

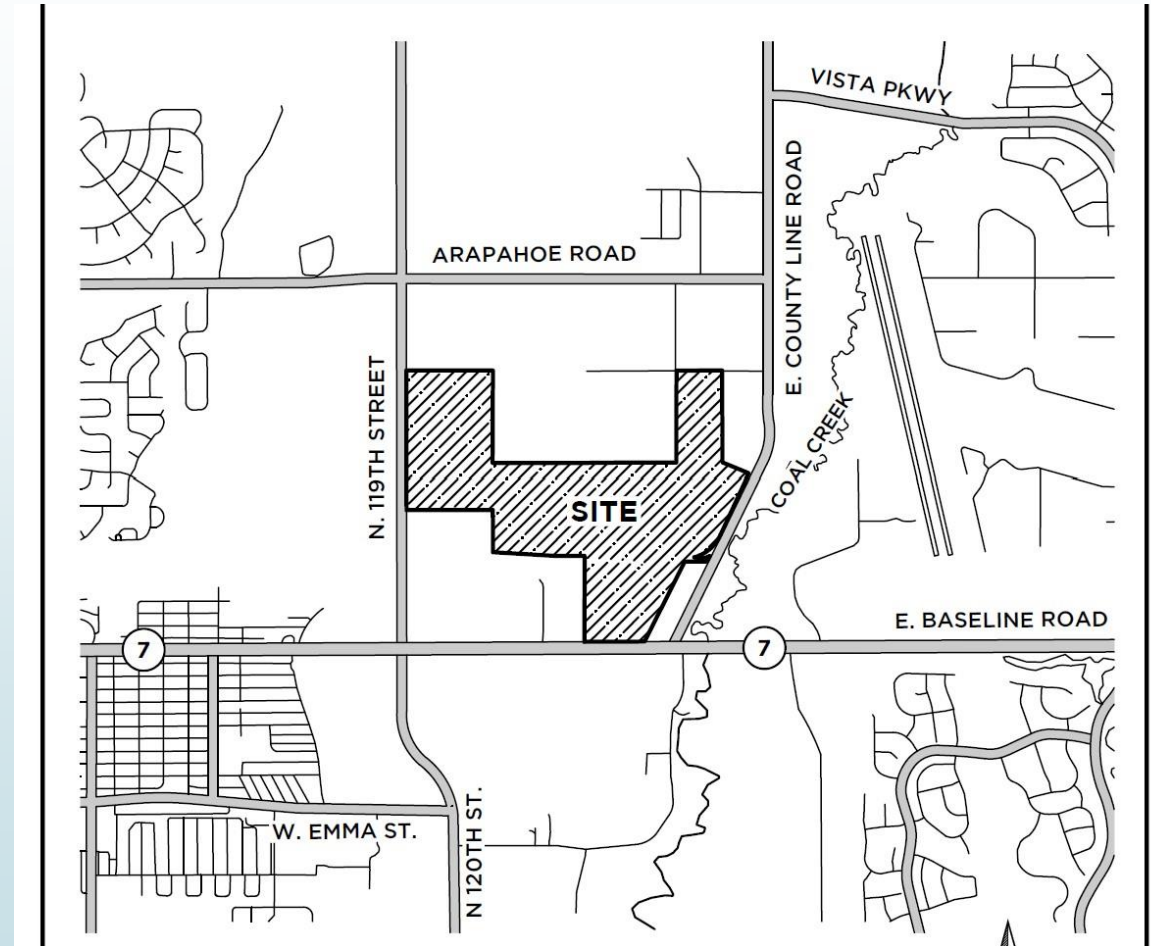


Amended and Restated Service Plan for Parkdale Metropolitan District Nos. 1-3

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Vicinity Map





Historical Context

- Model Service Plan for Parkdale Metropolitan District Nos. 1-3 was approved by the Board of Trustees on October 24, 2017 (the “Original Service Plan”).
- First Amendment to the Original Service Plan was approved by the Board of Trustees on August 27, 2019 (the “First Amendment”).
- Now, the Developer is requesting the Board of Trustees approve the Amended and Restated Service Plan for Parkdale Metropolitan District Nos. 1-3 (the “Amended Service Plan”). The Amended Service Plan will supersede and replace in its entirety the Original Service Plan and the First Amendment.



Original Service Plan

- Project Size: 250 acres
- Cost of Public Improvements: \$22,145,000
- Debt Limit \$30 million
- Maximum Mill Levy: 50 mills
- Fees are not allowed without the consent of the Town.
- Operations and Maintenance of Public Improvements by the District was prohibited. This structure requires a homeowners association which is not subject to oversight by the Town.

Amended Service Plan

- Project Size: 431 acres
- Cost of Public Improvements: \$108,371,000
- Debt Limit \$100 million
- Maximum Mill Levy: 50 for Debt, 15 for Operations and Maintenance
- Fees are allowed for covenant enforcement, design review services, and landscape maintenance and snow removal.
- Operations and Maintenance of Public Improvements not dedicated to the Town or another public entity is permitted.

Service Plan Mill Levy Trends

	Maximum Debt Mill Levy	Maximum Operations & Maintenance Mill Levy	Maximum Mill Levy	Jurisdiction	Date of Approval
Home Place Metropolitan District	50 mills	None – unlimited		Thornton	February 27, 2018
Haskins Station Metropolitan District	50 mills	None – unlimited		Arvada	September 17, 2018
Hance Ranch Metropolitan District	60 mills	None – unlimited		Wheat Ridge	August 26, 2019
Trails at Crowfoot Metropolitan District No. 1	57 mills	10 mills		Parker	June 17, 2019
Painted Prairie Metropolitan Districts Nos. 10-12	50 mills	None – unlimited		Aurora	August 5, 2019
Lanterns Metropolitan District Nos. 1-5	63.6 mills	11 mills		Castle Rock	August 21, 2018
Brennan Metropolitan District	50 mills		50 mills	Erie	March 22, 2016

Operations and Maintenance

- The Original Service Plan required that one or more homeowners associations be formed to own, operate and maintain: all parks, recreation amenities facilities, roadway landscaping including landscaping tracts, open space, detention ponds, storm drainage, and raw water ponds.
- The Amended Service Plan allows the Districts to own, operate and maintenance any Public Improvements that are not dedicated to the Town or other public entity.
- The Districts need the separate operations and maintenance mill levy to fund their operations and maintenance.

Market Value	Assessed Value	Operations Mill Levy	Property Taxes Paid Per Year	Property Taxes Paid Per Month
\$450,000	\$32,175	15 mills	\$482.62	\$40.22



Benefits of metropolitan districts compared to homeowners associations

- Publicly accountable (public meetings, open records, elected Board) very similar to the City.
- Ability to impose ad valorem property taxes to pay for public improvements. Ad valorem property taxes are tax deductible to residents and can be collected through the County Assessor at a low cost. Metro Districts often achieve 100% collection rates because they have the power to impose a tax lien.
- Ability to finance public improvements over long period of time which presents a savings to residents who can pay for public improvements over time instead of upfront in the purchase price of their home.
- Ability to issue tax-exempt bonds with a lower interest rate than private funding or taxable bonds.
- Sophisticated insurance pool resulting in lower insurance costs.
- Governmental immunity.
- As a local government, the Metro District is exempt from State sales and use tax when purchasing supplies and equipment resulting in lower construction costs.



Debt Parameters

- Debt Limit for all three Districts is \$100 million.
- Maximum Debt Mill Levy: 50 mills.
- Maximum Debt Mill Levy Imposition Term: 40 years, unless residents of the District authorize a longer term.
- External Financial Advisor Certificate is required for any Privately Placed Debt.
- Prior to issuing Debt, the Districts are required to provide the Town with the opinion of bond counsel stating the Debt satisfies the requirements of the Service Plan.
- Debt proceeds cannot be used to reimburse the Developer for acquisition of right-of-way, easements, water rights, land for prudent drainage, parkland, or open space.



Notices Provided to Homebuyers

1. Real estate purchase contracts disclose that the home is in special taxing district.
2. Order and Decree organizing the Districts have been recorded.
3. Disclosure Notice required by the Original Service Plan has been recorded.
4. Section 32-1-104.8, C.R.S. notices showing the District boundaries have been recorded. This notice is updated when the District boundaries change.
5. Section 32-1-809, C.R.S. transparency notice with information about the Board of Directors, mill levies, and election dates are available online at <https://www.sdaco.org/> and <https://dola.colorado.gov/lgis/> . This notice is completed each year.
6. Notice of Board meetings are required to be posted in the boundaries of the Districts or on a designated District website at least 24 hours prior to the meeting.



Board of Trustee Findings Regarding the Amended Service Plan (§ 32-1-203, C.R.S.)

- There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district;
- The existing service in the area to be served by the proposed special district is inadequate for present and projected needs;
- The proposed special district is capable of providing economical and sufficient service to the area within their proposed boundaries; and
- The area to be included within the proposed special district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.



Benefits of approving the Amended Service Plan

- The Districts will be providing Public Improvements where no other public entity is willing or able to do so.
- The Districts will be able to own, operation, and maintain Public Improvements for the benefit of their taxpayers, property owners, and residents.
- The Districts are local governments that are governed by an elected Board of Directors which are accountable to the taxpayers, property owners, and residents of the Districts.
- The land has remained undeveloped for some time. The Amended Service Plan along with the Development Agreement for Parkdale are necessary for this great project to begin development.