock Creek Mesa	1993-1994	1993-1994	1993-1994
18	1995-1996	Rock Creek Mesa	1995-1996	1995-1996	1995-1996
19	1997-1998	Rock Creek Mesa	1997-1998	1997-1998	1997-1998
20	1999-2000	Rock Creek Mesa	1999-2000	1999-2000	1999-2000
21	2001-2002	Rock Creek Mesa	2001-2002	2001-2002	2001-2002
22	2003-2004	Rock Creek Mesa	2003-2004	2003-2004	2003-2004
23	2005-2006	Rock Creek Mesa	2005-2006	2005-2006	2005-2006
24	2007-2008	Rock Creek Mesa	2007-2008	2007-2008	2007-2008
25	2009-2010	Rock Creek Mesa	2009-2010	2009-2010	2009-2010
26	2011-2012	Rock Creek Mesa	2011-2012	2011-2012	2011-2012
27	2013-2014	Rock Creek Mesa	2013-2014	2013-2014	2013-2014
28	2015-2016	Rock Creek Mesa	2015-2016	2015-2016	2015-2016
29	2017-2018	Rock Creek Mesa	2017-2018	2017-2018	2017-2018
30	2019-2020	Rock Creek Mesa	2019-2020	2019-2020	2019-2020
31	2021-2022	Rock Creek Mesa	2021-2022	2021-2022	2021-2022
32	2023-2024	Rock Creek Mesa	2023-2024	2023-2024	2023-2024
33	2025-2026	Rock Creek Mesa	2025-2026	2025-2026	2025-2026
34	2027-2028	Rock Creek Mesa	2027-2028	2027-2028	2027-2028
35	2029-2030	Rock Creek Mesa	2029-2030	2029-2030	2029-2030
36	2031-2032	Rock Creek Mesa	2031-2032	2031-2032	2031-2032
37	2033-2034	Rock Creek Mesa	2033-2034	2033-2034	2033-2034
38	2035-2036	Rock Creek Mesa	2035-2036	2035-2036	2035-2036
39	2037-2038	Rock Creek Mesa	2037-2038	2037-2038	2037-2038
40	2039-2040	Rock Creek Mesa	2039-2040	2039-2040	2039-2040
41	2041-2042	Rock Creek Mesa	2041-2042	2041-2042	2041-2042
42	2043-2044	Rock Creek Mesa	2043-2044	2043-2044	2043-2044
43	2045-2046	Rock Creek Mesa	2045-2046	2045-2046	2045-2046
44	2047-2048	Rock Creek Mesa	2047-2048	2047-2048	2047-2048
45	2049-2050	Rock Creek Mesa	2049-2050	2049-2050	2049-2050
46	2051-2052	Rock Creek Mesa	2051-2052	2051-2052	2051-2052
47	2053-2054	Rock Creek Mesa	2053-2054	2053-2054	2053-2054
48	2055-2056	Rock Creek Mesa	2055-2056	2055-2056	2055-2056
49	2057-2058	Rock Creek Mesa	2057-2058	2057-2058	2057-2058
50	2059-2060	Rock Creek Mesa	2059-2060	2059-2060	2059-2060
51	2061-2062	Rock Creek Mesa	2061-2062	2061-2062	2061-2062
52	2063-2064	Rock Creek Mesa	2063-2064	2063-2064	2063-2064
53	2065-2066	Rock Creek Mesa	2065-2066	2065-2066	2065-2066
54	2067-2068	Rock Creek Mesa	2067-2068	2067-2068	2067-2068
55	2069-2070	Rock Creek Mesa	2069-2070	2069-2070	2069-2070
56	2071-2072	Rock Creek Mesa	2071-2072	2071-2072	2071-2072
57	2073-2074	Rock Creek Mesa	2073-2074	2073-2074	2073-2074
58	2075-2076	Rock Creek Mesa	2075-2076	2075-2076	2075-2076
59	2077-2078	Rock Creek Mesa	2077-2078	2077-2078	2077-2078
60	2079-2080	Rock Creek Mesa	2079-2080	2079-2080	2079-2080
61	2081-2082	Rock Creek Mesa	2081-2082	2081-2082	2081-2082
62	2083-2084	Rock Creek Mesa	2083-2084	2083-2084	2083-2084
63	2085-2086	Rock Creek Mesa	2085-2086	2085-2086	2085-2086
64	2087-2088	Rock Creek Mesa	2087-2088	2087-2088	2087-2088
65	2089-2090	Rock Creek Mesa	2089-2090	2089-2090	2089-2090
66	2091-2092	Rock Creek Mesa	2091-2092	2091-2092	2091-2092
67	2093-2094	Rock Creek Mesa	2093-2094	2093-2094	2093-2094
68	2095-2096	Rock Creek Mesa	2095-2096	2095-2096	2095-2096
69	2097-2098	Rock Creek Mesa	2097-2098	2097-2098	2097-2098
70	2099-2100	Rock Creek Mesa	2099-2100	2099-2100	2099-2100
71	2101-2102	Rock Creek Mesa	2101-2102	2101-2102	2101-2102
72	2103-2104	Rock Creek Mesa	2103-2104	2103-2104	2103-2104
73	2105-2106	Rock Creek Mesa	2105-2106	2105-2106	2105-2106
74	2107-2108	Rock Creek Mesa	2107-2108	2107-2108	2107-2108
75	2109-2110	Rock Creek Mesa	2109-2110	2109-2110	2109-2110
76	2111-2112	Rock Creek Mesa	2111-2112	2111-2112	2111-2112
77	2113-2114	Rock Creek Mesa	2113-2114	2113-2114	2113-2114
78	2115-2116	Rock Creek Mesa	2115-2116	2115-2116	2115-2116
79	2117-2118	Rock Creek Mesa	2117-2118	2117-2118	2117-2118
80	2119-2120	Rock Creek Mesa	2119-2120	2119-2120	2119-2120
81	2121-2122	Rock Creek Mesa	2121-2122	2121-2122	2121-2122
82	2123-2124	Rock Creek Mesa	2123-2124	2123-2124	2123-2124
83	2125-2126	Rock Creek Mesa	2125-2126	2125-2126	2125-2126
84	2127-2128	Rock Creek Mesa	2127-2128	2127-2128	2127-2128
85	2129-2130	Rock Creek Mesa	2129-2130	2129-2130	2129-2130
86	2131-2132	Rock Creek Mesa	2131-2132	2131-2132	2131-2132
87	2133-2134	Rock Creek Mesa	2133-2134	2133-2134	2133-2134
88	2135-2136	Rock Creek Mesa	2135-2136	2135-2136	2135-2136
89	2137-2138	Rock Creek Mesa	2137-2138	2137-2138	2137-2138
90	2139-2140	Rock Creek Mesa	2139-2140	2139-2140	2139-2140
91	2141-2142	Rock Creek Mesa	2141-2142	2141-2142	2141-2142
92	2143-2144	Rock Creek Mesa	2143-2144	2143-2144	2143-2144
93	2145-2146	Rock Creek Mesa	2145-2146	2145-2146	2145-2146
94	2147-2148	Rock Creek Mesa	2147-2148	2147-2148	2147-2148
95	2149-2150	Rock Creek Mesa	2149-2150	2149-2150	2149-2150
96	2151-2152	Rock Creek Mesa	2151-2152	2151-2152	2151-2152
97	2153-2154	Rock Creek Mesa	2153-2154	2153-2154	2153-2154
98	2155-2156	Rock Creek Mesa	2155-2156	2155-2156	2155-2156
99	2157-2158	Rock Creek Mesa	2157-2158	2157-2158	2157-2158
100	2159-2160	Rock Creek Mesa	2159-2160	2159-2160	2159-2160





Map 3.1
City of Colorado Springs
Potential Annexation Areas



- Strongly Recommended for Annexation
- Recommended for Annexation
- Eligible for Annexation, but not recommended
- Potential Growth Area for the City of Fountain
- 3 Mile Buffer



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