



AGENDA

TUESDAY, SEPTEMBER 27, 2016

STUDY SESSION, 6:30 P.M.

CITY COUNCIL CHAMBERS

500 EAST THIRD STREET

LOVELAND, COLORADO

NOTICE OF NON-DISCRIMINATION

It is the policy of the City of Loveland to provide equal services, programs and activities without regard to race, color, national origin, creed, religion, sex, sexual orientation, disability, or age and without regard to the exercise of rights guaranteed by state or federal law. It is the policy of the City of Loveland to provide language access services at no charge to populations of persons with limited English proficiency (LEP) and persons with a disability who are served by the City.

For more information on non-discrimination or for translation assistance, please contact the City's Title VI Coordinator at TitleSix@cityofloveland.org or 970-962-2372 . The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act (ADA). For more information on ADA or accommodations, please contact the City's ADA Coordinator at adacoordinator@cityofloveland.org or 970-962-3319 .

NOTIFICACIÓN EN CONTRA DE LA DISCRIMINACIÓN

La política de la Ciudad de Loveland es proveer servicios, programas y actividades iguales sin importar la raza, color, origen nacional, credo, religión, sexo, orientación sexual, discapacidad, o edad y sin importar el uso de los derechos garantizados por la ley estatal o federal. La política de la Ciudad de Loveland es proveer servicios gratis de acceso de lenguaje a la población de personas con dominio limitado del inglés (LEP, por sus iniciales en inglés) y a las personas con discapacidades quienes reciben servicios de la ciudad.

Si desea recibir más información en contra de la discriminación o si desea ayuda de traducción, por favor comuníquese con el Coordinador del Título VI de la Ciudad en TitleSix@cityofloveland.org o al 970-962-2372 . La Ciudad hará acomodaciones razonables para los ciudadanos de acuerdo con la Ley de Americanos con Discapacidades (ADA, por sus iniciales en inglés). Si desea más información acerca de la ADA o acerca de las acomodaciones, por favor comuníquese con el Coordinador de ADA de la Ciudad en ADACoordinator@cityofloveland.org o al 970-962-3319 .

Title VI and ADA Grievance Policy and Procedures can be located on the City of Loveland website at: cityofloveland.org

(60
minutes)

- 1 **COMMUNITY PARTNERSHIP OFFICE** (presenter: Alison Hade and
Glorie Magrum)

HOMELESSNESS IN LOVELAND

This is an informational presentation and discussion of Loveland's homeless residents and steps taken by other municipalities to reduce homelessness. Council will be given up-to-date numbers of transient homeless and resident homeless.

[CPO Homelessness CS](#)

[Att 1 CPO Homelessness Staff Memo](#)

[Att 2 CPO Powerpoint](#)

(30
minutes)

- 2 **CITY ATTORNEY** (presenter: Tami Yellico)

CITY METRO DISTRICT FORMATION POLICY

Earlier this year, City Council directed staff to draft a metropolitan district policy.

[CAO Metro District Policy CS](#)

[Att 1 - Special District Policy PowerPoint](#)

[Att 2 - Metro District Policy Loveland](#)

[Att 3 - Metropolitan Districts Application Submittal Materials](#)

[Att 4 - Service Plan Form](#)

[Att 5 - District Disclosure Agreement Form](#)

ADJOURN

AGENDA ITEM: 1
MEETING DATE: 9/27/2016
TO: City Council
FROM: Community Partnership Office
PRESENTERS: Alison Hade, Administrator
 Glorie Magrum, House of Neighborly Service Executive Director



TITLE:
Homelessness in Loveland Discussion

SUMMARY:
 This is an informational presentation and discussion of Loveland’s homeless residents and steps taken by other municipalities to reduce homelessness. Council will be given up-to-date numbers of transient homeless and resident homeless.

BACKGROUND:
 On July 5, 2016, City Council requested information about Loveland’s homeless, specifically the number of homeless served by the House of Neighborly Service (HNS), 137 Homeless Connection and Angel House programs. Also requested was information about steps taken in Kansas City to visibly reduce the City’s homeless numbers. In 2015, the HNS 137 program served 335 people and the Angel House served 66. An annual point-in-time homeless count showed an increase of unsheltered homeless of 20%.

This Study Session will present additional information about our homeless residents as well as success stories from Kansas City. The staff memo includes a description of the types of services other communities have implemented to reduce homelessness with potential costs. The Community Partnership Office will request direction from Council to understand where time and resources should be used to address this issue.

REVIEWED BY CITY MANAGER:
SCA

LIST OF ATTACHMENTS:
 1. Staff Memo
 2. Presentation

MEMORANDUM

TO: City Council

FROM: Alison Hade, Community Partnership Office

VIA: Rod Wensing, City Manager's Office

DATE: September 27, 2016

RE: Homelessness

Several communities across the United States have made great strides in housing their homeless residents. Seven cities and two states have stated that they have ended veteran homeless, including Salt Lake City, Phoenix, Houston, Philadelphia, Las Cruces, Santa Fe, New Orleans, and Connecticut and Virginia. Loveland is now on-track to end veteran homelessness with an approximate time frame that will be given during the presentation.

Below are the steps cities have taken to address homelessness. The list includes a description of the initiative, steps taken in Loveland and financial needs of our partners to ensure success.

HOUSING and SERVICES – Provide the right kind of housing and services to meet the needs of the client.

- **INITIATIVE:**
 - Loveland needs **Permanent Supportive Housing (PSH)** for many of our chronically homelessness adults. Permanent Supportive Housing includes **prioritizing those with the greatest needs** and **providing services**, for some for the rest of their lives. Services must include mental health and substance abuse assistance. If the Behavioral Health Center is funded, in-patient treatment will come with housing assistance and support once the individual has been released, thereby ensuring on-going support.
 - **Rapid Re-housing** can be used to house newly homeless adults or families with some resources and includes a rent subsidy for a few months or up to two years. Services would likely be needed as well. The Community Partnership Office will look for financial assistance through the Division of Housing for rapid re-housing assistance.
 - **Transitional housing** is used by House of Neighborly Service for families leaving the Angel House program who are actively working on permanent housing.
- **HOUSING PARTNERS:** Loveland Housing Authority, Veterans Administration, Volunteers of America, House of Neighborly Service, Neighbor to Neighbor
- **PRIMARY SERVICE PARTNERS:** SummitStone Health Partners, Heart Centered Counseling, House of Neighborly Service, Goodwill Industries, Larimer County Workforce, Disabled Resource Services
- **WHAT WE NEED:** The Loveland Housing Authority (LHA) is almost the sole provider of permanent low-income rental housing in Loveland. The Edge is Loveland's first PSH program. The Housing Authority needs **\$10,000** to help pay for a case manager to ensure the success of the program.
- **WHAT WE MAY NEED LATER:** In the future, the Housing Authority will need partnerships with service providers and with the City of Loveland. They cannot be expected to house the homeless alone but will need a dedicated funding source to manage service provision and may need help with rent assistance. Community Development Block Grant (CDBG) Public Service funding already received by the City of Loveland could be used as a dedicated funding source for services. For rent

assistance, LHA would likely seek a Project Based Voucher (Section 8) for homeless housing. If a voucher isn't available, **the current total cost for a 30% AMI 1-bedroom apartment over 20 years is \$105,600.**

SHELTER – Continue to provide a place for people to go if permanent housing isn't available and an entry point to assistance.

- **WHERE WE ARE:** Housing people is better than sheltering them. Unfortunately, the systems we have in place will not eliminate the need for some type of overnight shelter into the foreseeable future. For both the Angel House and the 137 Homeless Connection shelter programs, House of Neighborly Service has needed more support than it has received over the last few years, putting both programs at risk.
- **PARTNERS:** House of Neighborly Service (Catholic Charities and Rescue Mission in Fort Collins)
- **WHAT WE NEED:** The City asked House of Neighborly Service to provide overnight shelter during the winter and day shelter all year for homeless adults. The organization has not had an easy time raising money for this program and over the past three years has had a funding shortfall of **\$35,000** to \$40,000 each year. It was mentioned during the July 5th City Council meeting that employees of the 137 Connection program are not paid a living wage. The Angel House program has also operated with a shortfall of \$25,000 to \$35,000 each year for the past few years. Support from the City could mean not losing these programs.

LANDLORD ENGAGEMENT – Building relationships with landlords and engaging them in the process of ending homelessness.

- **WHERE WE ARE:** Landlord engagement is a new strategy in addressing homelessness. In Colorado, Brothers Redevelopment started a program that includes an incentive fund to get landlords to participate. In Larimer County, Volunteers of America has built a successful program housing veterans by working with local landlords who look to VOA staff to help with crisis management should it be needed.
- **WHAT WE NEED:** The Community Partnership Office has started conversations with a few landlords to build relationships but does not currently have the capacity to build a program around landlord engagement. We may be able to find a volunteer who could receive training by VOA to move this forward in Loveland. The goal is to get landlords to call us first when an apartment or a home becomes available.

COORDINATED ENTRY – Working together to find the best housing solution based on the needs of the client.

- **WHERE WE ARE:** Coordinated Entry is an evidence-based practice that is starting to be used regionally to identify, assess, prioritize and match homeless individuals and families with the right kind of housing and services. A fully functional program will ensure that a common assessment tool is used to fully understand the vulnerability of the client, street and community outreach to find hidden unsheltered homeless individuals and families, a by-name list to prioritize by vulnerability, and a list of available housing to properly match the resident. Larimer and Weld Counties are in the process of raising funding for a full time coordinator for two years. To date, Fort Collins and Greeley have raised \$74,700. The Community Partnership Office has submitted two proposals to the Community Foundation to try to be an active partner in this process.
- **PARTNERS:** United Way of Weld County, United Way of Larimer County, Fort Collins Housing Authority, City of Fort Collins, Homeward 2020

- **WHAT WE NEED:** It would benefit Loveland to participate as an active partner in Coordinated Entry. Currently, the only identified funding sources have come from the Community Foundation. The CPO will work to identify other potential funding sources as well.

FAMILY REUNIFICATION – Helping people reunite with family.

- **WHERE WE ARE:** Staff members from the House of Neighborly Service Angel House and 137 Homeless Connection programs, and the Salvation Army, have experience with family reunification. They know that in order for the program to be successful the candidate has to be able to return to his or her family in a way that is safe and welcoming, with services also available once the individual has reached his or her destination.
- **PARTNERS:** Salvation Army, House of Neighborly Service
- **WHAT WE NEED:** House of Neighborly Service has funding for their clients. Salvation Army has some funding as well. The Community Partnership Office would like to provide matching funds of **\$1,000 to \$2,000** primarily for the Salvation Army program.

MEASURE SYSTEM PERFORMANCE – Data is key to measuring progress.

- **WHERE WE ARE:** Many communities use a database called the Homeless Management Information System (HMIS). For the most part, Loveland’s homeless programs are not using this system.
- **WHAT WE NEED:** At some point, it may be necessary to link our homeless data with our regional partner’s data to track the percentage of the homeless population that is transient. We do not currently have a plan or a cost for this to happen.

STREET OUTREACH – Improve outreach to link people to services and to mitigate disruptive behaviors.

- **WHERE WE ARE:** Loveland Police Department Lieutenant Brown started a street outreach program to provide resource information to homeless individuals in the downtown area.
- **PARTNERS:** Loveland Police Department, LPD Senior Volunteers, 137 Connection
- **WHAT WE NEED:** LPD will need support to continue to engage in street outreach, either in the form of volunteers or paid staff. A local program could use the research conducted by Outreach Fort Collins to better understand programs around the United States and to learn what is working and what is not working in our neighboring city (see www.outreachfortcollins.org). We do not currently have a plan or a cost for this to occur.

MENTORSHIP/One Community, One Family – Work to keep people housed.

- **WHAT IT IS:** One Community, One Family is modeled after the One Congregation, One Family program that was started by Governor Hickenlooper, or the One Village, One Family program currently operated by Homeless Gear in Fort Collins. The program matches groups of 4 to 6 people with a homeless family to provide mentorship and support. Existing programs in Colorado have assisted more than 1,000 families achieve stable housing with 87% remaining in housing for at least a year. The House of Neighborly Service utilizes care teams to wrap services and support around homeless families and individuals in the Angel House and 137 Homeless Connect programs.
- **PARTNERS:** House of Neighborly Service will continue providing care teams and Salvation Army will likely start One Community, One Family in Loveland. The Community Partnership Office will offer support where needed.
- **WHAT WE NEED:** Community members are needed to form small groups. Loveland Connect volunteers will be asked if they would like to work on this project.

Homelessness in Loveland

REPORT TO THE LOVELAND CITY COUNCIL

SEPTEMBER 27, 2016

Discussion

- ❖ What's happening in Loveland?
- ❖ What happened in Kansas City?

Homeless in Loveland

137 Connection:	225	283	335
	(2013)	(2014)	(2015)

- ❖ In 2015, 62% used services <10 days
- ❖ 32% used services 10-99 days
- ❖ 6% (20 people) used services 100-365 days
- ❖ 90% (18) are long-term Loveland residents

Homeless families in Loveland

Angel House: 18/61 19/78 20/66
 (2013) (2014) (2015)

- ❖ Families remain in program up to 120 days
- ❖ Primary goals: living-wage employment
safe child-care/school
debt reduction/credit repair
acquire safe housing by exit
- ❖ 38% are Loveland residents

What we do

General Homeless Services

- Hygiene: laundry & showers
- Lockers & mail
- Food & clothing
- Transportation
- Computers & phone access
- Identification
- Mental health
- Job guidance
- Referrals & advocacy

137 Connection

- Day center & winter shelter
- New Life Program

Angel House

- Shelter 365 days a year
- Family space during the day
- Credit repair & debt reduction
- Transitional/safe housing at exit

Ending Homelessness

- ❖ Housing
- ❖ Rent Assistance
- ❖ Services
- ❖ Shelter
- ❖ Landlord Engagement
- ❖ Family Reunification
- ❖ Local Partnerships and Information Sharing
- ❖ Street Outreach
- ❖ Data

Functional Zero – ending veteran homelessness

- ❖ Mayor’s Challenge to End Veteran Homelessness – A Regional Effort
- ❖ Homeless veterans in Loveland
- ❖ Adding The Edge
- ❖ Partnering with LHA



What we need

NOW:

- ❖ The Edge - \$10,000
- ❖ Family reunification - \$2,000
- ❖ 137 Homeless Connection - \$35,000

FUTURE DISCUSSION:

- ❖ Future partnership with LHA - \$50,000 from CDBG PS
- ❖ Street outreach \$?
- ❖ 30% AMI unit for 20 years without a voucher = \$106,000

Questions and discussion



AGENDA ITEM: 2
MEETING DATE: 9/27/2016
TO: City Council
FROM: Tami Yellico, City Attorney
PRESENTER: Tami Yellico, City Attorney



TITLE:
Discussion of a Draft Metropolitan District Policy

SUMMARY:
Earlier this year, City Council directed staff to draft a metropolitan district policy.

BACKGROUND:
Staff has prepared a draft Metropolitan District Policy, Service Plan, and Disclosure Agreement for council's consideration at a study session.

The policy will increase the consistency of applications and will make the review process more detailed.

The draft policy is based on the Colorado statutes pertaining to the creation of Metropolitan Districts. It requires a \$5,000 application fee for internal review costs and \$10,000 deposit for payment of any financial consultants or attorneys the City hires to review service plan and associated pro forma. The policy also includes a model service plan form and requires a disclosure agreement. Staff will develop an internal review process consistent with the policy that includes review and comments from departments.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

1. PowerPoint
2. Draft Metropolitan District Policy
3. Draft Recommended Application Submittal Materials
4. Draft Service Plan
5. Draft Disclosure Agreement

SPECIAL DISTRICT POLICY

A DRAFT FOR CITY COUNCIL CONSIDERATION

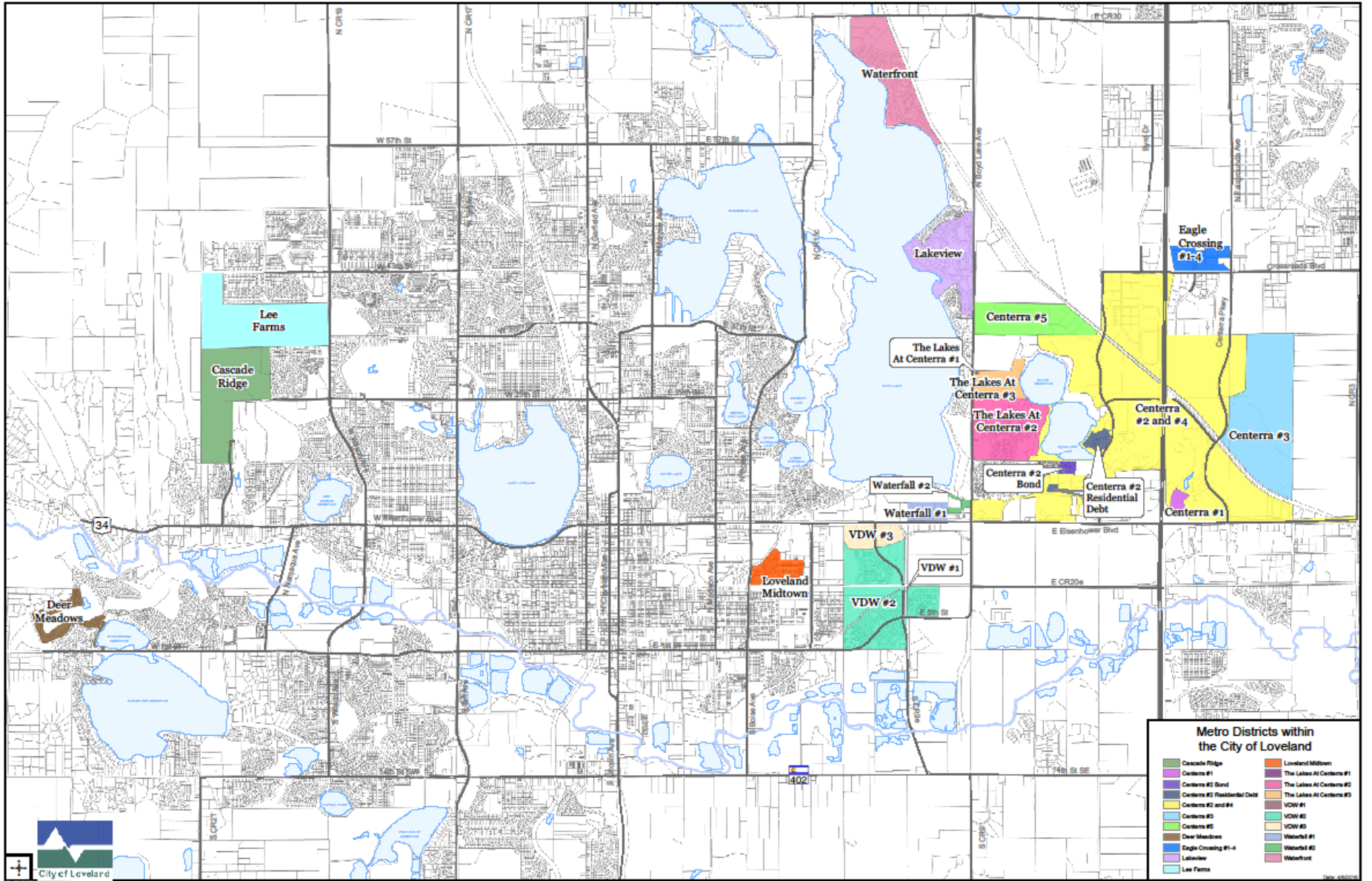
STATUTORY POWERS & DUTIES OF METROPOLITAN DISTRICT

- ▶ Special districts are governments that are created to construct and maintain public improvements, subject to Title 32 of the Colorado Revised Statutes, the City Code, land use regulations, development agreements, and service plans
- ▶ A special district can address local infrastructure needs while allocating the costs of that infrastructure and public improvements to those directly benefiting
- ▶ Metro District election questions addressing revenue and spending are voted upon by taxpayers directly impacted by the outcome of the election
- ▶ Districts may own, operate, and maintain public improvements not otherwise dedicated to the City
- ▶ Public infrastructure can be financed over time at tax exempt interest rates
- ▶ Service Plans are subject to approval by City Council and City Council can place restrictions on the metro district as it deems necessary for the health, safety and welfare of the City or the district

EXAMPLES OF PUBLIC IMPROVEMENTS THE SPECIAL DISTRICTS CAN FINANCE

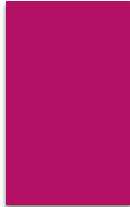
- ▶ Street Improvements (Drainage)
- ▶ Safety Protection Improvements
- ▶ Parks and Recreation Improvements
- ▶ Water Improvements
- ▶ Sanitary Sewer Improvements (Drainage)
- ▶ Transportation Improvements
- ▶ Mosquito Control Improvements
- ▶ Television Relay and Translation Improvements
- ▶ Fire Protection Improvements
- ▶ Covenant Enforcement and Design Review
- ▶ Security Services

Map of Metropolitan Districts in the City of Loveland



City of Loveland: Metro District Summary + Non-Metro Adjacent Mill Levy

District	Date	Service Type	Mill Levy						Non-Metro District Adjacent Neighborhood Mill Levy (Range)
			Authorized Mill Levy Cap			Amount of mill levy used for Model/Plan			
			O & M	Debt Svcs	Cap Total	O & M	Debt Svcs	Current Total	
Cascade Ridge	7/18/2007	Residential	5	40	45	5	40	45	72.741 - 80.275
Centerra [#1 through #4]	1/20/2004	Mixed-use	0	50	50	10 (declining to 4.5 in 2024)	35	35	72.741 - 95.84
Centerra No. 2					72 (in combination with Districts 1-4)	10 (declining to 4.5 in 2024)	35	45	72.741 - 74.717
Centerra No. 3					50	5	45	50	71.893 - 84.431
Centerra No. 4					72 (in combination with Districts 1-4)				72.741 - 74.717
Centerra No. 5	3/24/2009	Mixed-use			25 (O&M & Debt combined)			10 (O&M + Debt)	72.741 - 74.717
Deer Meadows	9/20/2007	Residential	10	50	60	5	35	40	71.893 - 72.741
Lakes @ Centerra MD #1, 2, & 3	9/4/2007	Mixed-use	0	70	70	10	50	60	71.893 - 72.741
Lakeview	8/19/2009	Mixed-use	10	50	60	10	40	50	73.217 - 74.717
Midtown (map)	3/1/2005	Residential	0	40	40	10	30	40	72.741
Van De Water (VDW)	3/20/2002	Mixed-use	0	40	40	Assumed	40	40	71.893 - 72.741
Waterfall	4/1/2008	Commercial	0	45	45	0	35	35	71.893 - 72.741
Waterfront at Boyd Lake	10/7/2003	Residential	5.747	40.232	45.979	5.75	40.23	45.98	73.393 - 72.241
Eagle Crossing (#1 through #4)	7/21/2014	Commercial	10	29	39	4	29	34	73.217 - 74.717
Lincoln Place - Dissolved Feb.2008	4/26/2005	Mixed-use	0	50	50	0	25	25	-
Average	-	-	3.42	47.25	50.60	6.34	38.66	44.18	72.55 - 76.43



Elements of Draft Metro District Policy

- ▶ Draft policy requires \$5,000 application fee for internal review costs & \$10,000 deposit for payment of any financial consultants or attorneys the City hires to review service plan & associated pro forma
- ▶ Policy includes a model service plan
- ▶ Policy requires a disclosure agreement
- ▶ Other limitations in the Metro District Policy include no exercise of eminent domain without approval of City Council, and that it will not compete with City for grants or water rights
- ▶ Staff will develop an internal review process to vet draft service plans that includes review and comments from all impacted departments like Development Services, City Attorney's Office, Public Works, Finance, Water & Power, Parks & Recreation

Key Model Service Plan Requirements

- Allowable public improvements
- Mill levy cap
- Operations & maintenance mill levy cap
- Estimated costs of public improvements
- Location map of public improvements
- Limitations on powers

REQUIREMENTS OF DISCLOSURE AGREEMENT

- ▶ Requires form of disclosure of mill levies and associated property taxes, including existing mill levies and the new special district mill levy & taxes
- ▶ Requires that chart on the next slide disclosing mill levies and taxes be supplied to all purchasers in advance of closing
- ▶ Requires that the developer who purchases lots from the original developer make the same mill levy disclosures

ESTIMATE OF PROPERTY TAXES
**Annual Tax Levied on Residential Property With
 \$300,000 Actual Value Without the District**

<u>Taxing Entity</u>	Mill Levies (year)	Annual tax levied
Insert entity	Insert amount	\$ Insert amount
Larimer County	Insert amount	\$ Insert amount
City of Loveland	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
TOTAL:	Insert total	\$ Insert amount

**Annual Tax Levied on Residential Property With \$300,000 Actual
 Value With the District (Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (year)	Annual tax levied
Insert District Name	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Larimer County	Insert amount	\$ Insert amount
City of Loveland	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
TOTAL:	Insert total	\$ Insert total





QUESTIONS



Metropolitan District Policy

METROPOLITAN DISTRICT LOVELAND POLICY GUIDELINES

The City of Loveland (City) wishes to set forth its guidelines for the use of a Metropolitan District (District) within the City for the purpose of financing and constructing public improvements as well as providing for ongoing operations and maintenance services, on a limited basis. A District is intended to be an independent unit of local government, separate and distinct from the City.

The City developed a model service plan based on Colorado State law which should be used as a starting point to create a District. The City Council has sole discretion to determine whether a service plan substantially complies with the form and content of the model Service Plan, and contains the information and meets criteria required by and referenced in Section 32-1-204.5 of the Colorado Revised Statutes. All service plans are subject to final approval by the City Council.

In addition to the requirements provided in State law relating to a Metropolitan District, the creation of a District shall rely on the following guidelines.

Policy guidelines in addition to State law:

1. *Application.* The Petitioner for a proposed District shall comply with the requirements of the City's application process. The City's application process is **(INSERT LINK)**.
2. *Model Service Plan.* The Petitioner for a proposed District is encouraged to file a proposed service plan by utilizing the City's model Service Plan **(INSERT LINK)**. The City's model Service Plan includes the minimum requirements that the City will consider when evaluating a service plan.
3. *Eminent Domain.* A District shall not be authorized to utilize the power of eminent domain unless such power is specifically approved by the City Council in the Service Plan and an intergovernmental agreement between the City and the District.
4. *Limitations.* A District shall not take any of the following actions unless approved in the Service Plan and an intergovernmental agreement between the City and the District:
 - a. Apply for or accept moneys from the state conservation trust fund, the Great Outdoors Colorado Fund, or any other fund available from or through

- governmental or nonprofit entities for which the City is eligible to apply (this prohibition shall not apply to specific ownership taxes);
- b. Exercise its sales and use tax exemption when purchasing materials and services within the City;
 - c. Impose a public improvement fee (PIF); or
 - d. Acquire, own, manage, adjudicate or develop water rights or resources.
5. *Telecommunications.* No telecommunication facilities owned, operated or otherwise allowed by the District shall affect the ability of the City to expand its telecommunication facilities or impair existing telecommunication facilities.
 6. *Zoning/Land Use Requirements.* A District shall be subject to all of the City's zoning, subdivision and building codes, site development standards and guidelines and other land use requirements, as they may be amended from time to time. The District shall acknowledge that the City is not limited in implementing any City Council or voter approved growth limitations, even though such actions may reduce, delay or otherwise impact development within the District and the acquisition or realization of District revenue.
 7. *Application Fee.* At the time of filing the proposed Service Plan, Petitioner is expected to pay a nonrefundable application fee of \$5,000 to the City for the review of the Service plan by City staff and for charges and fees incurred by the City for any bond counsel, public finance consultant, and real estate absorption consultant related to the Service Plan and creation of the District. Petitioner shall be responsible for payment of all such charges and fees in excess of the application fee.
 8. *Reimbursement Agreement.* The City advises that the Service Plan include a statement indicating whether or not a Reimbursement Agreement will be executed as part of the proposed project. If a Reimbursement Agreement exists for an improvement financed by a District, any and all reimbursements received for such improvement shall be deposited into the District's account and used for the purpose of retiring the District's debt sooner.
 9. *Disclosure Agreement.* Developers are required to sign disclosure agreements with the City at the time the Service Plan is presented to the City Council for consideration. The City's model Disclosure Agreement (**INSERT LINK**) includes the minimum requirements the City will consider when evaluating a disclosure agreement.



Loveland Metropolitan Districts

Development Services Department

500 East 3rd Street, Loveland, CO

80537

Phone: 970.962.2525

Recommended Application Submittal Materials

Proponents of a proposed Metropolitan District should consider admitting an application that includes the following:

1. Two (2) paper copies of a **Service Plan** in the form of the City's current model **service plan (INSERT LINK)** and model **intergovernmental agreement (INSERT LINK)**, copies of which should be obtained from the City's Developmental Services Department.
2. One (1) **cover letter** that addresses the following:
 - 1) What the application is for
 - 2) Identify the address/es or Parcel ID Number (PIN) of property included within the district's service area
 - 3) Identify the names, addresses, and phone numbers of the district applicant/s (applicant must own property within district boundaries) and the representatives of the applicant/s (law firm and individual handling the project).
 - If this is an amendment, see additional info requirements on page 3
3. **Application fee and deposits**, as indicated on page 2, is due at time of submittal. Checks must be written for the exact fee amount, credit cards or supplemented by another form of payment. Checks written for more than the fee amount will not be accepted.

Applicants who propose a submittal which deviates from the model shall discuss the proposal with a representative of the Developmental Services Department. All applications will be reviewed in accordance with the requirements of Colorado Statutes regarding Metropolitan Districts and the City's Metropolitan District Policy Guidelines, attached below, as approved by the City on _____.

In addition to the service plan, the City may require proof of ownership for all properties within the proposed Metro District, as well as a copy of any and all of the proposed enabling, controlling, contractual and/or operations documents that would affect or be executed by the proposed Metro District, including the intergovernmental agreement

between or among the Metro District, the City, or any other government, authority or district, and the name and contact information for the Metro District's Attorney.

Organized districts proposing a material modification to their approved service plan are required to submit additional information, as described below on page 3.

Fees & Deposit

Fees and deposits are due at the time of application as follows:

Standard Fees:

A \$5,000 non-refundable submittal fee for a new application is due with an application.

Deposit:

A \$10,000 deposit is due at the time of application to pay for the fees of legal and financial consultants that the City may retain if the applicant submits a service plan, or amended service plan ("Deposit"). It will be within the City's discretion to determine if outside consultant or attorney reviews are necessary on a case by case basis. Developer will be reimbursed any amount of the Deposit that is not spent on attorneys or financial or other consultants who review the plan or amended service plan. If the Deposit does not cover all of the City's costs attorneys or financial consultants who review the plan or amended service plan, the City will bill the Developer for all amounts in excess of the Deposit, which the Developer shall pay to the City within twenty (20) days.

Deadlines for Submittals

For November election (every year)	May 1
For May election (even numbered years only)	November 1

NOTE: All Metropolitan District documents requested by the City should be sent to:

**Loveland Development Services Department
410 East 5th Street
Loveland, Colorado 80537
Phone: 970.962.2525**

ADDITIONAL SUBMITTAL REQUIREMENTS FOR MATERIAL MODIFICATIONS TO APPROVED SERVICE PLANS

After the organization of a Metro District and pursuant to the provisions of Colorado State Statute, material modifications of the service plan, as originally approved, may be made by the board of directors of the Metro District only by petition to and approval by Council in substantially the same manner as is provided for the approval of an original service plan; but the processing fee for such modification procedure shall be as established by resolution of the Council. Such approval of modifications shall be required with regard to changes of a basic or essential nature,

whether or not they are deemed to be immaterial by the Metro District's board of directors, and shall include but not be limited to:

1. Any change in or addition to the public improvements to be constructed or a significant change in the timing of their construction.
2. The types of services, if any, provided by the Metro District.
3. A decrease in the financial ability of the district to discharge the existing or proposed indebtedness.
4. Any debt issued that exceeds the maximum debt mill levy and the maximum term.
5. Changes in the boundaries of the Metro District.
6. Any proposal to extend the dissolution date of the Metro District.

Applicants are required to include a letter with the submission of an Amended and Restated Service Plan which addresses the following aspects of the proposed modification to the original service plan:

1. Any changes to the original service plan since it was approved by the City Council including assumptions or projects furnished in conjunction with the original petition;
2. A detailed explanation of the action taken or alternatives considered, if any, by the Metro District to avoid the action, event or condition that resulted in the material modification to the original service plan.
3. The impact of the material modification on the Metro District's ability to develop the capital facilities and infrastructure necessary to meet its capital development plan;
4. The effect of the material modification on the Metro District's ability to retire as scheduled its outstanding financial obligations and its ability to issue and market additional indebtedness to finance additional capital expenditures; and
5. Alternatives or options that would be available to the Metro District if the requested amendment was not approved by the City.
6. The amendment will be processed and reviewed in the same manner as prescribed by policy for initial service plan review.

CONSOLIDATED SERVICE PLAN FOR

Insert district name here

Prepared by

**Loveland City Attorney's Office
500 East Third Street
Suite 330
Loveland, CO 80537**

Approved by Loveland City Council [Click here to enter a date.](#)

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DRAFT

I. INTRODUCTION

A. General Overview

1. Scope of Service Plan. This consolidated service plan (“Service Plan”) for Insert district name , City of Loveland, Larimer County, Colorado, (the “Districts”) constitutes a combined Service Plan for Insert number of districts special districts proposed for organization to serve the needs of a new development known as Insert district name in the City of Loveland, Colorado (the “City”) in Larimer County (the “County”). The Districts’ boundaries will contain approximately insert number of acres acres for primarily residential development. Construction of public improvements is anticipated to occur over the next to years with build-out anticipated to occur in Insert year.

A map depicting the Districts’ boundaries is attached hereto and incorporated herein as Exhibit A, and the legal description of the Districts’ boundaries is attached hereto and incorporated herein as Exhibit B.

Considerable public improvements will be designed, acquired, installed, constructed, financed, operated, and/or maintained to provide the required water, wastewater, streets, and other public improvements needed for the area. This Service Plan addresses the public improvements which will be provided by the Districts and demonstrates how the Insert number of districts special districts proposed to serve the development will work in tandem to provide the necessary public improvements and services.

2. Multiple District Structure. This Service Plan is submitted in accordance with Part 2 of the Special District Act (§§ 32-1-201, *et seq.*, C.R.S.). It defines the powers and authorities of, as well as the limitations and restrictions on, the Districts. The use of a consolidated Service Plan for the Districts will help assure proper coordination of the powers and authorities of the independent Districts and will help avoid confusion regarding the separate, but coordinated, purposes of the Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to all Districts. Where possible, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District. The “Financing Plan” discussed in Section VII refers to a consolidated preliminary financial plan for the Districts which may be used by the Districts for designing, acquiring, installing, constructing, financing, operating, or maintaining public improvements of the Districts. Insert district name here Metropolitan District No. 1 shall be referred to as the “Service District,” and Insert district name here Metropolitan Districts Nos. 2, 3, and 4 shall be referred to as the “Financing Districts.” The Service District and the Financing Districts are sometimes collectively referred to as the “Districts” and individually as the “District”; unless the context dictates otherwise, the singular includes the plural, and the plural includes the singular.

The Service District will be responsible for managing the design, acquisition, installation, construction, financing, operation, and/or maintenance of public improvements needed for the development until such time as any such public improvements may be required to be conveyed to the City pursuant to Section I.A.7 and Section III of this Service Plan.

The Districts will be responsible for providing the funding needed to support the Financing Plan for capital public improvements and for operations dependent on development within the Districts and the ultimate size of the tax base that follows.

Various agreements are expected to be executed by the Districts clarifying the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and public improvements resulting in a development which will be both an aesthetic and economic asset to the City.

The establishment of Insert district name here Metropolitan District No. 1 as the Service District, which is anticipated to initially own and operate the public improvements throughout the development, and the establishment of Insert district name here Metropolitan Districts Nos. 2, 3, and 4 as the Financing Districts, which will generate the majority of the tax revenue sufficient to pay the costs of the capital public improvements, will create several benefits for the inhabitants of the development, the City, and other affected municipalities. In general, those benefits are: (a) coordinated administration of the design, acquisition, installation, construction, financing, operation, and/or maintenance of public improvements, and delivery of those public improvements in a timely manner; (b) maintenance of reasonably uniform mill levies and reasonable tax burdens on all areas of the Districts through proper management of the financing and operation of public improvements; and (c) assurance that public improvements required by the City are designed, acquired, installed, constructed, financed, operated, and/or maintained in a timely and cost effective manner by which to protect residents, bondholders, and the City from the risk of development. Each of these concepts is addressed in greater detail in the following paragraphs.

3. Benefits of Multiple District Structure.

a. Coordinated Services. As presently planned, development of the property within the Districts will proceed in phases, each of which will require the extension of public services and public improvements. The multiple district structure is intended to better assure that the design, acquisition, installation, construction, financing, operation, and maintenance of each phase of public improvements will be primarily administered by a single board of directors consistent with a long-term construction and operations program. Use of the Service District as the entity responsible for the design, acquisition, installation, construction, financing, operation, and maintenance of each phase of public improvements is designed to facilitate a well-planned financing effort through all phases of construction and to assist in assuring coordinated extension of services.

The multiple district structure also is anticipated to help assure that public improvements and services needed for future build-out of the development will be provided when they are needed, and not sooner. Absent an appropriate mechanism to assure timely completion of future public improvements, the Developer (as hereinafter defined) might be influenced to cause public improvements to be completed well before they are needed simply to assure that they can be provided with tax-exempt financing. Appropriate development agreements between the Service District and the Developer will allow the

postponement of financing for public improvements which are not needed until well into the future, thereby helping residents avoid the long-term carrying costs associated with financing public improvements before development within the Districts dictates. This, in turn, allows the full costs of public improvements to be allocated over the full build-out of the Districts and helps avoid disproportionate cost burdens being imposed on the early phases of development.

b. Uniform Mill Levy. Allocation of the responsibility for paying Debt (as hereinafter defined) will be managed through development of a unified financing plan for necessary public improvements and through development of an integrated operating plan for long-term operations and maintenance. Use of the multiple district structure, with the Service District managing these functions, is intended to provide for a more reasonable capital improvement schedule and more reasonable long-term operations and maintenance responsibilities. Intergovernmental agreements between and/or among the Districts are anticipated to implement the Financing Plan in a way that yields roughly uniform mill levies throughout the Districts.

c. Bond Interest Rates. The use of the Service District and the Financing Districts in tandem to issue Debt to provide for the cost of public improvements in the Districts is designed to allow for the issuance of Debt at competitive interest rates. The multiple district structure is designed to allow the Districts to coordinate the timing and issuance of Debt in such a way as to help increase assurance that public improvements required by the City are designed, acquired, installed, constructed, and/or financed in conformance with the time and in the manner desired by the City. The combination of appropriate management and control of the timing of financing, and the ability of the Districts to obtain attractive interest rates, will benefit residents and the City. Consequently, the multiple district structure is designed to lower risk and allow Debt to be issued to finance public improvements at lower rates than if a single special district is organized.

4. Configuration of Districts. In order to implement the multiple district structure, the boundaries of the Service District and the Financing Districts need to be carefully configured. The Service District will contain approximately _____ acres, and the Financing Districts will contain approximately _____ acres. Housing types within the development are anticipated to include single-family attached residences, single-family detached residences, multi-family residences, and patio homes, with average prices from \$insert amount to greater than \$insert amount, and are anticipated to total approximately _____ units. The estimated projected population of the Districts at full build-out is approximately _____ persons based upon an assumption of three individuals per unit.

The “service area” (the area legally permitted to be served) for the Districts will consist of the entire area of the development, which may include property both within and without the Districts’ boundaries. The Districts will have the power to levy taxes as permitted by law but may only impose taxes within their respective legal boundaries.

Only boundary adjustments which add to, or subtract from, the total acreage of the Districts shall be considered a material modification of this Service Plan and shall

require the prior written approval of the City Council. No additional approval from the City Council shall be required for boundary adjustments which do not increase or decrease the total acreage of the Districts; so long as the total acreage of the Districts does not change, the Districts' individual boundaries may be adjusted as the Districts deem necessary to account for development pace, infrastructure phasing requirements, and other market conditions; provided, however, without prior written approval of the City Council, no property may be excluded from a District and included into another District where both Districts have issued Debt. Such adjustments shall be effected pursuant to §§ 32-1-401 and §§ 32-1-501, *et seq.*, C.R.S.

5. Long-Term District Plan. After all Debt instruments have been issued by the Districts and adequate provision has been made for payment of all of the Districts' Debt, the electorate of the Districts will have the opportunity to consider either the consolidation of the Service District and the Financing Districts into a single entity, or the dissolution of the Service District and/or the Financing Districts in accordance with state law. The Service District and the Financing Districts may consider consolidation and/or dissolution at the time each District's Debt has been paid and adequate provision has been made for operation of all of the Districts' public improvements. Additionally, the City may request, and the Districts shall undertake upon such request, initiation of consolidation proceedings in accordance with Title 32, Section 1, Part 6 of the Colorado Revised Statutes. Ultimately, control of these decisions will rest with the electorate in each District. At any time after the Districts' Debt obligations have been fully discharged and so long as the Districts have no ongoing operations or maintenance obligations, the City may file an application with the Districts' boards pursuant to § 32-1-701(3), C.R.S., and the Districts shall thereupon dissolve in a prompt and orderly manner. In such event, the authorized purposes and powers of the Districts shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve, and the boards of directors of the Districts and the City Council will be deemed to have agreed to the dissolution without election pursuant to § 32-1-704(3)(b) C.R.S., and the Districts shall thereupon dissolve. In the event the Districts have not issued any Debt prior to February 2, 2021, the Districts shall initiate dissolution proceedings unless the City Council consents to the continued existence of the Districts beyond said date, as evidenced by a resolution after a public hearing thereon. In the absence of such City Council consent, the authorized purposes and powers of the Districts shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve, and the boards of directors of the Districts and the City Council will be deemed to have agreed to the dissolution without election pursuant to § 32-1-704(3)(b) C.R.S., and the Districts shall thereupon dissolve.

6. City Policy. Notwithstanding anything contained herein to the contrary, the Districts shall be subject to and comply with all applicable provisions of the City's Charter, Code, ordinances, resolutions, rules, regulations, standards, and policies ("City Policy").

7. Dedication of Public Improvements. The Districts shall, in accordance with City Policy, dedicate, or cause to be dedicated on their behalf, all public improvements customarily dedicated to the City. These public improvements include, but

are not limited to: public water and wastewater improvements, all public streets and those streets dedicated by plat, public storm drainage and detention improvements, all public sidewalks, as well as all rights-of-way and easements necessary for access to public improvements. Public improvements which are to be dedicated to the City shall be designed and constructed in accordance with state and federal laws, regulations, and standards, and in accordance with City Policy. It is anticipated that the Districts shall own and maintain or cause to be maintained all neighborhood parks, all recreational public improvements, and any potable or non-potable irrigation systems. However, in accordance with City Policy, and upon agreement by the City and the District(s), the City may accept, but shall not be required to accept, dedication of neighborhood parks, open space, recreational public improvements, and potable and non-potable irrigation systems. Any parking lots, parking structures, and other off-street parking facilities shall not be dedicated to the City, but shall be owned, operated, and maintained by the Districts.

Operations and maintenance of those public improvements dedicated to the City in accordance with City Policy shall rest with the City. However, the Districts shall maintain all landscaping in the public rights-of-way unless such obligation is expressly accepted by the City. In the event the Districts construct or install enhanced amenities which exceed City standards, the City and the Districts shall agree as to the operation and maintenance of such enhanced amenities prior to the City's acceptance of any such public improvements. All park and recreation and landscaping public improvements, including waterways and associated landscaping not dedicated to and accepted by the City, shall be owned, operated, and maintained by the Districts, either directly or by contract with another entity such as a property owners' association.

Storm sewer systems, including inlets and underground pipes within public rights-of-way, shall be conveyed to the City for purposes of reporting on Municipal Separate Storm Sewer System (MS4) Reports. The Districts shall retain such easements as are necessary to operate and maintain landscaping and related public improvements associated with such storm drainage and detention areas. The Districts shall further retain such easements as are necessary to operate and maintain all detention ponds, their respective outlet works, water quality components, and outlet pipes from the detention ponds to the point of terminus.

The Districts may, at their sole cost and expense, acquire all property required by the City for the design, acquisition, installation, construction, financing, operation, and/or maintenance of public improvements to be provided by the Districts pursuant to this Service Plan. The Districts may acquire any interests in property, leases, and easements necessary to the functions or the operation of the Districts, except that the Districts shall not pay more than fair market value and reasonable settlement costs for any interest in real property and shall not pay for any interest in real property which must otherwise be dedicated for public use or the Districts' use in accordance with any governmental ordinance, regulation, or law and in accordance with City Policy. Accordingly, the Districts shall not purchase from the Developer any interest in real property that is customarily dedicated by developers to the City at no cost to the City and in accordance with City Policy.

In the event that the City determines that public improvements have been constructed in accordance with City Policy and will be accepted by the City in accordance with City Policy, an initial acceptance letter shall be issued by the City specifying that the public improvements dedicated to the City shall be warranted by the District or the Developer, for a period of two calendar years from the date of such initial acceptance, or such other warranty period as may be required by City Policy. Should the public improvements conform to the City's specifications and standards, the City shall issue a "Final Acceptance" form letter to the Districts at the completion of the applicable warranty period. The City shall not unreasonably withhold or delay Final Acceptance of District public improvements, provided that such public improvements are in conformance with City Policy. At the City's discretion, dedication of public improvements may take place after the expiration of the applicable warranty period.

Failure of the Districts to comply with these dedication requirements shall be deemed to be a material departure from this Service Plan. Such dedication requirements shall not be amended without the prior approval of the City Council.

8. Existing Services and Districts. There are currently no other entities in existence in the area of the proposed development which have the ability and desire to undertake the design, financing, construction, operation, and/or maintenance of the public improvements which are needed for the development. It is also the Developer's understanding that the City does not consider it feasible or practicable to provide the necessary services and public improvements for the development, as further described herein. Consequently, use of the Districts is deemed necessary for the provision of public improvements in the development.

In order to minimize the proliferation of new governmental structures and personnel, the Districts intend to utilize existing entities, to the extent possible for operations and maintenance of public improvements. Consequently, while the Districts will finance capital public improvements and coordinate the provision of services, the Districts are expected to utilize existing entities and personnel as much as possible. Double taxation can be avoided by the Districts undertaking the necessary capital financing with Debt levies, and existing service providers furnishing day-to-day operations and maintenance with service charges and operating levies. As described above, public improvements, including sanitary sewer and water improvements (other than potable or non-potable irrigation systems), storm drainage, streets, and traffic safety and signalization improvements, will be conveyed to the City by the Districts and subsequent operations and maintenance of these public improvements shall rest with the City. Park and recreation public improvements may be conveyed to the City or may be owned, operated, and maintained by the Districts, as described in greater detail above. The timing for conveyance of the public improvements will be developed by mutual agreement of the District(s) and the appropriate party as generally described above and in Section V hereof.

9. Property Owners Associations. Certain services may be provided within the Districts by one or more property owners associations expected to be organized as Colorado non-profit organizations comprised of all or a portion of the property owners in

the Districts. The associations may provide architectural control services, community organizations, community events and activities, community marketing, animal control, security, recreational amenity maintenance, common area maintenance, and other programs which may be beyond the scope or financial capacity of the Districts. The District(s), as further provided in Section II.B.10, also have the power and authority, but not the obligation, to provide covenant enforcement and design review services.

B. General Financial Information and Assumptions

The Insert year certified assessed valuation of all taxable property within the boundaries of the Districts was approximately \$. The initial assessed valuation of property within the Service District is expected to be approximately \$, and the initial assessed valuation within the Financing Districts is expected to be approximately \$. At build-out, the total assessed valuation within the Districts is estimated to be approximately \$.

The anticipated cost of public improvements necessary to provide access to and appropriate services within the Districts is estimated in Exhibit D. As shown in Exhibit D, the total cost of the estimated public improvements is \$. Costs are shown for each category of public improvements anticipated to be constructed. The Districts may obtain financing for the capital public improvements needed for the development through the issuance of Debt instruments by the Districts. General obligation Debt will be payable from revenues derived from ad valorem property taxes and from other legally available sources. At the time Debt instruments are proposed to be issued, alternative financing plans may be employed and utilized by the Districts as long as such alternative financing plan does not result in any material economic deviation or a change in the risk to property owners.

The Financing Plan demonstrates that the cost of public improvements described herein can be defrayed with the imposition of reasonable mill levies based on anticipated development within the Districts. The figures contained herein depicting costs of public improvements and operations shall not constitute legal limits on the financial powers of the Districts; provided, however, that the Districts shall not be permitted to issue Debt which is not in compliance with the bond registration and issuance requirements of state law.

C. Contents of Service Plan

This Service Plan consists of a preliminary financial analysis and preliminary engineering plan showing how the public improvements and services for the Districts can be provided and financed by the Districts. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts. Those items are listed in Exhibit F attached hereto. Each of the requirements of law is satisfied by this Service Plan.

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the Districts, as well as the current status and projected future level of similar services, was obtained from the

Developer. Construction cost estimates were assembled by Insert company name and Insert company name, which have experience in the costing and construction of similar public improvements. Legal advice in the preparation of this Service Plan was provided by Insert firm name, which represents numerous special districts. Preparation of the Financing Plan was provided by Insert company name. The proponent of the Districts is Insert company name, an investment and asset management company with experience in all phases of real estate development including land acquisition, entitlements and engineering, land development, vertical construction, sales, and marketing (the “Proponent”). For purposes of this Service Plan, the term “Developer” shall mean Insert company name, its affiliates, and its respective successors and assigns. As of the date of submission of this Service Plan, the Proponent has a contract to purchase the real property comprising the Districts, to which the City’s approval of this Service Plan is a condition precedent to closing.

D. Modification of Service Plan

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and public improvements under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the Districts, the cost estimates and Financing Plan are sufficiently flexible to enable the Districts to provide necessary services and public improvements without the need to amend this Service Plan as zoning changes. Modification of the general types of services and public improvements, and changes in proposed configurations, locations, or dimensions of various public improvements shall be permitted to accommodate development needs consistent with then-current zoning for the property and consistent with City Policy.

II. **NEED FOR NEW DISTRICTS AND GENERAL POWERS**

A. Need for Metropolitan Districts

The property within the Districts’ boundaries currently is undeveloped. No other entities exist which will finance the design, acquisition, installation, construction, operation, or maintenance of the public improvements needed for the Districts. The intergovernmental agreements referred to in Section V hereof will address and define the activities to be undertaken by various entities with regard to public improvements. In order to make the most efficient utilization of existing governmental entities, the Districts may enter into cost sharing agreements for the design, acquisition, installation, and/or construction of certain public improvements and for operations and maintenance of certain public improvements.

B. General Powers of Districts

Each District will have power and authority, but not the obligation, to provide the services and public improvements described in this Section both within and outside its boundaries in accordance with state law. The powers and authorities of each District will be allocated and further refined in one or more intergovernmental agreements among the Districts, which may be voted upon and approved by their respective electorates. For

purposes of the Special District Control Act, such intergovernmental agreements shall not constitute an amendment of this Service Plan. The intergovernmental agreements will, however, constitute binding agreements among the Districts regarding implementation of the powers and authorities contained in this Service Plan.

The Districts shall have the power and authority, but not the obligation, to provide the services and public improvements listed below, all of which shall be in conformance with City Policy and/or the standards and specifications of other entities which may operate and maintain the completed public improvements. In accordance with City Policy, the Districts will obtain City approval of civil engineering plans and a permit from the City for construction and installation of all public improvements.

1. Sanitation and Storm Drainage. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of storm or sanitary sewers, or both, flood and surface drainage improvements including, but not limited to, underdrains, culverts, dams, retaining walls, access ways, inlets, detention ponds and paving, roadside swales and curbs and gutters, wastewater lift stations, force mains, and wetwell storage facilities, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said public improvements. The Districts shall not design, acquire, install, construct, finance, operate, or maintain any sewer treatment or disposal works or facilities.

2. Water. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of a complete potable water and non-potable irrigation water system, including but not limited to, water rights, water supply, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper water rights, equipment, and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems. The Districts shall not design, acquire, install, construct, finance, operate, or maintain any water well, water treatment, or water storage works or facilities for use as part of a domestic potable water system without prior consent of the City Council; however, nothing in this Section shall be interpreted to limit the Districts' power and authority to acquire water rights and water supply for any potable or non-potable water system.

3. Streets. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of street and roadway improvements, including, but not limited to, curbs, gutters, culverts, storm sewers and other drainage facilities, acceleration and deceleration lanes, detention ponds, retaining walls and appurtenances, as well as sidewalks, bike paths and pedestrian ways, bridges, median islands, parking facilities, paving, lighting, grading, landscaping and irrigation, undergrounding of public utilities, snow removal equipment, or tunnels and other street improvements, together with all necessary, incidental,

and appurtenant facilities, land and easements, together with extensions of and improvements to said public improvements.

4. Traffic and Safety Controls. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on arterial streets, highways, collector streets, local streets, and all other public streets and roadways as well as other public improvements, including, but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance and driver information signs, together with all necessary, incidental, and appurtenant facilities, land easements, together with extensions of and improvements to said public improvements.

5. Parks and Recreation. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public park and recreation facilities and programs, including, but not limited to, grading, soil preparation, sprinkler systems, playgrounds, playfields, parks, bike and hiking trails, pedestrian trails, pedestrian bridges, open space, picnic areas, swimming pools, basketball courts, fitness centers, resident clubhouse facilities, volleyball courts, common area landscaping and weed control, outdoor lighting of all types, community events, cultural activities, water bodies, irrigation facilities, and other active and passive recreational facilities, programs, and events, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said public improvements.

6. Transportation. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public transportation system improvements, including, but not limited to, transportation equipment, park and ride facilities and parking lots, parking structures, roofs, covers, and facilities, including structures for repair, operations and maintenance of such facilities, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said public improvements.

7. Television Relay and Translator. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, construction, completion, installation, financing, operation, and maintenance of television relay and translator facilities including, but not limited to, cable television and communication facilities, satellite television facilities, Internet and other telecommunication facilities, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said public improvements.

8. Mosquito and Pest Control. The Districts shall have the power and authority, but not the obligation, to provide for the eradication and control of mosquitoes, rodents, and other pests, including, but not limited to, the elimination or treatment of breeding grounds and purchasing, leasing, contracting, or otherwise using equipment or

supplies for mosquito and pest control.

9. Security. The Districts shall have the power and authority, but not the obligation, to furnish security services for any area within the Districts' boundaries. Prior to furnishing any security services, the Districts shall provide written notification to, consult with, and obtain the prior written consent of the City's Chief of Police and any applicable master association or similar body having authority in its charter or declaration to furnish security services within the Districts' boundaries.

10. Covenant Enforcement. The Districts shall have the power and authority, but not the obligation, to provide covenant enforcement and design review services within the Districts if the Districts and the governing body of a master association or similar body contract for such services, or if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the Districts name the Districts as the enforcement or design review entity. The Districts shall have the power to provide covenant enforcement and design review services only if revenues used to provide such services are derived from the area in which the service is furnished.

11. Legal Powers. The powers and authorities of the Districts can be exercised by their respective boards of directors to the extent necessary to provide the public improvements and services contemplated in this Service Plan upon determination by the respective boards of directors that such public improvements and services are needed and in the best interests of the applicable District. The foregoing public improvements and services, along with all other activities permitted by law, if determined to be in the best interests of the respective Districts by their respective boards of directors, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, and this Service Plan, as any or all of the same may be amended from time to time.

12. Other. In addition to the powers enumerated above, the boards of directors of the Districts shall also have the following authority:

a. To amend this Service Plan as needed, subject to the appropriate statutory procedures, provided that any material modification of this Service Plan shall be made only with the prior written approval of the City Council in accordance with § 32-1-207, C.R.S. Each District shall have the right to amend this Service Plan independent of participation of the other Districts, provided that a District shall not be permitted to amend those portions of this Service Plan which affect, impair, or impinge upon the rights or powers of another District without such other District's consent; and

b. To forego, reschedule, or restructure the design, acquisition, installation, construction, financing, operation, or maintenance of certain public improvements in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within the Districts, or if the development of the public improvements would best be performed by another entity; and

c. Except as otherwise limited herein, to exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the boards of directors of the respective Districts as necessary to further the exercise of the powers expressly authorized by this Service Plan.

13. Condemnation. Absent the prior written approval of the City Council, the Districts shall not exercise their statutory power of eminent domain or dominant eminent domain for the purpose of condemning property outside of the Districts' boundaries, including any property owned by the City. Additional approval from the City Council shall not be required prior to the Districts' exercise of their statutory power of eminent domain or dominant eminent domain with respect to property within the Districts' boundaries; provided, however, that the Districts shall not exercise their statutory power of dominant eminent domain to condemn property owned by the City, and located within the Districts' boundaries, without the prior written consent of the City Council.

14. Subdistrict Limitation. Absent the prior written approval of the City Council, the Districts shall not divide into one or more subdistricts pursuant to Section 32-1-1101(1)(f), C.R.S.

15. Special Assessments. Absent the prior written approval of the City Council, the Districts may not establish any special improvement districts pursuant to Section 32-1-1101.7, C.R.S., nor shall the Districts levy any special assessments pursuant to 32-1-1101(1)(g), C.R.S.

III. DESCRIPTION OF PUBLIC IMPROVEMENTS

The Service District and the Financing Districts will be permitted to exercise their statutory powers and their respective authorities as set forth herein to design, acquire, install, construct, finance, operate, and maintain the public improvements described in Section II of this Service Plan either directly or by contract. A depiction of the public improvements anticipated to be provided by the Districts is set forth in Exhibit C, attached hereto and incorporated herein by this reference. Where appropriate, the Districts may contract with various public and/or private entities to undertake such functions. The Districts also may petition existing governmental entities for inclusion of part or all of the property within the Districts into an existing service area. There are currently no other entities within the boundaries of the proposed Districts providing the following services, nor shall the services provided by the Districts duplicate or interfere with those services provided by the City. Public improvements which are to be dedicated to the City shall be designed and constructed in accordance with City Policy and applicable state and federal laws, regulations, and standards.

Detailed information for each type of public improvement needed for the Districts is set forth in the following pages. It is important to note that the preliminary layouts contained in this Section and in Exhibit C are conceptual in nature only and that modifications to the type, configuration, and location of public improvements will be necessary as development proceeds. All public improvements will be designed in such a way as to assure

that the public improvement and service standards will be compatible with those of the City and of other municipalities and special districts which may be affected thereby. To the extent required by City Policy, the Districts will provide letters of credit or other surety required by City Policy to the City to provide security for public improvements to be constructed by the Districts.

The following Sections contain general descriptions of the contemplated public improvements which will be financed by the Districts.

A. General

The design, acquisition, installation, construction, financing, operation, or maintenance of all planned public improvements will be scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific public improvements to be designed, acquired, installed, constructed, financed, operated, or maintained, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, requirements of the City, and construction design or scheduling may require. As depicted herein, many of the public improvements permitted to be designed, acquired, installed, constructed, financed, operated, or maintained by the Districts are anticipated to be necessary in the initial years of development.

B. General Design Standards

Any public improvements determined by the respective Districts' boards of directors to be designed, acquired, installed, constructed, financed, operated, or maintained by the District(s) and that are within the municipal boundaries of the City, including without limitation, those specifically listed herein, must be designed and installed by the District(s) in conformance with current standards adopted by the District(s) and in accordance with City Policy. The intergovernmental agreements discussed in Section V hereof describe the procedures which will be followed to assure compliance with the requirements of this Service Plan.

1. Wastewater System. The Districts have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of sanitary sewer lines, and any sanitary sewer lines constructed by the Districts will be designed and installed to conform to the current standards and recommendations of the Colorado Department of Health, City Policy, the rules and regulations adopted by the Districts or other affected municipalities, and sound engineering judgment.

All major elements of the sanitary sewer lines required for proper operation may be designed, acquired, installed, constructed, financed, operated, or maintained by the Districts. Operations and maintenance of any wastewater facilities constructed by the Districts will be provided by the Districts until such facilities are dedicated to the City in accordance with the terms of this Service Plan and City Policy.

2. Storm Drainage.

a. Generally. The Districts have the power and authority, but not the obligation, to design, acquire, install, construct, finance, operate, and maintain the necessary storm drainage system to serve the development. The proposed elements of the storm drainage system will provide a network of underdrains, culverts, roadside swales, pipes, detention and water quality ponds, inlet and outlet structures, and curbs and gutters designed and installed in accordance with City Policy and sound engineering judgment. The Districts are authorized to design, acquire, install, construct, finance, operate, and/or maintain all public storm drainage improvements as needed to serve the property within the Districts. Specific public drainage improvements within individual development parcels may ultimately be designed, acquired, installed, constructed, financed, operated, and/or maintained by individual Developers and/or builders as specified by future approved development plans.

All major public storm drainage improvements ultimately constructed by the Districts must be designed to conform to the standards and recommendations for public storm drainage improvements pursuant to City Policy, the rules and regulations of the Districts, and standards of other affected jurisdictions.

b. Culverts. Culverts, if required by City policy, will be installed under all roadways that intersect storm drainage channels. Culverts will be designed to pass flows as required by City Policy, and may include headwalls, wing walls, inlet and outlet structures, and riprap protection to enhance their hydraulic capacity and reduce bank or channel erosion.

For any public storm drainage improvement constructed by the Districts, an overall drainage plan will be developed that will identify the major public improvements necessary to convey the storm runoff from the Districts. This plan will include all public improvements required to convey the flows generated within the Districts. This plan must maintain the flexibility to modify the major drainage public improvements as more detailed information is generated during the design of the individual phases. The overall drainage plan will include the utilization of storm sewers, drainage channels, streets, gutters, culverts, and ponds.

3. Potable Water System.

a. Overall Plan. The Districts have the power and authority, but not the obligation, to design, acquire, install, construct, finance, operate, and maintain a complete potable water system subject to the limitations in Section II.B.2 above. The water system will be comprised of a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the Districts' boundaries. Pursuant to Section II.B.2, the District has the power and authority, but not the obligation, to acquire water rights and water supply. When design, acquisition, installation, construction, and/or financing are finalized, the system will serve each development tract from adjacent streets and roads. All major elements of the water facilities ultimately constructed by the

Districts will be designed and installed in accordance with City Policy. Operations and maintenance of all water facilities ultimately constructed by the Districts will be provided by the District(s) until such public improvements are dedicated to the City in accordance with the terms of this Service Plan and City Policy.

b. Design Criteria. The proposed domestic potable water distribution system is expected to include pressurized water mains. Any water system components constructed by the Districts will be constructed and installed in accordance with City Policy and applicable standards of all entities with jurisdiction over the Districts. The water system will also be designed based on applicable fire protection requirements.

4. Non-Potable Irrigation Water System.

a. District Authority. The Districts have the power and authority, but not the obligation, to provide for the design, financing, acquisition, installation, operation, construction, operation, and maintenance of a non-potable irrigation water system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for public or private purposes, together with all necessary and proper reservoirs, treatment works and facilities, wells, water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to such public improvements within and without the boundaries of the Districts.

b. Overall Plan. The Districts may, in the discretion of their respective boards of directors, choose to provide for a non-potable irrigation water system, which may ultimately serve both public and private property. At this time, the Districts have not included in the Financing Plan the provision of a non-potable irrigation water system, and the Districts shall not be obligated to provide such a system. If ultimately constructed, the non-potable irrigation water system will be constructed in accordance with City Policy and financed through the Districts to service the greenbelts, open spaces, landscaping, parks, and common areas within the Districts. In addition, the Districts may choose to design, acquire, install, construct, finance, operate, or maintain a non-potable irrigation water system designed to serve individual units within the development. If a non-potable irrigation water system is provided, the Districts shall have the right to purchase any and all water rights and water supply necessary for proper operation of the system from the Developer or any other entity or individual as the Districts deem appropriate.

5. Street System and Traffic Safety.

a. General. The Districts have the power and authority, but not the obligation, to design, acquire, install, construct, finance, operate, and maintain a street and roadway system to serve the development. Any existing and proposed elements of the street system will provide a network of arterial streets, collector streets, local streets, and other public streets and roadways to serve the flow of traffic within the Districts. Any facilities, traffic controls, signals, and signage constructed by the Districts will be designed

and installed in accordance with City Policy and sound engineering judgment.

b. Streets. Any arterial streets, collector streets, local streets, and other public streets and roadways designed, acquired, installed, constructed, financed, operated, or maintained by the Districts will be designed, located, and installed to conform to the standards and recommendations of the Colorado Department of Transportation (where applicable), City Policy, and the rules and regulations adopted by the Districts.

Traffic controls and signage may be provided along arterial streets, collector streets, local streets, and other public streets and roadways to enhance the flow of traffic within the project. Street lights may be designed, acquired, installed, constructed, financed, operated, and maintained by the Districts along all public streets and roadways.

c. Landscaping. Landscaping may be installed by the Districts along the roadway rights-of-way and trail easements in accordance with City Policy. The Districts may also install and maintain landscaped highlights along the internal streets and entry features at major entrances.

d. Signals and Signage. Signals and signage may be designed, acquired, installed, constructed, financed, operated, and maintained by the Districts as required by traffic studies, the Districts' rules and regulations, City Policy, and the Colorado Department of Transportation, if applicable. Additional signage may be installed as needed to accommodate development.

6. Park and Recreation.

The Districts have the power and authority, but not the obligation to, provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public park and recreation facilities and programs. Any park and recreational public improvements and/or services that the Districts determine to undertake must be constructed in accordance with plans and specifications approved by the City. All park and recreational public improvements ultimately constructed by the Districts will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall be compatible with and comply with City Policy or the standards of other local public entities, as applicable, and per approved plans.

C. Services of Districts

The Districts will require operating funds to plan and cause the public improvements authorized herein to be completed. Such costs are expected to include reimbursement of organizational, legal, engineering, accounting, and Debt issuance costs, and costs related to compliance with state reporting and other administrative requirements. An overall Financing Plan showing the anticipated operating costs for the first budget year and thereafter, phasing of Debt issues, and related matters is attached as Exhibit E. Operating costs may increase depending upon the final design of the public improvements and the entity designated responsible for operations and maintenance of the public improvements as set forth in Section III. Notwithstanding the projections set forth in the Financing Plan, such

amounts are therefore subject to increase and may be paid from any legally available revenues, including, but not limited to, fees or charges legally imposed by the Districts. Organizational costs and capital costs expended for public improvements prior to the date of organization, if any, will be reimbursed to the Developer by the Districts out of their initial revenue sources including Debt issue proceeds. The Districts may acquire completed public improvements from the Developer with Debt proceeds. Certain public improvements may be required to be conveyed by the Districts to the City. Alternatively, the Developer may dedicate certain public improvements directly to the City, with reimbursement to the Developer to come from the Districts. The Districts' first year's operating budget is estimated to be approximately \$.

As discussed herein, it is anticipated that the Districts will enter into one or more intergovernmental agreements which are expected to provide that the obligation of the Financing Districts to pay the Service District for operating expenses incurred for the provision of services shall constitute "debt" of the Financing District. Accordingly, mill levies certified to make necessary payments to the Service District will be characterized as debt service mill levies notwithstanding that they are imposed to pay contractual obligations for operations and maintenance services provided by the Service District. As provided in Section VII.A herein, the obligations of the Districts pursuant to the intergovernmental agreements described in this paragraph shall not count against the Debt Limit, as the term Debt Limit is defined herein. The District(s) shall be permitted to borrow its initial operations and maintenance funds from private entities until such time as it is able to generate operating revenues from the Districts.

D. Estimated Cost of Public Improvements

The estimated cost of the public improvements to be designed, acquired, installed, constructed, and/or financed by the Districts are shown in Exhibit D and include contingencies, supervision for the administrative oversight process including necessary approvals, and construction management for onsite management of ongoing capital construction.

IV. DEVELOPMENT PROJECTIONS

The Developer is targeting several prominent home-builders as candidates to purchase individual parcels within the Districts' boundaries. The absorption rates for the development are incorporated into the Financing Plan attached hereto.

V. PROPOSED AGREEMENTS

A. Intergovernmental Agreements Between or Among the Districts

As noted in this Service Plan, one or more intergovernmental agreements are expected to be entered into between and/or among the Districts which are designed to facilitate ensuring that the public improvements described within this Service Plan are designed, acquired, installed, constructed, financed, operated, and/or maintained in the manner and at the time

contemplated herein. The relationship between the Service District and the Financing Districts, including the means for designing, acquiring, installing, constructing, financing, operating, and/or maintaining the public improvements and services needed to serve the development, will be established by means of these intergovernmental agreements. The intergovernmental agreements contemplated herein will establish procedures and standards for the approval of the design of public improvements, transfer of funds between the Districts, and operation and maintenance of the public improvements. These intergovernmental agreements will also provide for coordinated administration of management services for the Districts.

B. Additional Intergovernmental Agreements and Agreements with Private Entities

To the extent practicable, the Districts may enter into additional intergovernmental and private agreements to better ensure long-term provision and effective management of the public improvements and services. Agreements may also be executed with property owners' associations and other service providers. Any additional intergovernmental agreements are authorized pursuant to Colorado Constitution, Article XIV, § 18 (2)(a) and § 29-1-201, *et seq.*, C.R.S.

VI. OPERATION AND MAINTENANCE COSTS

Estimated costs for operation and maintenance functions are presented in the Financing Plan at Exhibit E.

VII. FINANCIAL PLAN

The Financing Plan demonstrates one method that might be used by the Districts to finance the cost of public improvements. Due to the support expected to be received from the Developer, the Financing Plan demonstrates that the cost of public improvements described herein can be provided with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan.

A. Debt Limitation

To enable the Districts to design, acquire, install, construct, finance, operate, and/or maintain the public improvements contemplated by this Service Plan, it is anticipated that the Districts will incur Debt. For purposes of this Service Plan, "Debt" shall be defined to mean principal on general obligation or revenue bonds, notes, contracts, agreements, certificates of indebtedness, interim certificates or receipts, other multiple fiscal year obligations, including, but not limited to, loans from financial institutions, or other documents or instruments evidencing loans or advances to the Districts. The maximum amount of Debt which may be incurred by the Districts collectively shall be \$ _____ ("Debt Limit"). The Debt Limit may be increased with the prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance of Debt in violation of this provision shall be deemed to be a material departure from the Service Plan. Debt may be restructured to accomplish a refunding or reissuance, provided the principal

amount of Debt does not exceed the Debt Limit set forth above. So as to avoid the “double-counting” of any Debt, any refunded Debt shall not count against the Debt Limit, but all Debt issued for the purpose of refunding existing Debt shall count against the Debt Limit. Obligations of the Districts set forth in the intergovernmental agreements among the Districts discussed herein will not count against the Debt Limit. The Debt Limit shall not be increased unless first approved by the City Council and as permitted by statute. Any change in Debt Limit shall be considered a material modification of the Service Plan.

B. Approval of Debt Issuance

It is currently anticipated that the Financing Districts will issue Debt in amounts sufficient to permit the Service District to construct all or a portion of the needed public improvements. Alternatively, the Service District may issue revenue bonds with repayment to come from the ad valorem taxes collected by the Finance Districts, and/or any other legally available source, to permit construction of the needed public improvements. The timing of issuance of Debt may be adjusted from time to time to meet development requirements. Despite the amount of Debt authorization voted by the Districts’ electorate, the Debt Limit serves as the ultimate cap for the Debt the Districts shall incur. Prior to the issuance of any Debt, the Districts must provide the City Attorney with an opinion prepared by nationally recognized bond counsel evidencing that the Districts have complied with all Service Plan requirements relating to such Debt. The Districts shall not issue any Debt after [Click here to enter a date.](#), except with the prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance in violation of this provision shall be deemed to be a material departure from the Service Plan. Developer advances for operations or capital costs, including capital loans, shall not accrue interest. All Debt instruments and any repayment obligations to the Developer entered into by the Districts shall provide that the Districts’ obligations thereunder shall be discharged Insert number (Insert #) years after the date such Debt is issued or such obligation is entered into regardless of whether the obligations are paid in full. Regardless of the date of issuance, all Debt of the Districts must be repaid within Insert number (Insert #) years of the original date of the City Council’s approval of this Service Plan. Any obligations outstanding Insert number (Insert #) years from the original date of the City Council’s approval of this Service Plan will be extinguished.

C. Identification of District Revenue

All Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes to be imposed upon all taxable property within the Districts, subject to the following limitations:

1. The maximum mill levy the Districts may impose for the payment of principal of and interest on Debt shall be Insert number mills (“the “Debt Mill Levy Cap”). The Districts also may impose a mill levy to defray operations and maintenance expenses of the Districts, provided that the debt mill levy and operations and maintenance mill levy together shall not exceed Insert number mills (the “Total Mill Levy Cap”). The Total Mill Levy Cap shall be subject to adjustment if the laws of the state change with

respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur. In any of these events, the Total Mill Levy Cap shall be automatically adjusted so that the collective tax liability of property owners within the Districts neither increases nor decreases as a result of any such changes, thereby maintaining a constant level of tax receipts of the Districts and overall tax payments from property owners. The Districts shall not impose or attempt to impose a mill levy on any of the property conveyed or dedicated to the City as provided in this Service Plan. Except as otherwise provided in this Section VII.C.1, the Total Mill Levy Cap shall not be increased unless first approved by the City Council and as permitted by statute. Any such increase in the Total Mill Levy Cap shall be considered a material modification of the Service Plan.

2. Any Debt issued by the Districts must be issued in compliance with the requirements of § 32-1-1101(6), C.R.S., as amended. The Districts anticipate issuing Debt that is exempt from registration by virtue of being credit enhanced or issued exclusively to “accredited investors” as such term is defined under §§ 3(b) and (4)(2) of the Federal Securities Act of 1933. This will ensure that appropriate development risk associated with current and future development within the development remains with the Developer until such time as the assessed valuation within the Districts is sufficient to support the Debt service requirements of the Districts with the imposition of the maximum allowable Total Mill Levy Cap. It is anticipated that the initial funding for both capital and ongoing administrative requirements of the Districts will be provided by the Developer in the form of advances in exchange for bonds or for promissory notes, short-term reimbursement agreements, or other acceptable agreements, which will provide for repayment to the Developer from Debt proceeds or other legally available sources of revenue, and the refinancing of the same shall not require prior City approval.

3. In addition to revenues from the Districts’ mill levies and revenues described in Section VII.C.4 below, the Districts may receive revenue from specific ownership taxes, Developer advances, interest income, oversizing and reimbursement agreements with the City or other entities, and any other legally permissible sources.

4. In the event the Developer enters into an oversizing and/or reimbursement agreement with the City, the following shall apply:

a. If the Districts purchase from the Developer public improvements designed, acquired, installed, constructed, or financed pursuant to an oversizing and/or reimbursement agreement with the City, and the Developer has obtained reimbursement from the City at the time of the Districts’ purchase, the purchase price of the public improvements to be paid by the Districts shall be the costs of the public improvements as certified by the Districts’ engineer less the amount of the reimbursement received by the Developer; or

b. If the Districts purchase from the Developer public improvements designed, acquired, installed, constructed, or financed pursuant to an oversizing and/or reimbursement agreement with the City, and the Developer has not yet obtained

reimbursement from the City at the time of the Districts' purchase, the purchase price of the public improvements to be paid by the Districts shall be the costs of the public improvements as certified by the Districts' engineer, and the Developer shall immediately assign to the Districts any and all rights to reimbursement from the City for said public improvements.

c. The District shall have the power and authority, but not the obligation, to impose fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the Districts as authorized by § 32-1-1001(1)(j), C.R.S.

The Districts shall have the authority to use all available revenues authorized by the Service Plan in any legally permissible manner.

D. Security for Debt

The Districts shall not pledge any revenue or property or other assets of the City as security for the indebtedness described and contemplated herein.

E. Filings with City and Quinquennial Review

Pursuant to § 32-1-1101.5, C.R.S., and at the City's request, the Districts shall submit an application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which the Districts' ballot issue to incur general obligation indebtedness was approved by its electors. In the event that the City determines that a public hearing is necessary on such application, such hearing shall be held in accordance with § 32-1-1101.5(2)(a), C.R.S., and a determination for continuation of the authority of the boards of the Districts to issue any remaining authorized general obligation debt shall be made at that time. At the City's sole discretion, the Districts shall pay an administrative fee for any review required by the City under this Section.

F. Other Financial Information

The balance of the information contained in this Section VII is preliminary in nature. Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for Debt issuances. All construction cost estimates assume construction to applicable local, state, and/or federal requirements.

In accordance with Section VII.C.4 above, in addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction as well as operations and maintenance, the Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in § 32-1-1001(1)(j), C.R.S., as amended from time to time. It is anticipated that a system of user charges may also be established for any recreation public improvements and other public improvements not owned and operated by the City. The Districts shall not be required to obtain any additional City Council approval prior to assessing any fees, rates, tolls, penalties, or charges authorized pursuant to § 32-1-1001(1)(j), C.R.S., as the same may be amended from time to time.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under Colorado Constitution, Article X, § 20 (“TABOR”). To the extent annual District revenues exceed expenditures in this manner, the Districts will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts. Initial spending and revenue limits of the Districts, as well as mill levies, will be established by elections which satisfy TABOR requirements.

The estimated costs of the public improvements permitted to be designed, acquired, installed, constructed, and/or financed by the Districts, including the costs of engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the public improvements to be designed, acquired, installed, constructed, and/or financed, are set forth in Exhibit D of this Service Plan. The maximum net effective interest rate on Debt shall be insert interest rate percent (insert interest rate # %). The proposed maximum underwriting discount shall be insert interest rate percent (insert interest rate # %). The Districts’ Debt, when issued, shall mature not more than 40 years from date of issuance. The estimated costs of the organization of the Districts, including legal, engineering, administrative, and financial services, are expected to be approximately \$107,500. Organizational costs will be reimbursed to the Developer by the Districts out of their initial revenue sources including Debt issue proceeds.

G. Enterprises

The Districts’ boards of directors may not set up enterprises to manage, fund, or operate such public improvements, services, or programs as may qualify for enterprise status using the procedures and criteria provided by TABOR without the prior written consent of the City. To the extent provided by law, any enterprise created by the Districts will remain under the control of the boards of directors of the Districts. Additionally, the Districts and the boards may not establish 63-20 corporations without the prior written consent of the City.

H. Conservation Trust Fund

The District shall claim no entitlement to funds from the Conservation Trust Fund, the Great Outdoor Colorado Fund, or any other grant moneys for which the City may be eligible, without the prior written consent of the City.

I. Elections; Other Requirements

All elections will be conducted as provided by the Uniform Election Code of 1992 (as amended), including the Local Government Election Code, §§ 1-13.5-101, *et seq.*, C.R.S., Colorado Constitution Article XI, § 6, and TABOR. The election questions may include TABOR ballot issues and questions. Thus, the ballot may deal with the following topics as well as any other topics authorized by law (in several questions, but not necessarily using the exact divisions shown here):

1. Approval of new taxes,
2. Approval of maximum operational mill levies,
3. Approval of Debt limits,
4. Approval of property tax revenue limitations, and
5. Approval of total revenue limits.

Ballot issues may be consolidated as approved in court orders. Future elections to comply with TABOR are anticipated and may be held as determined by the elected boards of directors of the Districts.

VIII. ANNUAL REPORT

A. General

The Districts shall be responsible for submitting an annual report to the City not later than March 1 of each calendar year that the Districts are in existence.

B. Reporting of Significant Events

The annual report required by this Section VIII shall include information as to any of the following events that occurred during the preceding calendar year:

- (1) Boundary changes made or proposed.
- (2) Intergovernmental agreements entered into or proposed to be entered into.
- (3) Changes or proposed changes in the Districts' policies.
- (4) Changes or proposed changes in the Districts' operations.
- (5) Any changes in the financial status of the Districts, including revenue projections or operating costs.
- (6) A summary of any litigation involving the Districts.
- (7) Proposed plans for the year immediately following the year summarized in the annual report.
- (8) Construction contracts entered into.
- (9) Status of the Districts' public improvement construction schedule.
- (10) A list of all public improvements constructed by the Districts that have been dedicated to and accepted by the City.
- (11) If requested by the City, copies of minutes of all meetings of the Districts' boards of directors.

C. Summary of Financial Information

In addition, the annual report shall include a summary of the following information:

- (1) Assessed value of taxable property within the Districts' boundaries.
- (2) Total acreage of property within the Districts' boundaries.
- (3) Audited financial statements of the Districts, to the extent audit financial statements are required by state law.
- (4) Annual budget of the Districts.
- (5) Resolutions regarding issuance of Debt or other financial obligations, including relevant financing documents, credit agreements, and official statements.
- (6) The Districts' Debt (stated separately for each class of Debt).
- (7) The Districts' Debt service (stated separately for each class of Debt).
- (8) The Districts' tax revenue.
- (9) Other revenues of the Districts.
- (10) The Districts' public improvements expenditures.
- (11) Other expenditures of the Districts.

IX. CONCLUSIONS

It is submitted that this Consolidated Service Plan for Insert district name here Metropolitan Districts Nos. 1, 2, 3, and 4, as required by § 32-1-203(2), C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the area to be served by the Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within their boundaries;
4. The area included in the Districts will have the financial ability to discharge the proposed indebtedness on a reasonable basis;
5. Adequate service is not, and will not be, available to the area through the City, or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
6. The facility and service standards of the Districts are compatible with the facility and service standards of the City within which the Districts are to be located;
7. The proposal is in substantial compliance with a master plan adopted by the City pursuant to § 31-23-206, C.R.S.;
8. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

9. The creation of the Districts is in the best interests of the area proposed to be served.

Therefore, it is requested that the Loveland City Council, which has jurisdiction to approve this Service Plan by virtue of §§ 32-1-204.5, *et seq.*, C.R.S., as amended, adopt a resolution approving this "Consolidated Service Plan for Insert district name here Metropolitan Districts Nos. 1, 2, 3, and 4" as submitted.

Respectfully submitted,

BY: _____

DRAFT

EXHIBIT A
Map of Districts

DRAFT

EXHIBIT B
Legal Descriptions of the Districts

DRAFT

EXHIBIT C
Public Improvements Diagram

DRAFT

EXHIBIT D
Cost Estimates

DRAFT

EXHIBIT E
Financing Plan

DRAFT

EXHIBIT F
Statutory Contents of this Service Plan

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed;
3. A preliminary description of how the proposed services are to be provided;
4. A map of the Districts' boundaries and an estimate of the population and valuation for assessment of the Districts;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the Districts are compatible with facility and service standards of the City and of municipalities and special districts which are interested parties pursuant to §32-1-204(1), C.R.S.;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the Districts;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the Districts and such other political subdivisions;
8. Information satisfactory to establish that each of the following criteria as set forth in §32-1-203, C.R.S., has been met:
 - a. That there is sufficient existing and projected need for organized service in the area to be served by the Districts;
 - b. That the existing service in the area to be served by the Districts is inadequate for the present and projected needs;
 - c. That the Districts are capable of providing economical and sufficient service to the area within their boundaries;
 - d. That the area to be included in the Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
 - e. That adequate service is not, or will not be available to the area through the City, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

f. That the facility and service standards of the Districts are compatible with the facility and service standards of the City within which the Districts are to be located;

g. The proposal is in substantial compliance with any master plan adopted pursuant to § 31-23-206, C.R.S.;

h. That the proposal is in compliance with any duly adopted city, county, regional, or state long-range water quality management plan for the area; and

i. That the continued existence of the Districts will be in the best interests of the area proposed to be served.

DRAFT

AGREEMENT REGARDING DISTRICT DISCLOSURES
(Insert District Name)

THIS AGREEMENT REGARDING DISTRICT DISCLOSURES (this “Agreement”) is executed as of the ____ day of _____, 2016, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation (the “City”), and Insert Property Owner Name, a Insert State Insert type of entity (LLC, corporation, etc.)(the “Property Owner”).

Recitals

A. The Property Owner owns certain real property located within the City’s boundaries, which property will be developed for residential uses (the “Property”). The Property is more particularly described on **Exhibit A**.

B. The Property comprises all of the property in Insert District Name (the “District”) as defined and provided for in the Consolidated Service Plan for Insert District Name (the “Service Plan”).

C. As a condition to its approval of the Service Plan, the City requires that the Property Owner agree to provide certain disclosures regarding the District to prospective purchasers (“Lot Purchasers,” as further defined herein) of lots (“Lots”) within the Property from the Property Owner.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows.

Agreement

1. Disclosure Requirement. At the time any Lot Purchaser enters into a reservation agreement with the Property Owner for a Lot within the Property, or if such Lot Purchaser does not enter into a reservation agreement, then prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, the Property Owner will provide to the Lot Purchaser a copy of a General Disclosure and Common Questions Regarding Insert District Name, which shall include the Estimate of Property Taxes with and without the District’s proposed maximum mill levy, in the form attached hereto as **Exhibit B** (the “Disclosure”). The Property Owner shall retain a copy of the Disclosure signed by all Lot Purchasers for its records. The Property Owner shall include the Estimate of Property Taxes attached as Exhibit B to the Disclosure, in all printed pricing schedules and related cost materials provided to prospective purchasers for the Property.

2. Amendments to Disclosure. The Property Owner shall not amend the Disclosure without the prior written approval by the City of such amendments, except that the Property Owner may correct minor typographical or clerical errors, and periodically update the assessment ratios, mill levies, and similar information contained in the Disclosure without the prior written approval of the City.

3. City's Remedies. In the event that the Property Owner fails to comply with the requirements of this Agreement, the City shall be entitled to seek specific performance thereof, and if the City prevails, it shall be entitled to recover from the Property Owner all of its costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs.

4. Lot Purchasers' Remedies. In the event that a Lot Purchaser does not receive a copy of the Disclosure prior to the time such Lot Purchaser enters into a written contract with the Property Owner for the purchase of a Lot within the Property, such Lot Purchaser shall be entitled to terminate such contract and receive a full refund of its deposits thereunder at any time prior to the earlier of: (a) fifteen (15) days after a copy of the Disclosure is provided to such Lot Purchaser; or (b) the closing of Lot Purchaser's acquisition of the Lot from Property Owner.

5. Disclosure by Subsequent Owners. The Property Owner's obligation under this Agreement shall be a covenant running with the land which shall bind subsequent Developers (as defined below). All subsequent Developers of a Lot within the Property shall be required by the Property Owner in a written agreement to comply with the disclosure requirements of Section 1 and shall be subject to the remedies set forth in Sections 3 and 4 in connection with their sale of such Lot. Following the first sale of a Lot to a Lot Purchaser, such Lot shall cease to be subject to this Agreement. For the purposes of this Agreement, a "Developer" shall be a party which acquires a Lot for the purpose of selling that Lot or for constructing improvements for residential use thereon for resale to a Lot Purchaser, and a "Lot Purchaser" shall be a party who acquires a Lot with improvements for residential use constructed thereon or who acquires a Lot without improvements for the purpose of constructing improvements for residential use thereon.

6. No Third Party Beneficiaries. Except as provided in Section 4, this Agreement is for the benefit of, and may only be enforced by, the parties hereto. Except as set forth in Section 4, no third party shall have any rights, or be entitled to any remedies, arising out of this Agreement or any breach hereof.

7. Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

9. Facsimile Signatures; Counterparts. The facsimile signature of any party on this Agreement shall be deemed an original for all purposes. This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original.

10. Recording. This Agreement shall be recorded in the Larimer County Clerk and Recorder's Office at the Property Owner's expense.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day, month and year first above written.

CITY:

CITY OF LOVELAND, a municipal corporation

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by _____ as City Manager of the City of Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by _____ as City Clerk of the City of Loveland, a municipal corporation.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Insert Property Owner Name, an
Insert State Insert type of entity (LLC,
corporation, etc.)

By: _____
Its: _____

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016 by _____ as _____ of Insert Property Owner Name, an Insert State Insert type of entity (LLC, corporation, etc.).

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Exhibit A

To Agreement Regarding District Disclosures

Legal Description of the Property

Exhibit B

To Agreement Regarding District Disclosures

Form of Disclosure

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
Insert District Name**

1. What does the District do?

Insert District Name (the “District”) was organized, together with Insert District Name on [REDACTED], 2016, pursuant to a Consolidated Service Plan, approved by Resolution No. Insert Resolution No. of the City Council for the City of Loveland, Colorado, on Insert Date (the “Service Plan”) for purposes of constructing, operating and maintaining certain public improvements within the boundaries of the District. The District is a governmental entity governed by an elected board of directors made up of property owners and property taxpayers within the District’s boundaries.

The District’s boundaries are set forth in **Exhibit A** attached hereto. It is conceivable that additional boundary adjustments may be made within the District. Any such boundary adjustment is subject to prior approval by the owners of the property to be annexed and must be considered at a public hearing of the District’s board of directors.

Pursuant to the Service Plan, the District is authorized to construct, operate, and maintain a sanitary sewer system, storm drainage, potable water system, non-potable irrigation system, street system and traffic safety, and parks and recreation improvements for the benefit of the property owners of the District. The District may dedicate certain public improvements to the City of Loveland. The operations and maintenance of public improvements dedicated to the City shall rest with the City. Public improvements not dedicated to the City of Loveland shall be owned, operated, and maintained by the District. The District has authority to impose property taxes and other fees, rates, tolls, penalties, or charges to fund the construction and operations and maintenance for all improvements identified in the Service Plan. At some point in the future, the District may establish a one-time System Development Fee for all residential property within the District’s boundaries. The System Development Fee, to the extent imposed, will be collected on the initial transfer of property within the District to persons or entities not affiliated with the developer. All District fees and rates may be adopted and/or amended from time to time by the District’s board of directors at their discretion, as permitted by law.

Certain services may be provided within the District by one or more property owner associations expected to be organized as Colorado non-profit organizations comprised of all property owners in the District. Currently, no property owners association has been established within the boundaries of the District. If a property owners association is established, property owners will be subject to fees and assessments payable to the association which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. In order to meet the debt service requirements for bonds and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The mill levy authorized for the District under the Service Plan may not exceed 50 mills for the payment of debt obligations and related expenses and may not exceed a total of 65 mills for the payment of debt obligations and operations and maintenance expenses, which may be adjusted upward or downward over time as permitted in the Service Plan. In addition, various voter limitations exist which affect the taxing powers of the District, including

maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Many areas in Colorado utilize special districts to finance public improvements. As cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts have been organized to build these facilities. Special districts, and the financial powers they utilize, may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are utilized, the costs of improvements within the community are generally spread over 20 to 30 years and are paid from mill levies. Special districts are governed by property owners within the community who are better able to address issues of concern to the community than could a larger city or county.

4. How can I be assured that the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District will be governed by the controls adopted by the Colorado legislature governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District are governed by the terms of the Service Plan, which limits the mill levy that may be assessed by the District for the payment of debt obligations and related expenses to 50 mills and the total mill levy that may be assessed by the District for debt obligations and operations and maintenance to 65 mills, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 65 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

The mill levy limits will remain in place unless and until the Service Plan is amended to permit a change in this limit for the District. This limit, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levies within the District. As noted above, however, many of the limits of the Service Plan and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to purchase residential property. Therefore, in the initial stages of the development, it is in the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. Who bears the risk that the community may not fully develop?

Bondholders will be providing funding to the District for the District's construction of public improvements authorized by the Service Plan. These initial bonds for the District will be supported, in part, by the developer of the project. Property taxes paid by property owners on residential property will help pay the costs of all bonds issued by the District. This results in the risk of development being shared

in part by bondholders and the developer. The property owners also share risk relative to the bonds which are currently limited as noted above in paragraph 4. As previously stated, it is within the District's discretion to impose other fees to help pay for public improvements.

6. What will my tax bill look like?

In determining the tax liability due to for residential property, the County Assessor's Office first determines the actual value of the residential property based upon market approach to appraisal. Up to five years of market activity are analyzed. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property. The current assessment rate on residential property is Insert Percent%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$300,000 would have an assessed value of \$Insert total assessed value (300,000 x Insert Percent). One mill (0.001) applied to that valuation for assessment produces \$Insert 1 mill of taxes of taxes (Insert Assessed Value x 0.001).

It is anticipated that the tax bill for your property will show mill levies for the City of Loveland, Larimer County, Larimer County Pest Control, Northern Colorado Water Conservancy District, Thompson R2-J School District, Thompson Valley Health Services District, and various other service providers, including Insert District Name. According to information available from the Larimer County Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, is currently Insert mills mills for tax year 2015 for collection in the year 2016. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$300,000 would be approximately \$Insert total annual tax bill levied w/out district (Insert 1 mill of taxes x Insert mills).

The maximum mill levy the District is permitted to levy is 65.000 mills (0.065), and the portion of the annual tax bill levied by the District on a residential property with an actual value of \$300,000 would be approximately \$Insert total annual tax bill levied by district (Insert 1 mill of taxes x 65.000). Your tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property approximately \$Insert Total (\$Insert annual tax bill levied w/out district+ \$Insert annual tax bill levied by district).

Exhibit B attached hereto sets forth the approximate mill levies that are currently levied against the property within the District and outlines the annual tax bills levied both with and without the District. Colorado taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Larimer County Assessor's office directly.

7. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with Insert District Name specifically. The Service Plan for the District contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document to be fully informed. A copy of the District's Service Plan is available in the Loveland City Clerk's Office. For additional information about the District, prospective purchasers may also contact the District's attorney's office of Insert Name & Contact Info of District's Attorney. The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

[Remainder of page intentionally left blank].

Dated this ____ day of _____, 20____.

By: _____
President, Board of Directors
Insert District Name

Purchaser's Signature Acknowledging Receipt: _____

**EXHIBIT A
TO GENERAL DISCLOSURE AND COMMON QUESTIONS**

**LEGAL DESCRIPTION OF
Insert District Name**

Insert Legal Description

EXHIBIT B
TO GENERAL DISCLOSURE AND COMMON QUESTIONS

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$300,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2015**)	Annual tax levied
Insert entity	Insert amount	\$ Insert amount
Larimer County	Insert amount	\$ Insert amount
City of Loveland	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
TOTAL:	Insert total	\$ Insert amount

**Annual Tax Levied on Residential Property With \$300,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2015**)	Annual tax levied
Insert District Name	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Larimer County	Insert amount	\$ Insert amount
City of Loveland	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
TOTAL:	Insert total	\$ Insert total

****This estimate of Overlapping Mill Levies is based upon mill levies certified by the Larimer County Assessor's office in December 2015 for collection in 2016, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**

****This estimate of Overlapping Mill Levies is based upon mill levies certified by the Larimer County Assessor's office in December 2015 for collection in 2016, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's office to obtain the most accurate and up to date information.**