SUNSET PARKS METROPOLITAN DISTRICT:
Third Amended & Restated Service Plan

Board of Trustees
Public Hearing
May 26, 2020

Vicinity Map and History of Development

Project History

2006	2007	2007	2008	2013	2014	2016	2020
Purchase property	Annexed into Erie	Worked on Pre Plat	Market downturn	Minor plat approved Erie purchase Sunset Open space	Preliminary Plat Approved	Preliminary plat expired	Request Preliminary Plat approval

District Background

- The District was originally organized in 2008
- Service Plan has previously been amended twice (2012 and 2015) due to development delays

<u>3rd Amended & Restated Service Plan</u>

- Clarifies the maintenance obligations of the District for open space and related drainage
- Revises financing plan with updated projection of assessed values
  - Based on a conservative 30-year bond maturity rather than 40-year limit in Service Plan
- Increases Debt Issuance Limit based on updated assessed values
- Revises estimated cost of public improvements based on recent engineering review ($11.25M)
  - Developer is anticipating contributing almost $1.5M in excess of debt limit for public improvements

	Original	1st Amended & Restated	2nd Amended & Restated	3rd Amended & Restated
Approval Date	Feb. 12, 2008	Feb. 14, 2012	April 14, 2015	Requested for 5/26/20
Debt Issuance Limit	$7,650,000	$7,650,000	$7,650,000	$9,800,000
Debt Mill Levy Limit *	50.000	50.000	50.000	50.000
O&M Mill Levy Limit *	None - unlimited	None - unlimited	None - unlimited	10.000
Debt Mill Levy Imposition Term	40 years	40 years	40 years	40 years

* Mill levies are subject to Gallagher adjustments

Operations & Maintenance

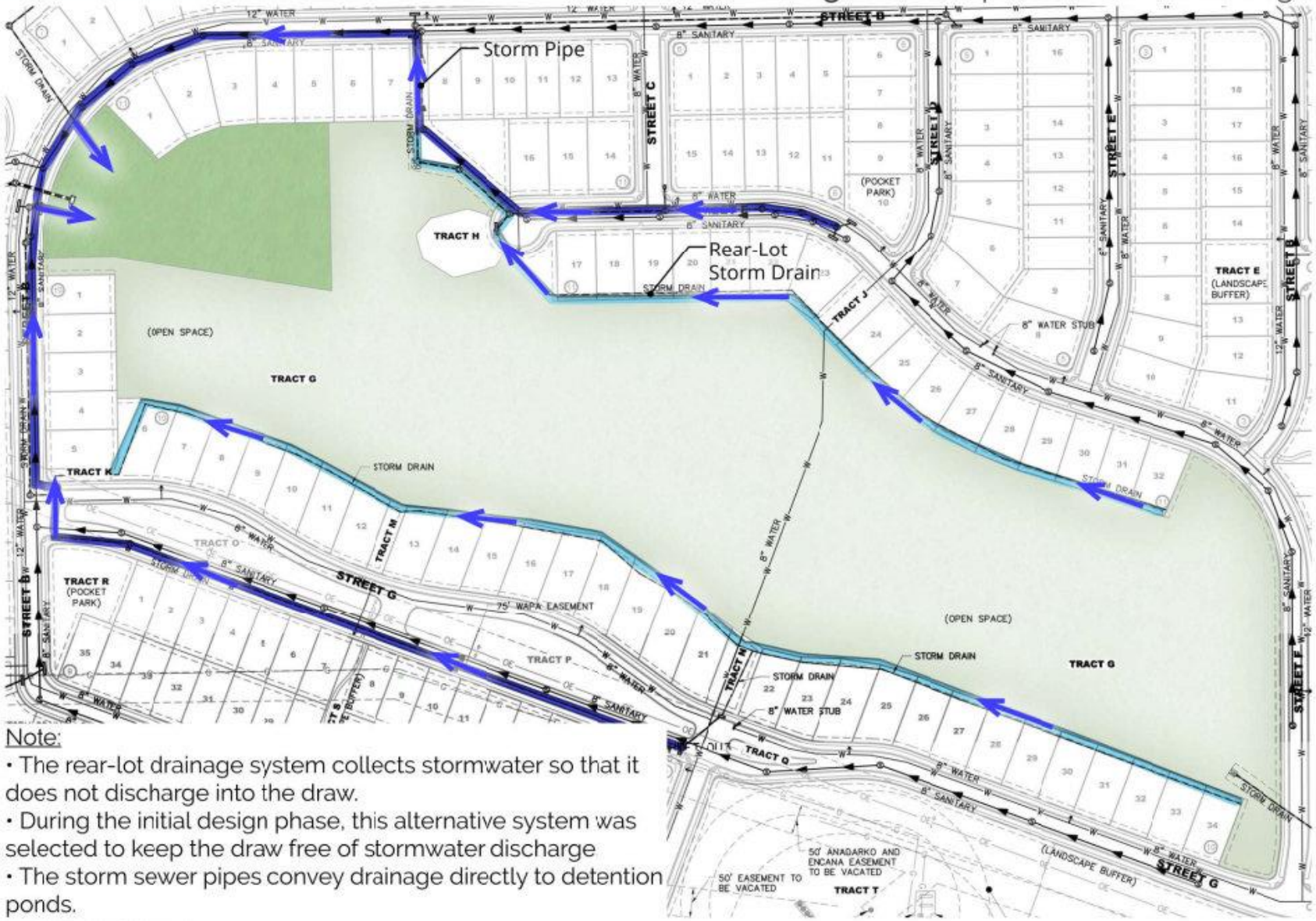
The District is contemplated to have significant maintenance obligations:

- Landscaping and maintenance for more than 26 acres of open space and spine trails
  - *Benefits the Town and its residents, without being an economic burden on the Town*
  - *District owned property is open to the public in accordance with State law, whereas HOA ownership would result in private property not accessible to Town residents*
- Rear yard drainage collection system
- Detention ponds
- Landscaping and maintenance for 4.5 additional acres for public parks
- Pump station
- Parks and playground equipment
- Community fencing
- Monumentation and associated tracts
- Other public improvements not dedicated to the Town
- No HOA is contemplated, so the District may additionally provide snow and trash removal, covenant enforcement and design review services. (Fees may be imposed to defray the cost of such services.)

Exhibit V

Overall Site Plan - 249 Lots

Drainage Plan: Proposed Rear-Lot Drainage



Note:

- The rear-lot drainage system collects stormwater so that it does not discharge into the draw.
- During the initial design phase, this alternative system was selected to keep the draw free of stormwater discharge
- The storm sewer pipes convey drainage directly to detention ponds.

O&M MILL LEVY IMPACT

Typical Home Value	$512,000
Assessed Value (7.15%)	$36,608
Annual O&M Mill Levy Assessment (10.000 mills)	$366
Estimated O&M Revenue for District (240 homes)	$87,859
Administrative Costs (est.)	$50,000
Net amount available for District maintenance	$37,859

Benefits of Metropolitan Districts Compared to Homeowner Associations

- Publicly accountable (public meetings, open records, elected Board)
- Ability to impose ad valorem property taxes to pay for public improvements. Ad valorem property taxes are tax deductible to residents, whereas HOA fees are not.
- Ability to finance public improvements over long period of time which presents a savings to residents who would 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 operations and maintenance costs.

Notices Provided to Homeowners

- Disclosure notice required by Exhibit H of the Service Plan will be recorded to advise potential home buyers that the property is within a special taxing district.
- Real estate purchase contracts disclose that the home is in a special taxing district.
- Homebuilders will provide written notice to all purchasers of property in the District regarding the Maximum Mill Levy, as well as a description of the District's authority to impose and collect rates, fees, charges or exactions. (The notice will be included in the promotional, marketing, and sales information provided to prospective home buyers.)
- Order and Decree organizing the District has been recorded.
- District boundaries have been recorded.
- Statutory "Transparency Notice" regarding Board of Directors, mill levies, and election dates is available at https://www.sdaco.org/ and https://dola.colorado.gov/lgis/ (pursuant to § 32-1-809, C.R.S.).
- Notice of Board meetings are posted in the boundaries of the District or on a designated website at least 24 hours prior to each meeting, and are also posted in the Weld County clerk & recorder's office and with the Town Clerk.
- The District's Annual Report is provided to the Town by August 1 of each year.

Benefits of Approving the 3rd Amended and Restated Service Plan

- Approval of the Service Plan will enable the District to finance the public infrastructure required for the development
- The District will maintain the central open space corridor, and will construct, own and maintain the rear-yard drainage collection system
- The District will construct and maintain the water pump station for as long as needed
- Other public improvements (streets, storm drains, sanitary sewer and water facilities) will be dedicated to the Town upon completion and acceptance

The District Respectfully Requests the Board of Trustees Approval of the Third Amended and Restated Service Plan for Sunset Parks Metropolitan District:

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

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

3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and

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

Thank You!