



**Finance Administration**

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**AGENDA**

**Council Finance & Audit Committee**

August 20, 2018

**10:00 am - noon**

CIC Room - City Hall

Approval of Minutes from the July 16<sup>th</sup> Council Finance Committee Meeting.

- |  |            |                           |
|--|------------|---------------------------|
| 1. Metro District Requests - 3                   | 60 minutes | J. Birks                  |
| 2. Fee Review - Utilities Wet PIFs, Step II CEFs | 30 minutes | L. Smith<br>J. Poznanovic |
| 3. HR Benefits Discussion                        | 30 minutes | T. Roche                  |



**Council Finance Committee**  
**Agenda Planning Calendar 2018**  
**RVSD 08/14/18 mnb**

<b>Aug 20th</b>			
	Metro District Requests - 3	60 min	J. Birks
	Fee Review – Utilities Wet PIFs, Step II CEFs	30 min	L. Smith J. Poznanovic
	HR Benefits Discussion	30 min	T. Roche

<b>Sep 5th</b>			
	Auditor Vendor Selection	2 hrs	T. Storin

<b>Sep 17th</b>			
	Fee Review – Fee Team Report, Total Impact	30 min	T. Leeson J. Poznanovic
	Internet Sales Tax – Work Plan	15 min	J. Poznanovic
	Regional Road Fee & PSD PILOs Update	20 min	G. Sawyer
	Year End Adjustment Ordinance	20 min	L. Pollack

<b>Oct 15th</b>			
	Utility Rate Increases	20 min	L. Smith
	Infrastructure Financing	30 min	T. Storin

<b>Nov 19th</b>			
	GERP Review	15 min	J. Voss
	Financial Management Policy Review	45 min	J. Voss

**Future Council Finance Committee Topics:**

- Revenue Contingency Plan Review





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**Finance Committee Meeting Minutes**

**07/16/18**

**10 am - noon**

**CIC Room - City Hall**

**Council Attendees:** Mayor Wade Troxell (via phone), Ross Cunniff, Ken Summers

**Staff:** Darin Atteberry, Mike Beckstead, Kelly DiMartino, Laurie Kadrich, Jackie Thiel, Travis Storin, John Voss, Jennifer Poznanovic, Jennifer Selenske, Victoria Shaw, Honore Depew, John Duval, Joe Wimmer, Andres Gavaldon, Katie Ricketts, Jo Cech, Zack Mozer

**Others:** Kevin Jones (Chamber of Commerce)  
Jim Burke, Assurance Senior Manager, RSM US LLP  
Gavin Kaszynski, CFO Associates in Family Medicine  
Dale Adamy (R1ST.org)

Meeting called to order at 10:10 am by Ross Cunniff

Minutes approval for the June 18, 2018 Council Finance Committee Meeting. Ken Summers made a motion to approve the minutes and Ross Cunniff seconded the motion. The minutes from the June 18<sup>th</sup> Council Finance Committee meeting were approved unanimously.

**A. Audit Results Review**

Travis Storin, Accounting Director  
Jim Burke, Assurance Senior Manager, RSM US LLP

**SUBJECT FOR DISCUSSION**

Independent Auditors' Report on 2017 Financial Statements  
Independent Auditors' Report on Compliance for Major Federal Programs

**EXECUTIVE SUMMARY**

RSM will be presenting the *Report to the City Council*. This report covers the audit of the basic financial statements and compliance of the City of Fort Collins for year-end December 31, 2017.

**GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

Staff seeks input on areas of priority or concern, other than those established in this Report to the City Council, for matters of recordkeeping and/or the City's internal control environment.



Otherwise there are no specific questions to be answered as this is a 2017 year-end report.

## **BACKGROUND/DISCUSSION**

Every year the City is required to be audited in compliance with *Government Auditing Standards*. RSM finalized its financial statement audit and compliance report on June 19, 2018 and the firm is required to report the results of the audit to those charged with governance.

There were no findings identified related to Federal grants in the Compliance Report. Financial misstatements identified by the auditors that were deemed immaterial for adjustment and control deficiencies identified by the auditors can be found in the Report to the City Council, Exhibit A. Staff will provide a written response to the audit findings and misstatements at the October Council Finance Committee meeting.

Jim Burke, Assurance Senior Manager, RSM US LLP; CAFR review - no significant issues during audit Internal Control item wasn't required to be in writing, but the Finance team requested it

For reference;

- Material Weakness is the most serious

- Significant Deficiency should be communicated in writing

- Control Deficiency can be put in writing at their request - reconciling cash accounts /credit card receipts

Mike Beckstead; this is the cleanest audit we have had in my tenure -the last 7 years - we have seen improvement year over year - we asked them to document this in writing as we want to be exceptionally transparent.

Ken Summers; status of pages 3-5 - have these adjustments been made? Do they have a significant impact? Net position at the end of the fiscal year

Travis Storin; they are past adjustments which were not booked - on page 4 at the bottom - \$1M -this is primarily due to the policy which has been to not record capitalized interest on ongoing capital projects - would still be considered a non-material amount to the CAFR

Ken Summer; it is helpful to have that understanding - net position - no issues

Travis Storin; we looked at this in peer cities and we have deliberately adopted as a matter of administrative convenience as it would be quite time consuming and doesn't have an impact on our liquidity. This is very common among cities - GASB is working on a statement which should be coming out soon to reflect what everyone is already doing.

Ross Cunniff; congratulations to the team on the cleanest audit in 5 years - keep it going – a great job for the community taxpayers.



Mike Beckstead; the team has worked hard to resolve / clean up previous issues.

## **B. 2017 Fund Balance Review**

Travis Storin, Accounting Director

John Voss, Controller

**SUBJECT FOR DISCUSSION:** Status of Fund Balances and Working Capital

### **EXECUTIVE SUMMARY:**

The attached presentation gives a status of fund balances and working capital. Fund balances are primarily considered for funding one-time offers during the Budgeting for Outcomes process. To a lesser extent, available monies are also used to fund supplemental appropriations between BFO cycles.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

None, this is an update for Council Finance Committee.

### **BACKGROUND/DISCUSSION**

To aid in answering the question of what funding is available to support emerging issues and initiatives in the next budget cycle. In each fund the balances are shown vertically by the accounting classifications. The amounts are then additionally categorized into Appropriated, Available with Constraints, and Available for Nearly Any Purpose.

*Appropriated, Minimum Policy or Scheduled* is comprised of minimum fund balances established by policy, funds from the 2017 balance that have been appropriated in 2018 and amounts for projects specifically identified by voters. An example of the later is Community Capital Improvements Plan (aka BOB 2.0).

*Available with Constraints* are those balances available for appropriation but within defined constraints. An example is 4<sup>th</sup> of July donations. They are restricted for that purpose, but still available for appropriation.

*Available for Nearly Any Purpose* are balances that are available for appropriation at the discretion of the City Council.



## Fund Balance Definitions

most  
constrained



least  
constrained

### Non-spendable

- Non-liquid in form (inventory, long-term receivables)
- Legally or contractually required to be maintained intact (permanent endowments)

### Restricted

- Externally enforceable legal restrictions (TABOR emergency reserve, debt covenants, re-development agreements, IGA's)

### Committed

- Constraint formally imposed at the highest level of decision making authority through Ordinance (Capital Expansion fees, Neighborhood Parkland fees)

### Assigned

- Intended to be used for specific purposes (Affordable Housing, Camera Radar, Encumbrances)

### Unassigned

- Available for any City purpose
- Reported only in the General Fund except in cases of negative fund balance

## Use of restricted balances

### Available but with some constraints

- Keep Fort Collins Great (KFCCG) categories are restricted but available as defined in the ballot language
- Udall Endowment interest is restricted but available to be appropriated for maintenance and improvements of Udall Natural Area

### Available for nearly any purpose

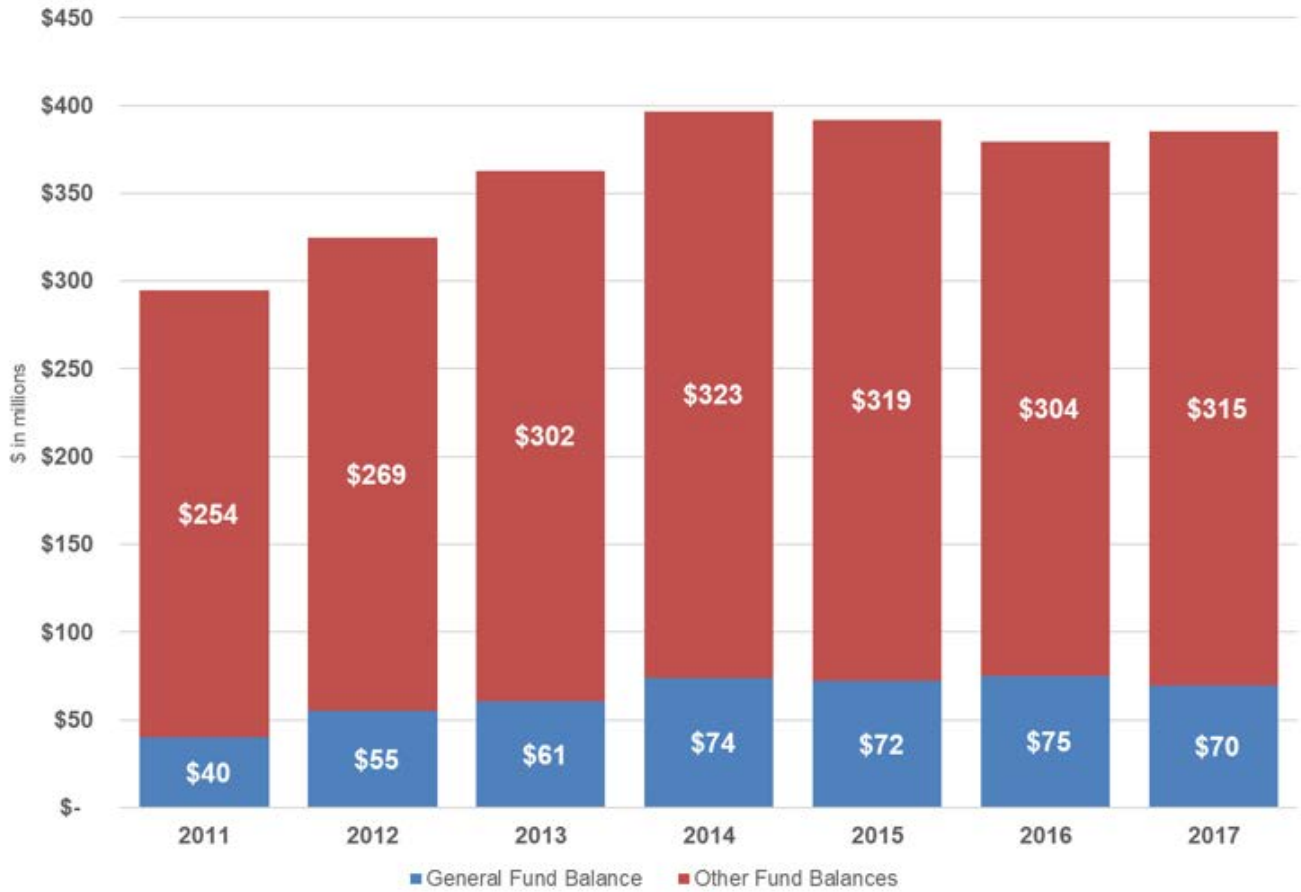
- Funds available at the discretion of the City Council for any *municipal purpose*



All City Funds					
	2016	2017 Total	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
General Fund	\$ 74.9	\$ 69.8	\$ 53.5	\$ 4.9	\$ 11.4
Capital Expansion Fund	21.1	17.8	4.0	13.8	-
Sales & Use Tax Fund	1.2	0.7	0.7	-	-
GID #1 Fund	0.6	0.8	0.2	0.6	-
Keep Fort Collins Great Fund	15.4	12.7	9.1	3.6	-
Community Capital Imprvmt Plan	6.8	8.0	7.8	0.2	-
Neighborhood Parkland Fund	10.2	9.7	4.9	4.8	-
Conservation Trust Fund	2.5	3.0	2.3	0.7	-
Natural Areas Fund	16.0	16.8	13.4	3.4	-
Cultural Services Fund	2.4	2.6	1.0	0.5	1.1
Recreation Fund	2.7	2.3	0.5	1.8	-
Cemeteries Fund	0.6	0.7	0.5	0.2	-
Perpetual Care Fund	1.8	1.9	-	1.9	-
Museum Fund	0.9	0.9	0.2	0.7	-
Transit	(1.8)	4.2	4.2	-	-
Street Oversizing	19.6	25.1	6.6	18.5	-
Transportation	17.6	15.4	4.6	-	10.8
Parking Fund	1.5	1.8	0.4	0.5	0.9
Capital Projects Fund	19.9	17.6	15.1	2.5	-
Golf Fund	0.5	0.4	0.3	0.1	-
Light & Power Fund	36.8	33.5	28.0	5.5	-
Water Fund	52.1	61.6	39.5	22.1	-
Wastewater Fund	40.6	41.4	21.4	20.0	-
Storm Drainage Fund	18.1	17.4	9.9	7.5	-
Equipment Fund	4.6	2.0	0.9	1.1	-
Self Insurance Fund	1.6	1.6	1.5	0.1	-
Data & Communications Fund	4.1	3.7	1.4	-	2.3
Benefits Fund	4.9	9.3	5.9	3.4	-
Utility Customer Service Fund	2.0	2.6	0.4	2.2	-
<b>TOTAL</b>	<b>\$ 379.2</b>	<b>\$ 385.3</b>	<b>\$ 238.2</b>	<b>\$ 120.6</b>	<b>\$ 26.5</b>



## Fund Balance Trends





## General Fund - Year End 2017 - \$69.8

	2016 Total	2017 Total	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned - Minimum 60 day Policy</b>	<b>\$ 25.8</b>	<b>\$ 25.3</b>	<b>\$ 25.3</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Non-spendable</b>					
Advances	5.1	4.9	4.9	-	-
Landbank inventory	1.8	1.5	1.5	-	-
<b>Restricted</b>					
TABOR Emergency	6.7	6.9	6.9	-	-
Police Programs	0.8	0.9	-	0.9	-
Donations & Misc	0.8	0.9	-	0.9	-
Economic Rebates	3.0	2.6	0.4	2.2	-
DDA/Woodward Debt	2.3	0.7	-	0.7	-
<b>Committed</b>					
Traffic Calming	0.2	-	-	-	-
Culture & Recreation	0.3	0.2	-	0.2	-
<b>Assigned</b>					
Prior Year Purchase Orders	4.2	4.3	4.3	-	-
Manufacturing Use Tax Rebate	0.7	0.7	0.7	-	-
Council Priorities set aside	3.3	1.0	-	-	1.0
Recession Contingency	4.4	4.4	1.0	-	3.4
Camera Radar	1.1	0.9	0.1	-	0.8
Affordable Housing Land Bank	0.3	1.3	-	-	1.3
Waste Innovation	0.2	0.2	0.1	-	0.1
Reappropriation	1.3	1.0	1.0	-	-
Budgeted use of reserves	5.9	7.3	7.3	-	-
<b>Unassigned</b>	<b>6.7</b>	<b>4.8</b>	<b>-</b>	<b>-</b>	<b>4.8</b>
<b>Year End Total</b>	<b>\$ 74.9</b>	<b>\$ 69.8</b>	<b>\$ 53.5</b>	<b>\$ 4.9</b>	<b>\$ 11.4</b>

\$500K Transit Bus Replacement  
\$500K Southridge Golf Irrigation

7

Ken Summers; is the Southridge Golf Irrigation an upgrade or repairs?

Mike Beckstead; piece of a replacement project which is estimated in the \$2M range - Collindale and Southridge Golf Courses both need to be replaced. They have some debt service that retires in 2020 which will give them capacity to borrow funds for that project.

Darin Atteberry; we inherited Southridge - we took over that facility and it has been a challenge from a facilities standpoint.

John Voss; Affordable Housing Land Bank from .3 to 1.3M due to a property we sold for approximately \$1M. We got cash in the \$900K range which we added to the Affordable Housing Lane Bank.

Mike Beckstead; 2017 Column - first non-spendable \$4.9M - that is non-cash - that is a loan that was made out of the General Fund to the Summit Project. Between the Policy 60-day minimum fund balance and the TABOR emergency fund requirement at state level - \$32M reserves are included in the balance. In compliance with our Reserve Policy and the TABOR policy we don't touch that.



In middle of Assigned - Recession Contingency was set that up last year - we have left it there – we have replenished it as we used \$1M of that in 2018 – the intent is to go in 2019-2020 with this contingency so if there is a slowdown it can be used a cushion.

ACTION: Ross Cunniff; Please change Recession Contingency to Revenue Contingency / Shortfall.

## General Fund Balances

- \$4.9 loaned to URA (Advances)
- \$1.5 Land-bank program, estimated market value
- \$6.9 is an emergency reserve required by TABOR, equal to 3% of qualified governmental revenue
- \$0.9 restricted to Police Programs for Drug Task Force
- \$0.9 restricted by donor for various purposes (Horticulture, Udall Endowment, etc)
- \$2.6 is restricted to Economic Incentive Rebates
- \$0.7 is for debt contingency on DDA debt obligation to Woodward
- Traditionally fund balances are assigned for camera radar and photo red-light, public safety dispatch system, affordable housing and waste innovation
- \$1.0 is set aside for the re-appropriation process



## Keep Fort Collins Great Fund - Year End 2017 - \$12.7

	2016 Total	2017 Total	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Street Maintenance	4.0	3.6	3.5	0.1	
Other Transportation	2.2	1.9	1.8	0.1	
Police Services	4.0	3.7	1.3	2.4	
Fire & Emergency Services	0.6	0.2	-	0.2	
Parks & Recreation	1.8	1.5	0.9	0.6	
Other	2.8	1.8	1.6	0.2	
<b>Year End Total</b>	<b>\$ 15.4</b>	<b>\$ 12.7</b>	<b>\$ 9.1</b>	<b>\$ 3.6</b>	

- \$3.6M is available in the 2019-2020 BFO process

KFCG consists of 6 restricted buckets

## Transportation Fund - Year End 2017 - \$15.4

	2016 Total	2017 Total	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned</b>				-	
Prior Year Purchase Orders	0.9	0.3	0.3	-	
Capital Projects	0.6	1.4	1.4	-	
Harmony Road	5.7	5.7	-	-	5.7
Transportation Surplus	10.4	8.0	2.9	-	5.1
<b>Year End Total</b>	<b>\$ 17.6</b>	<b>\$ 15.4</b>	<b>\$ 4.6</b>	<b>\$ -</b>	<b>\$ 10.8</b>

- \$5.7M may be reassigned but is intended to be used for Harmony Road improvements.
  - Residual of the \$13.5 million from State when ownership transferred to City
- \$5.1M can be made available in the 2019-2020 BFO process



Transportation Fund balance went down by approximately \$2M


Capital Projects of \$1.4M

Harmony Road - state gave us \$13.5M when we took over maintenance and ownership which we used to get it up to city standards - not legally binding that we can't use it - \$5.7M is mostly interest

Darin Atteberry: Harmony was originally built as a rural State Highway - the \$13M has helped significantly.

Ross Cunniff; have we contemplated ownership transfer on any of the other State Highways? (Mulberry, 392, 287, 14)

Laurie Kadrach; there were some brief discussions regarding Prospect Road and interchange but nothing beyond that.

 <b>Capital Project Fund - Year End 2017 - \$17.6</b>					
	2016 Total	2017 Total	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Building Community Choices (BCC)	1.6	-	-	-	
Building on Basics (BOB)	7.2	6.8	4.3	2.5	
Misc. projects	1.3	2.5	2.5	-	
Woodward Loan Proceeds left	0.3	-	-	-	
Donations and Grants	1.0	2.4	2.4	-	
<b>Committed</b>					
General Fund Supported Projects	8.5	5.9	5.9	-	
<b>Year End Total</b>	<b>\$ 19.9</b>	<b>\$ 17.6</b>	<b>\$ 15.1</b>	<b>\$ 2.5</b>	<b>\$ -</b>

- Building on Basics (BOB) is expected to have \$2.5M available for capital projects, after all projects on the original ballot are completed

Ross Cunniff; I would like to recommend we roll the balance over to the BOB2 Project Fund to continue to build that kind of capital.

Mike Beckstead; we set up a separate fund for BOB2 CCIP. It will take Council action to move that over but we can certainly bring that forward.

Ross Cunniff; reasoning - BOB 2 projects float up and down and helps maintain our trust with the community, so they know that even the interest is going to be used for the designated purpose.



### Water Fund - Year End 2017 - \$61.6

	2016 Total	2017 Total	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Minimum Policy - 25% Operations</b>	\$ 5.1	\$ 5.0	\$ 5.0	\$ -	
<b>Restricted</b>				-	
Debt	0.3	-	-	-	
<b>Assigned</b>					
Prior Year Purchase Orders	0.4	0.4	0.4		
Approved Capital Projects	36.5	33.5	33.5		
Budgeted in 2018	1.7	0.6	0.6	-	
Available for capital and operations	8.1	22.1	-	22.1	
<b>Year End Total</b>	<b>\$ 52.1</b>	<b>\$ 61.6</b>	<b>\$ 39.5</b>	<b>\$ 22.1</b>	<b>\$ -</b>

- Increase in part due to water rights contributed by developers before ordinance change went into effect. Capital contribution of \$10.8 M in 2017 compared to \$7.3 M in 2016.

Mike Beckstead; takeaway is that our fund balances are healthy and stable. We have good reserves and are in a good position.

Ken Summers; When you look at the Water Funds for example, the available balance is somewhat low compared to what has been available in prior years. What rebuilds the fund balance?

Mike Beckstead; for the Water Fund specifically, with the change in Cash in Lieu contributions at the end of 2017 - this year we are about \$1.6M under budget in those - that spurred an influx in our 2017 year end fund balance. Beyond that - plant improvement fees coming in, capital projects coming out. L&P has an anticipated rate increase in 2019 and 2020 which will increase operating income and restore the fund balance - it is about as low as we want it to be so it is time to bring it back up.

Darin Atteberry; for context, about 15-18 years ago, we were concerned about the deregulation of the electric utility - that L&P reserve was built very intentionally. The Water Fund includes Halligan which won't be enough because that project has been delayed multiple times. There are stories behind each one of these items. To Ross' comment - the reserves are appropriate and are intentionally not too high.

Ken Summers; pretty heavy commitments for some of the fund balances - addressing needs - keeping infrastructure what it needs to be and make sure those capital projects are on track.

Mayor Troxell; good report - thank you



## **C. Regional Wasteshed Project**

Honore Depew, Environmental Planner, Sustainability Services

Jackie Thiel, Chief Sustainability Officer

**EXECUTIVE SUMMARY** Council reviewed recommendations for new solid waste infrastructure and policy during a May work session and gave direction for staff to draft an intergovernmental agreement (IGA) with Larimer County, which would formalize the recommendations, and requested additional analysis. Council will be discussing the IGA outline and reviewing impact analysis during a work session on August 14.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

1. Does Council Finance Committee have feedback on the financial aspects of the project?
2. Does Council Finance Committee need additional information as Council moves towards consideration of an Intergovernmental Agreement and ordinance?

### **BACKGROUND/DISCUSSION**

#### **History of Council Involvement**

Staff provided updates on this project to City Council at a regular meeting in January 2017, a Futures Committee meeting in April 2017, and at work sessions in January and May of 2018. In addition, Fort Collins City Council is represented on the Policy Advisory Committee of the Wasteshed Coalition by Mayor Troxell and Councilmember Cunniff.

#### **Wasteshed Coalition Background**

Because the Larimer County Landfill is forecast to reach capacity by 2025, staff and elected officials from the Cities of Fort Collins and Loveland, Larimer County, and the Town of Estes Park formed the North Front Range Wasteshed Coalition in 2015 to plan for the future of waste material handling in the region. Recommendations in the Solid Waste Infrastructure Master Plan (SWIMP) are the culmination of more than two years of work by the Coalition.

In 2017, Larimer County engaged the consulting firm HDR, Inc. to provide:

- detailed reporting of current regional solid waste volumes and future projections
- consideration of emerging technologies for resource recovery
- triple-bottom line and market analysis of infrastructure options
- example agreements and policies to support new facilities

Eleven possible solid waste infrastructure options were identified as potential pieces of a long-term waste material management system, once the Larimer County Landfill is closed. Each element has been closely reviewed by the Coalition and will be published in June 2018 as a Solid Waste Infrastructure Master Plan.

#### **Coalition Recommendations**



Five new facilities were selected for recommendations based on capital costs, timeframe to complete, cost-benefit ratio, and projected tipping fees:

Recommended Facilities	Capital Cost	Tip Fee*	Years to Build
New County Landfill	\$11.7M	\$14	6
Central Transfer Station	\$15.8M	\$29	5
Yard Waste Composting Facility	\$11.8M	\$38	4
Food Waste Composting Facility		\$38	2
Construction and Demolition (C&D) Debris Processing Facility	\$13.7M	\$37	4

\*Estimated tip fees in 2017 dollars

### Locations

All of the proposed facilities except a new landfill could be co-located in the undeveloped section of the current Larimer County landfill site on South Taft Hill Rd. A modern, sanitary landfill could be developed on a section of land owned by the County north of Wellington and would predominantly accept trash from the Central Transfer Station (including landfill waste from Fort Collins). The Transfer Station would provide the same or more convenience to customers with a redesigned entry point and traffic control.

### Capital Cost

Most of the capital investment needed for the recommended facilities would come from an existing fund balance Larimer County has accumulated for infrastructure replacement, with the remainder being financed by the County. Because the Solid Waste Division is operated as an enterprise fund, no tax revenue is included in these projections and there is no expectation of municipal financial investment.

### Facility Construction Timeline

One of the primary goals adopted by the Coalition is to have replacement facilities operational before the Larimer County landfill stops accepting waste in 2025. The projected development schedule for the new facilities includes design, permitting, and construction.

### Supportive Policy: Process Controls

The Coalition is recommending several process controls to be implemented throughout the Wasteshed. A solid waste process control is a rule that governs the way waste materials may be collected, handled, or disposed. The recommended process controls are in alignment with adopted goals for increased diversion, are anticipated to drive economic development in the region, and are designed to support the financial viability of new facilities. The proposed process controls are:

- 1) Flow Control for Construction and Demolition Debris
  - a. All mixed waste from building projects over 1,000sf must be sent to a County-owned processing facility.



- 2) Flow Control for Single-Stream Recyclables
  - a. Residential and business recycling must be sent to a County-owned recycling transfer or recovery facility.
- 3) Waste Stream Ban on Yard Trimmings
  - a. Green waste such as branches, leaves, and grass clippings must not be sent to landfills.

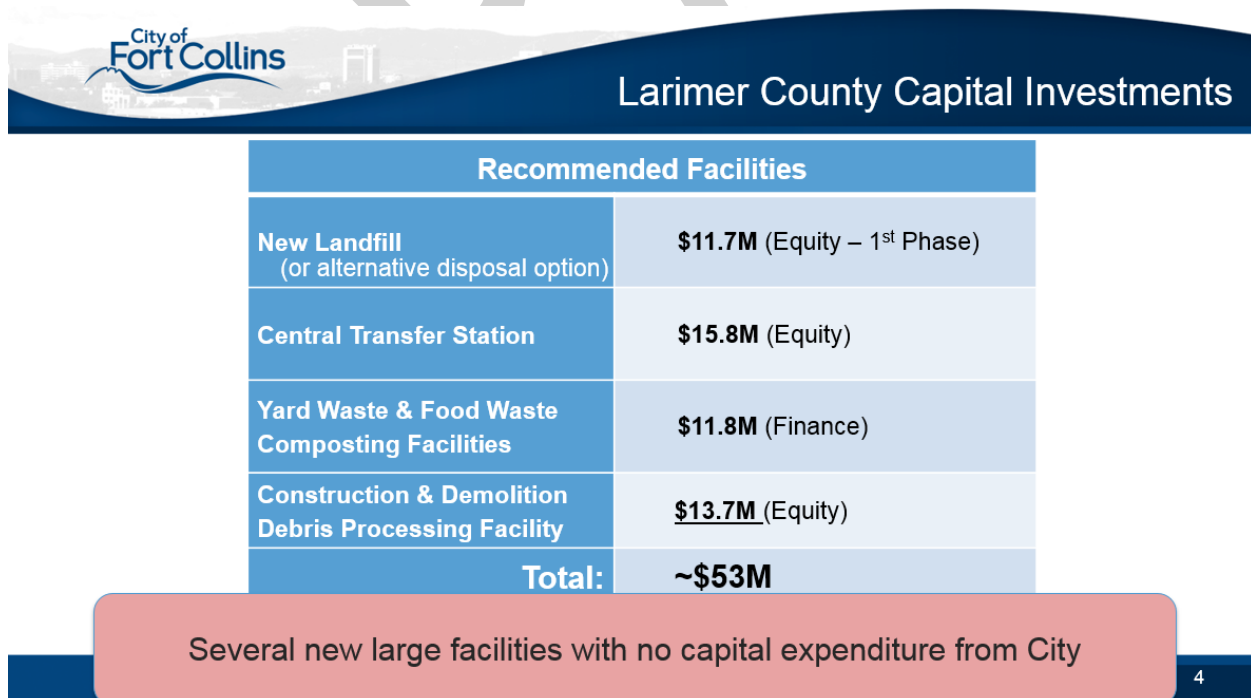
### Intergovernmental Agreement

To facilitate implementation of the recommended infrastructure and policy, an intergovernmental agreement is needed that would likely include the following elements:

- County commits to finance and construct facilities
- Municipalities commit to adopt rules for waste handling
- Coordinated data collection and education
- Formation of an Advisory Board

### Summary

Unprecedented regional collaboration for solid waste planning, spurred by the Larimer County Landfill nearing capacity, has yielded a recommended infrastructure master plan to divert significant waste from landfills without capital investment needed from the City of Fort Collins. To support this project, the role of municipalities in the region is to adopt specific policies that would ensure the economic viability of County-built resource recovery facilities. The proposed facilities are projected to recover as much as 40% of what is currently landfilled in the Wasteshed, delivering useable products back into the regional economy and helping Fort Collins meet its goals for Zero Waste. residents.





## **Discussion / Next Steps;**

Ken Summers; what is the anticipated life for the new facility?

Honore Depew; It will be developed in phases - Phase 1; build out for the first cell 20 years - ample opportunity to expand to over a 100 year life span - the timeline brings these new facilities on line around 2025

Ken Summers; developing other strategies to deal with waste as other technologies arise - how that would impact the new facility?

Ross Cunniff; where the \$11M of existing equity came from?

Honore Depew; there is approximately \$40M of existing equity – because the Larimer County Solid Waste Division is run as an enterprise fund – it is based on tipping fees or the cost of disposal and it has been managed in such a way over the last few decades to accumulate this fund balance. There is money in trash and they have been making money taking waste and burying it in the ground. We have the opportunity to look forward without a resource constraint.

Ross Cunniff; the county has had the foresight to look forward and they have been collecting over and above the operational requirements to fund this.

Honore Depew; Yes, and it still has some of the lowest tipping fees in the country.

Honore Depew; Food Waste Composting - currently grocers send their material to Denver for composting to comply with City Code.

Jackie Thiel; the biggest obstacle was regional infrastructure which is the reason we haven't been handling our local food waste. The new facility will enable us to handle that and gain that efficiency of scale.

Honore Depew; The construction and demolition debris processing facility will be the highest caliber in the state - the new facility will be state of the art using the same separation you see used in a single stream facility. Separation mechanism will be dialed in to target materials such as metal, wood and concrete - this is a great desire of the building industry community - currently they are required to have multiple roll off dumpsters on site to separate those readily recyclable materials. This would provide a high level of convenience to be able to consolidate that.



## Recommended Process Controls

### Flow Control

Construction & Demolition Debris

- Mixed loads
- 10-year term
- Jobsite convenience
- Market development

### Flow Control

Mixed Recyclables

- “Single-stream” recyclables
- Residential and commercial
- Assured volumes attract investment

### Waste Ban

Yard Trimmings

- Wood, branches, leaves, etc.
- Readily recyclable at multiple sites
- Generates finished compost

## Estimated Tipping Fees

Facility	Cost per ton
Current Landfill	\$22
Transfer Station: Trash	\$29
Compost: Yard	\$38
Compost: Food	\$38
Construction Debris	\$37

Estimated Tipping Fees / per ton

\$22 per ton - new rate of \$30 per ton for trash

Resource recovery options are more expensive than burying trash in the ground.

Mayor Troxell; where does our waste water and waste energy effort and our investment there - How does that relate to our overall picture as it relates to our wasteshed?



Honore Depew: We worked closely with our consultant and the technical advisory committee and our colleagues who operated the waste treatment plant - Drake Water facility has the capacity and could scale up cogeneration of electricity from that however, the key linkage is a pre-processing facility – something that could take raw food waste - maybe de-package it – construction of that plus upgrading the wastewater facility to be able to receive that material in bulk proved to be very expensive compared to the other options – it is still included in the master plan as a Tier 2 option - at this time that option wasn't recommended by the coalition for the Tier 1 stage.

Mayor Troxell; Governance and oversight going forward - the proposal as it stands right now - operating the go forward facility the same way we have always done that basically Larimer County gives the operator and the municipalities do the policy stuff - there are different levels of our involvement between the cities and the county- I would like more of a shared governance model that comes out of this and I do recognize that the county has the resources - because of that they have tended to make the rules.

Honore Depew; reflecting our discussions on this piece - the county is prepared to talk with you on Friday about their approach to developing a governance strategy - they are interested in keeping authority over the operation of this enterprise fund and the assets - however the proposal is for a strong Wasteshed Advisory Board which would be modeled after the Open Space Advisory Board that the county formed and that Councilmember Horak sits on. Some of the roles of that board would have a forum - direct influence on the master plan implementation, performance review of the overall system, policy development and the future design / expansion of wasteshed infrastructure. We would be putting this kind of language into the draft IGA.

Mayor Troxell; One thing I would like to suggest as we work on the IGA regarding waste energy - we become more a full partner - Tier 1 and Tier 2 gives the waste energy as a first-class citizen in the agreement between the partners as it related to going forward.

Jackie Thiel; we can share that with the county prior to the meeting on Friday - they will want to discuss with the pact about what that language might look like.

Mayor Troxell; to make the Council Finance Committee aware, a letter has been drafted that speaks to concerns that Ross and I have as being members of the policy group – the 11<sup>th</sup> hour introduction of a 3<sup>rd</sup> party to do the landfill really needs to reassess all options that brought us to this point in the first place.

Ross Cunniff; I am almost done reviewing the letter and I have some minor changes from my side. Dovetailing on a couple of your other points; with respect to our bio digester at the waste water plant currently we say that people can put nonfat waste down their garbage disposals - our current recommendation - want to make sure that no flow control items that would come up in the IGA would preclude that recommendation.



And on the governance side - the day to day operations and those costs - I understand that the county wants to have a high level of control, but my big concern is the policy and future flow control, future mandates on the city. We need to have an active voice in yes or no that is binding in some degree on policy requirements that would be placed on the municipalities within the county.

Honore Depew; in consulting with the legal teams, we have learned that with the Home Rule - the county could not impose these on the cities. Would have to be developed in concert and partnership.

Jackie Thiel; thinking of our work session last week with the county around behavioral health. We will connect Todd and Lori as leads for the county in thinking through what are some of these other alternative governance models might look like understanding that we want a greater stake - not just advisory.

Darin Atteberry; the importance of our goals and objectives as a city in this area - this is so critical to us moving forward - it would not be good to have our role be of an advisory nature - we should take a position of equal partnership and decision making. (Airport and Open Spaces as examples)

Ross Cunniff; what is our ownership stake in the current landfill?

Honore Depew; we own 50% of the souterrain underground of the first development based on a 1970 agreement; Fort Collins 50%, Loveland 25% and the County 25%. The county bought a large section of land going down to Trilby which they own outright, and they also own all development above ground The Enterprise (County Enterprise Fund) owns new land - Solid Waste Division of Larimer County.

Darin Atteberry; it is very important for the city to maintain an ownership stake but also decision making.

Honore Depew; worth noting from staff level - we see 2 pieces that are closely linked but have distinctive oversight roles; 1) Infrastructure Development 2) Policy. In the arrangement that has been developed over the last couple of years. Big new infrastructure that we wouldn't pay for ourselves gets on line that provides an opportunity for Fort Collins to have more options around policy in the future for collection of organics in particular. This would set us up for that sort of future.

Darin Atteberry; transfer stations - have you gotten to the point of talking about one location or multiple locations?

Honore Depew; the South Taft Hill Road location is ideal because 75% of the population lives within 15 miles of it.

Ross Cunniff; Our current haulers business models are based on transportation to that facility.



Ross Cunniff; there is a provision if the new facility is built that Wellington and parts north would be able to take directly to that facility - wrinkle that needs to be figured out with this alternative of private operations.

Darin Atteberry; small detail - several years ago the county eliminated Sunday hours due to budget cuts. A transfer station which would require less on-site staffing - the idea of being open on Sunday hours would be a plus from a customer service standpoint.

Honore Depew; convenience for greenway drop off on Sunday as well - nontrash part.

Ken Summers; I like the aspect where the county pays for it - in terms of the operational aspect of it moving forward the public education piece of it in terms of what Ross was saying in terms of the waste stream - as we look at reduced or zero waste there are some real significant public education needs- people are more than willing to do what they can do if they know what to do. In terms of timeline, the current landfill is scheduled to be at capacity / sunset in 2025 - Can some of these strategies be fast tracked - perhaps the life of the current landfill could be extended if we get some of the other waste diverted?

Meeting adjourned at 11:24 am



## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

**Staff:** Patrick Rowe and Tom Leeson

**Date:** August 20, 2018

### **SUBJECT FOR DISCUSSION**

Preview of Proposed Metro Districts at Waters' Edge Development

### **EXECUTIVE SUMMARY**

Waters' Edge Development has submitted a Metro District Service Plan to support a proposed development of approximately 848 homes and up to 70,000 sq ft of commercial space in the form of a neighborhood center ("Project"). The Project is generally located between Douglas Road and Richards Lake Road on either side of Turnberry Road. The project is targeted toward the 55 year and older population with an age in place development philosophy focused on allowing its residents to remain in their homes as long as possible. The applicant proposes to utilize metro districts to significantly reduce treated water usage, provide enhanced parks and open space, rehabilitate the Windsor No. 8 ditch, and to provide other lifestyle amenities to its residents.

The presentation will provide an overview of the proposed metro district and highlight staff's pending review of the proposal.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

1. What additional information would the committee like to evaluate the proposed Metro District to support the Water's Edge project?

### **BACKGROUND/DISCUSSION**

The developer of the Project is evaluating a multi-phase 235-acre development in Fort Collins, generally located between Douglas Road and Richards Lake Road on either side of Turnberry Road (**Attachment 1 – Location Map**). The project plans to construct approximately 848 homes with a product type tailored to a population that is 55 years and older (single-level, senior-friendly home design). Additionally, the project is proposed to include a future neighborhood commercial center, which could include up to 70,000 sq ft in commercial/retail space. The Project proposes a metro district to provide and operate a non-potable water system, provide enhanced parks and open space, to rehabilitate the Windsor No. 8 ditch, and to provide other lifestyle amenities to its residents (namely, three planned community facilities: artisan workshop and inventors center, sustainability center, and a senior activity center).



The information provided below presents key aspects of the metro district proposal and highlights the review steps that are pending by City staff. Though staff's review is pending, the following preliminary review is offered as initial feedback:

- **Reduce/Eliminate Planned Community Facilities (Artisan Workshop/Innovation Center, Sustainability Center, and Senior Activity Center)** – Staff understands the applicants position that the proposed community facilities are critical to provide the social connections that are important to a healthy senior lifestyle. However, as described, the proposed community facilities do not deliver on the Policy Objectives specified by the revised Metropolitan District Policy that will be considered by City Council on August 21, 2018.
- **Include 10% or More Affordable Housing** – Staff would suggest the Developer consider including affordable housing options in its proposal (the City defines affordable housing as 10% or more of the units in a development being affordable to residents at 80% area median income, or lower).
- **Explore Enhanced Building Standards** – Explore enhanced building standards for water/energy conservation outcomes.

## **Metro District Proposal**

The developer has submitted the Consolidated Service Plan for Waters' Edge Metropolitan District Nos. 1-5 ("Service Plan"). The Metro District will be used to finance, construct, and operate public infrastructure, and other site costs that reduce overall development costs.

### *Service Plan Overview*

The Service Plan calls for the creation of multi-district service plan consisting of five (5) districts to deliver the proposed Project. The development is phased over time with an anticipated build out in 2027.

### *Service Plan Highlights:*

- **Assessed Value** – Estimated to be approximately \$43 million in 2028 (the first year of full value after build-out)
- **Aggregate Mill Levy** – 50 mills, subject to Gallagher Adjustments
- **Debt Mill Levy** – 40 to 50 mills, may not be levied until an approved development plan or intergovernmental agreement has been executed that delivers the pledged public benefits
- **Operating Mill Levy** – 10 Mills
- **Maximum Debt Authorization** – Anticipated to be \$45,000,000 to cover a total of \$98,512,577 in estimated costs
- **Regional Mill Levy** – 5 Mills, anticipated to be used to fund specific transportation and/or stormwater improvements

### *Public Improvements*

The Service Plan provides for the issuance of bonds in the maximum amount of \$45 million to fund a portion of the potential \$98,512,577 in identified public improvements, as specified by



Exhibit H of the Service Plan. The following is a summary list of the potential public improvements by development phase:

### **Phase I**

- **Non-Potable Water System** – Approximately \$3.1 million for a non-potable water system. This system will be owned and operated by the metro district.
- **Artisan Workshop/Inventors Center** – Approximately \$3.5 million to finance and construct an artisan workshop and inventor’s center community facility. This facility will be owned and operated by the metro district and will be available for use by the general public in addition to district residents.
- **Sustainability Center** – Approximately \$1.5 million to finance and construct a sustainability center. This facility will be owned and operated by the metro district and will be available for use by the general public in addition to district residents.
- **Parks and Open Space Enhancements** – Approximately \$839,832 in parks and open space enhancements, including landscaping, site furnishings (benches, public patio areas, open space arbors, masonry, etc.). These improvements will be owned and maintained by the metro district.
- **Basic (Phase I and II)** – Up to \$18 million in “basic” public improvement costs over both project phases (Phase I and Phase II). Note: For additional information, see the below paragraph on Basic Infrastructure.
- **Administrative, Design, Permitting and Contingency Costs** – Approximately \$4 million in costs associated with administering, managing, surveying, engineering, inspecting, testing, planning, permitting the construction of the public improvements, and contingency.

### **Phase II**

- **Non-Potable Water System** – Approximately \$2.6 million for a non-potable water system in site preparation costs and grading associated with the proposed project
- **Rehabilitate Windsor No. 8 Ditch** – Approximately \$2 million to rehabilitate the Windsor No. 8 ditch which runs along the north half of the proposed second phase.
- **Senior Activities Center** – Approximately \$7 million to finance and construct a sustainability center. This facility will be owned and operated by the metro district and will be available for use by the general public in addition to district residents.
- **Parks and Open Space Enhancements** – Approximately \$839,832 in parks and open space enhancements, including landscaping, site furnishings (benches, public patio areas, open space arbors, masonry, etc.). These improvements will be owned and maintained by the metro district.
- **Basic (Phase I and II)** – Shared across both project phases; refer to Phase I above.
- **Administrative, Design, Permitting and Contingency Costs** – Approximately \$6 million in costs associated with administering, managing, surveying, engineering, inspecting, testing, planning, permitting the construction of the public improvements, and contingency.

### *Basic Infrastructure*

Both the existing and proposed Metropolitan District Policies have a bias against using metro districts to provide “basic infrastructure”, that which is typically expected to be provided by a developer (both in type and magnitude), except where the inclusion of “basic” infrastructure may



be utilized to offset the higher costs of extraordinary development outcomes that cannot directly be provided by a metro district (e.g., affordable housing, rooftop solar, etc.).

The Developer has requested that the metro districts be permitted to finance \$18 million in basic infrastructure costs. Per the Developer, these basic costs will help to offset a portion of the higher costs associated in delivering a senior-friendly housing type (stepless entries and increased costs due to single-level floor plans).

### *Public Benefits*

The proposed new policy requires an interdisciplinary review of the public benefits that will be enabled by the metro district. As stated above, this review is pending. What follows is a general list of the public benefits as specified in the Service Plan (additional information can be found in Exhibit L of the Service Plan):

- **Significant Reduction of Potable Water** – The inclusion of a non-potable water system will significantly reduce the need for treated water. The Developer estimates the long-term annual reduction in potable water needs to be approximately 60% less. The Developer estimates this system to result in significant financial benefits of around \$151K in annual operating cost savings. Additionally, there are unquantified environmental benefits due to a reduction in water treatment, primarily in electricity usage.
- **Enhanced and Expanded Open Space, Parks, and Trails** – The development includes enhanced and expanded open spaces and trails. The Developer represents that there is twice the open space of a typical development. The Developer proposes that this is a benefit to the walkability and pedestrian friendliness of the Project, in addition to meeting the intent of nature and outdoors accessibility (i.e., Nature in the City).
- **Rehabilitation of the Windsor No. 8 Ditch** – As per the Service Plan, the Windsor No. 8 ditch will be significantly rehabilitated in order to improve water quality, provide habitat for wildlife, act as regional trail connection, and transform an eyesore into an attractive community amenity.
- **Delayed Assisted Living** – The Developer represents that by creating a senior-friendly community, through housing design, and development amenities and services, it will allow seniors to “age in place” and remain out of assisted living facilities for longer. The Developer suggests that the cost differential between its housing and independent/assisted living is approximately \$3,500 per month (calculated as \$6K / mo. for assisted living vs. \$2,500 / mo. for a Waters’ Edge home). Assuming 10% of Waters’ Edge residents are at an age where in a typical development they would move to an assisted living facility, but are able to delay that move for 12-24 months, by virtue of the senior-friendly community and housing design elements at Waters’ Edge, that would carry a value of between \$42K to \$84K per individual, or \$3.5 million to \$7.1 million over the entire development.

### *Policy Comparison*

A comparison of the proposed use of Metro District revenues the currently adopted and proposed policy is provided below in **Table 1**.



**Table 1**  
**Metro District Policy Comparison**

	<b>Project</b>	<b>Current</b>	<b>Proposed</b>
<b>Mill Levy Caps</b>	<b><u>50 Mills</u></b>	40 Mills	50 Mills
<b>Basic Infrastructure</b>	<b>Partially</b>	To enable public benefit	To enable public benefit
<b>Eminent Domain</b>	Will Comply	Prohibited	Prohibited
<b>Debt Limitation</b>	Will Comply	100% of Capacity	100% of Capacity
<b>Dissolution Limit</b>	Ongoing for O&M	40 years	40 years (end user refunding exception)
<b>Citizen Control</b>	Will Comply	As early as possible	As early as possible
<b>Multiple Districts</b>	<b>Yes</b>	Projected over an extended period	Projected over an extended period
<b>Commercial/Residential Ratio</b>	<b>Residential and Commercial</b>	90% to 10%	N/A

#### PENDING STAFF REVIEW

Following the review process specified by the revised policy, the applicant's proposal will be evaluated and reported on in the following ways:

1. Public Benefit Assessment and Triple Bottom Line Scan: To comprehensively and consistently evaluate District proposals, an interdisciplinary staff team, inclusive of representatives from Planning, Economic Health, Sustainability, and other Departments as appropriate, will be formed. This team will rely on the City's Triple Bottom Line evaluation approach, and other means, to assess a District proposal consistent with this Policy and City goals and objectives more broadly.

This team has been formed and its review is pending.

2. Financial Assessment: All District proposals are required to submit a Financial Plan to the City for review. Utilizing the District's Financial Plan, and other supporting information which may be necessary, the City will evaluate a District's debt capacity and servicing ability. Additionally, should a District desire to utilize District funding for basic infrastructure improvements, as determined by the City in its sole discretion, staff will assess the value of this benefit against the public benefits received in exchange.



This analysis is still being prepared by Economic & Planning Systems and will be included in the materials presented to City Council on September 4, 2018.

3. Policy Evaluation: All proposals will be evaluated by City staff against this Policy and the City's "Model Service Plan", with any areas of difference being identified, evaluated and reported to City Council.

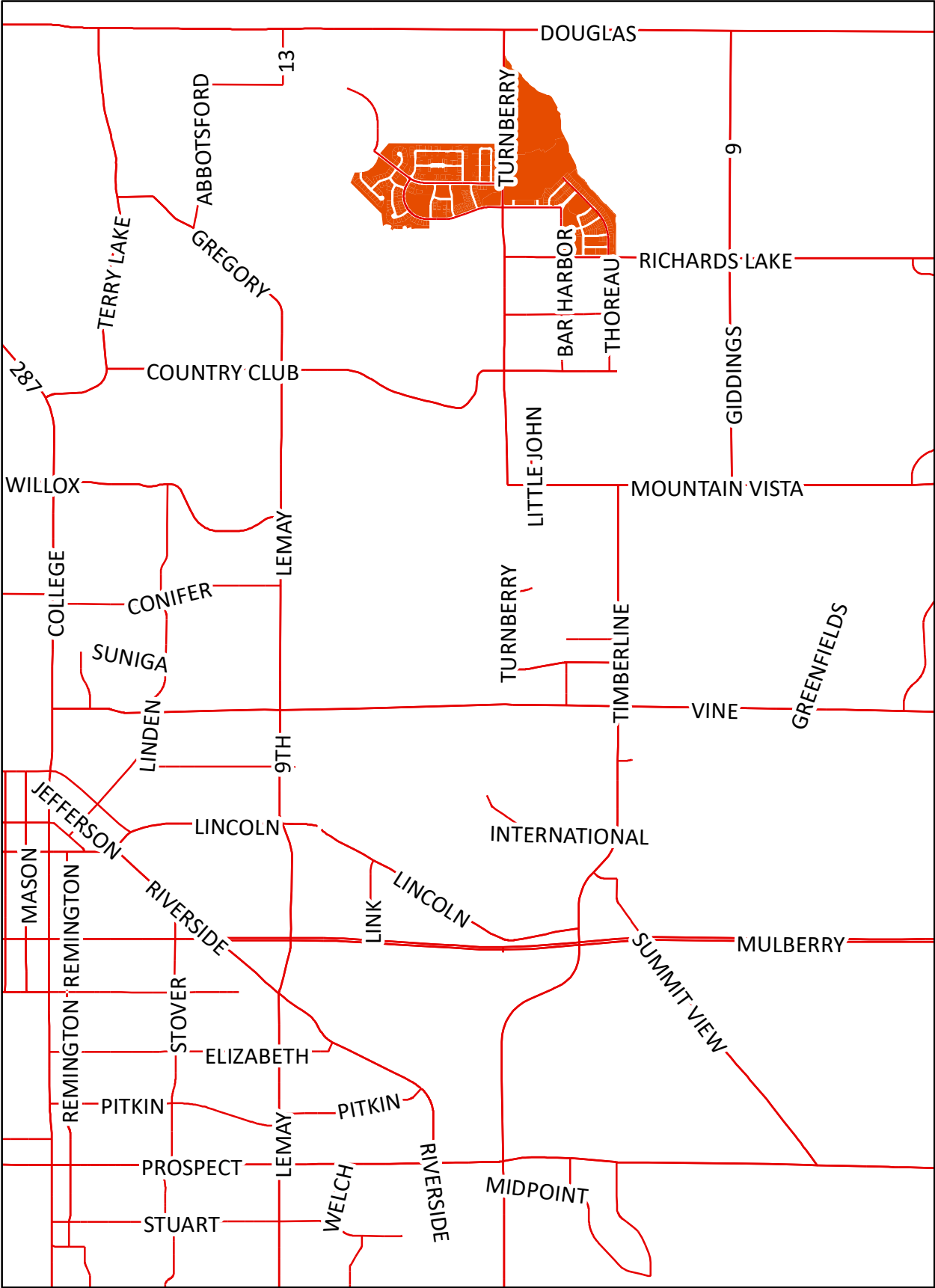
Staff and outside counsel's review is pending.

## **ATTACHMENTS**

1. Staff Presentation
2. Location Map
3. Consolidated Service Plan for Waters' Edge Metropolitan District Nos. 1-5
4. Applicant Materials



# Waters' Edge Location Map





**CONSOLIDATED SERVICE PLAN**  
**FOR**  
**WATERS' EDGE METROPOLITAN DISTRICT NOS. 1-5**  
**CITY OF FORT COLLINS, COLORADO**

Prepared by:  
White Bear Ankele Tanaka & Waldron, Professional Corporation  
748 Whalers Way, Suite 210  
Fort Collins, Colorado 80525

Submitted On: August 13, 2018

Approved On: \_\_\_\_\_, 2018



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## **EXHIBITS**

EXHIBIT A-1	Legal Description of District No. 1 Boundaries
EXHIBIT A-2	Legal Description of District No. 2 Boundaries
EXHIBIT A-3	Legal Description of District No. 3 Boundaries
EXHIBIT A-4	Legal Description of District No. 4 Boundaries
EXHIBIT A-5	Legal Description of District No. 5 Boundaries
EXHIBIT B-1	District No. 1 Boundary Map
EXHIBIT B-2	District No. 2 Boundary Map
EXHIBIT B-3	District No. 3 Boundary Map
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EXHIBIT B-5	District No. 5 Boundary Map
EXHIBIT C	Legal Description of Inclusion Area Boundaries
EXHIBIT D	Inclusion Area Boundary Map
EXHIBIT E	Vicinity Map
EXHIBIT F	Legal Description of Annexation Area Boundaries
EXHIBIT G	Annexation Area Boundary Map
EXHIBIT H	Public Improvement Cost Estimates
EXHIBIT I	Public Improvements Maps
EXHIBIT J	Regional Improvements
EXHIBIT K	Financial Plan
EXHIBIT L	Public Benefits



## **I. INTRODUCTION**

### **A. Purpose and Intent.**

The Districts, which are intended to be independent units of local government separate and distinct from the City, are governed by this Service Plan, the Special District Act and other applicable State law. Except as may otherwise be provided for by State law, City Code or this Service Plan, the Districts' activities are subject to review and approval by the City Council only insofar as they are a material modification of this Service Plan under C.R.S. Section 32-1-207 of the Special District Act.

It is intended that the Districts will provide all or part of the Public Improvements for the Project for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of a portion of these Public Improvements by the issuance of Debt.

It is intended that this Service Plan also requires the Districts to pay a portion of the cost of the Regional Improvements as part of ensuring that development and those that benefit from development pay for the associated costs.

The Districts are not intended to provide ongoing operations and maintenance services except as expressly authorized in this Service Plan.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if the Districts are authorized in this Service Plan to perform continuing operating or maintenance functions, to retain only the power necessary to impose and collect the taxes or Fees authorized in this Service Plan to pay for the costs of those functions.

It is intended that the Districts shall comply with the provisions of this Service Plan and that the City may enforce any non-compliance with these provisions as provided in Section XVII of this Service Plan.

### **B. Need for the Districts.**

There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements needed for the Project. Formation of the Districts is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

### **C. Objective of the City Regarding Districts' Service Plan.**

The City's objective in approving this Service Plan is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of



the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes and Fees imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy for commercial and residential properties, and/or repaid by Fees, as long as such Fees are not imposed upon or collected from Taxable Property owned or occupied by an End User for the purpose of creating a capital cost payment obligation as further described in Section VII.A.2. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

## **II. DEFINITIONS**

In this Service Plan, the following words, terms and phrases which appear in a capitalized format shall have the meaning indicated below, unless the context clearly requires otherwise:

Annexation Area Boundaries: means the boundaries of the area legally described in **Exhibit F** and depicted on the Annexation Area Boundary Map.

Annexation Area Boundary Map: means the map attached hereto as **Exhibit G**, depicting the property which may be included within a District subject to the limitations set forth in Sections III.C and V below.

Aggregate Mill Levy: means the total mill levy resulting from adding a District's Debt Mill Levy and Operating Mill Levy. A District's Aggregate Mill Levy does not include any Regional Mill Levy that the District may levy.

Aggregate Mill Levy Maximum: means the maximum number of combined mills that each District may levy for its Debt Mill Levy and Operating Mill Levy, not to exceed fifty (50) mills, subject to Gallagher Adjustments as further described below.

Approved Development Plan: means a City-approved development plan or other land-use application required by the City Code, including but not limited to a final plat, for identifying, among other things, public improvements necessary for facilitating the development of property within the Service Area.

Board or Boards: means the duly constituted Board of Directors of any of the Districts, or the boards of directors of all of the Districts, in the aggregate.

Bond, Bonds or Debt: means bonds, notes or other multiple fiscal year financial obligations for the payment of which a District has promised to impose an ad valorem property tax mill levy, Fees or other legally available revenue. Such terms do not include intergovernmental agreements pledging the collection and payment of property taxes or Fees in connection with a service district and taxing district(s) structure, if applicable, and other contracts through which a District procures or provides services or tangible property.

City: means the City of Fort Collins, Colorado, a home rule municipality. Any provision in this Service Plan requiring "City" approval shall be deemed to require the City Council's prior written approval, exercised in its sole discretion.

City Code: means collectively the City's Municipal Charter, Municipal Code, Land Use Code and ordinances as all are now existing and hereafter amended.



City Council: means the City Council of the City of Fort Collins, Colorado. Any exercise of approval or other power by the City Council under this Service Plan shall be deemed to be exercised by the City Council in its sole discretion.

City Manager: means the City Manager of the City of Fort Collins, Colorado.

C.R.S.: means the Colorado Revised Statutes.

Debt Mill Levy: means a property tax mill levy imposed on Taxable Property within a District for the purpose of paying Debt as authorized in this Service Plan.

Developer: means a person or entity that is the owner of property or owner of contractual rights to property in the Service Area that intends to develop the property.

District: means Waters' Edge Metropolitan District No. 1, Waters' Edge Metropolitan District No. 2, Waters' Edge Metropolitan District No. 3, Waters' Edge Metropolitan District No. 4 and Waters' Edge Metropolitan District No. 5, individually, each organized under and governed by this Service Plan.

District No. 1 Boundaries: means the boundaries of the area legally described in **Exhibit "A-1"** attached hereto and incorporated by reference and as depicted in the District No. 1 Boundary Map.

District No. 2 Boundaries: means the boundaries of the area legally described in **Exhibit "A-2"** attached hereto and incorporated by reference and as depicted in the District No. 2 Boundary Map.

District No. 3 Boundaries: means the boundaries of the area legally described in **Exhibit "A-3"** attached hereto and incorporated by reference and as depicted in the District No. 3 Boundary Map.

District No. 4 Boundaries: means the boundaries of the area legally described in **Exhibit "A-4"** attached hereto and incorporated by reference and as depicted in the District No. 4 Boundary Map.

District No. 5 Boundaries: means the boundaries of the area legally described in **Exhibit "A-5"** attached hereto and incorporated by reference and as depicted in the District No. 5 Boundary Map.

District No. 1 Boundary Map: means the map of the District No. 1 Boundaries attached hereto as **Exhibit "B-1"** and incorporated by reference.

District No. 2 Boundary Map: means the map of the District No. 2 Boundaries attached hereto as **Exhibit "B-2"** and incorporated by reference.

District No. 3 Boundary Map: means the map of the District No. 3 Boundaries attached hereto as **Exhibit "B-3"** and incorporated by reference.

District No. 4 Boundary Map: means the map of the District No. 4 Boundaries attached hereto as **Exhibit "B-4"** and incorporated by reference.

District No. 5 Boundary Map: means the map of the District No. 5 Boundaries attached hereto as **Exhibit "B-5"** and incorporated by reference.



Districts: means Waters' Edge Metropolitan District No. 1, Waters' Edge Metropolitan District No. 2, Waters' Edge Metropolitan District No. 3, Waters' Edge Metropolitan District No. 4 and Waters' Edge Metropolitan District No. 5, collectively, organized under and governed by this Service Plan.

End User: means any owner, or tenant of any owner, of any property within the Districts, who is intended to become burdened by the imposition of ad valorem property taxes and/or Fees. By way of illustration, a resident homeowner, renter, commercial property owner or commercial tenant is an End User. A Developer and any person or entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (1) is qualified to advise Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place or, in the City's sole discretion, other recognized publication as a provider of financial projections; and (3) is not an officer or employee of the Districts.

Fees: means the fees, rates, tolls, penalties and charges each District is authorized to impose and collect under this Service Plan.

Financial Plan: means the Financial Plan described in Section IX of this Service Plan which is prepared by an External Financial Advisor in accordance with the requirements of this Service Plan and describes (a) how the Public Improvements are to be financed; (b) how the Debt may be incurred; and (c) the estimated operating revenue derived from property taxes and any Fees for the first budget year through the year in which all of the Districts' Debt is expected to be defeased or paid in the ordinary course. In the event the Financial Plan is not prepared by an External Financial Advisor, the Financial Plan is to be accompanied by a letter of support from an External Financial Advisor. This Financial Plan is intended to represent only one example of debt issuance and financing structure of the Districts, any variations or adjustments in the timing or implementation thereof shall not be interpreted as material modifications to this Service Plan.

Inclusion Area Boundaries: means the boundaries of the property that is anticipated to be added to the District Boundaries after the District organization, which property is legally described in **Exhibit "C"** attached hereto and incorporated by reference and depicted in the map attached hereto as **Exhibit "D"** and incorporated herein by reference.

Maximum Debt Authorization: means the total Debt the Districts are permitted to issue as set forth in Section IX.B.7 of this Service Plan. The Maximum Debt Authorization shall not apply to bonds, loans, notes or other instruments issued for the purpose of refunding, refinancing, reissuing or restructuring outstanding Debt.

Maximum Debt Mill Levy Imposition Term: means the maximum term during which a District's Debt Mill Levy may be imposed on residential property within its boundaries. This maximum term shall not exceed forty (40) years from December 31 of the tax collection year after which a Debt Mill Levy is first imposed by such District.



Operating Mill Levy: means a property tax mill levy imposed on Taxable Property for the purpose of funding District administration, operations and maintenance as authorized in this Service Plan, including, without limitation, repair and replacement of Public Improvements.

Planned Development: means the private development or redevelopment of the properties in the Service Area under an Approved Development Plan.

Project: means the installation and construction of the Public Improvements for the Planned Development commonly referred to as “Waters’ Edge”.

Public Improvements: means the improvements and infrastructure the Districts are authorized by this Service Plan to fund and construct for the Planned Development to serve the future taxpayers and inhabitants of the Districts, except as specifically limited in Section VII of this Service Plan. Public Improvements shall include, without limitation, the improvements and infrastructure described in **Exhibit “H”** attached hereto and incorporated by reference. Public Improvements do not include Regional Improvements.

Regional Improvements: means any regional public improvement identified by the City for funding, in whole or part, by a Regional Mill Levy levied by the Districts, including, without limitation, the public improvements described in **Exhibit “J”** attached hereto and incorporated by reference.

Regional Mill Levy: means the property tax mill tax imposed on Taxable Property for the purpose of planning, designing, acquiring, funding, constructing, installing, relocating and/or redeveloping the Regional Improvements and/or to fund the administration and overhead costs related to the Regional Improvements as provided in Section X of this Service Plan.

Service Area: means the property within the District No. 1 Boundaries, District No. 2 Boundaries, District No. 3 Boundaries, District No. 4 Boundaries, District No. 5 Boundaries, Inclusion Area Boundaries and any property within the Annexation Area Boundaries which is included into any of the Districts in accordance with this Service Plan, collectively, as may be amended from time to time as further set forth in this Service Plan and the Special District Act.

Special District Act: means Article 1 in Title 32 of the Colorado Revised Statutes, as amended.

Service Plan: means this service plan for the Districts approved by the City Council.

Service Plan Amendment: means a material modification of the Service Plan approved by the City Council in accordance with the Special District Act, this Service Plan and any other applicable law.

State: means the State of Colorado.

Taxable Property: means the real and personal property within the Service Area that will subject to the ad valorem taxes imposed by the Districts.

Vicinity Map: means the map attached hereto as **Exhibit “E”** and incorporated by reference depicting the location of the Service Area within the regional area surrounding it.



### **III. BOUNDARIES AND LOCATION**

#### **A. District Boundaries**

The area of the District No. 1 Boundaries includes approximately 0.0574 acres, District No. 2 Boundaries includes approximately 88.354 acres; District No. 3 Boundaries includes approximately 0.0574 acres; District No. 4 Boundaries includes approximately 0.0574 acres and District No. 5 Boundaries includes approximately 0.0574 acres. A legal description and map of the District No. 1 Boundaries are attached hereto as **Exhibit A-1** and **Exhibit B-1**, respectively, a legal description and map of the District No. 2 Boundaries are attached hereto as **Exhibit A-2** and **Exhibit B-2**, respectively, a legal description and map of the District No. 3 Boundaries are attached hereto as **Exhibit A-3** and **Exhibit B-3**, respectively, a legal description and map of the District No. 4 Boundaries are attached hereto as **Exhibit A-4** and **Exhibit B-4**, respectively and a legal description and map of the District No. 5 Boundaries are attached hereto as **Exhibit A-5** and **Exhibit B-5**, respectively. It is anticipated that the Districts' boundaries may expand or contract from time to time as the Districts undertake inclusions or exclusions pursuant to the Special District Act, subject to the limitations set forth in this Service Plan.

#### **B. Inclusion Area Boundaries**

The legal description and boundary map of the Inclusion Area Boundaries are attached hereto as **Exhibit C** and **Exhibit D**, respectfully. All property within the Inclusion Area Boundaries is within the Service Area, and may be included into or excluded from any District without the prior approval of the City subject to the limitations of Section V below. The location of the Service Area is further depicted in the Vicinity Map attached as **Exhibit E**.

#### **C. Annexation Area Boundaries**

The legal description and boundary map of the Annexation Area Boundaries are attached hereto as **Exhibit F** and **Exhibit G**, respectfully. The Annexation Area Boundaries are not currently within the boundaries of the City. If, in the future, the City annexes any or all of the Annexation Area Boundaries, the then property owner of the annexed property within the Annexation Area Boundaries may petition any of the Districts for inclusion of such property into the boundaries of a District without the prior approval of the City. Upon inclusion of any property within the Annexation Area Boundaries into any of the Districts, in accordance with this Article III.C, such property shall be included within the Service Area.

### **IV. DESCRIPTION OF PROJECT, PLANNED DEVELOPMENT, PUBLIC BENEFITS & ASSESSED VALUATION**

#### **A. Project and Planned Development.**

The current Developer of the Project and Planned Development is Waters' Edge Investments LLLP. The Development Plan for the Project includes approximately 848 single family residential and multi-family units, a community garden, a community center, a sustainability center, a commercial center and substantial open space and walking trails. The goal of this Project and Planned Development is to create an age-targeted community that allows residents to remain in their homes as long as possible; a segment of the City's population which is currently under-served. The Planned Development is currently intended to reach build out in



2027, with an estimated population of 2,120 persons. In accordance with the Financial Plan, the estimated assessed valuation of the Planned Development in 2023 will be \$14,281,485, and in 2028 will be \$42,985,737.

Approval of this Service Plan by the City Council does not imply approval of the development of any particular land-use for any specific area within the Districts. Any such approval must be contained within an Approved Development Plan.

#### B. Public Benefits.

The organization of the Districts is intended to enable the Project and Planned Development to deliver a number of public benefits, including but not limited to, providing housing options to an under-served segment of the City's population, energy and water conservation, reduction in the City's carbon footprint, substantial community services, enhancements to the natural environment and smart and purposeful growth.

This Project and Planned Development will result in an extraordinary community exhibiting the newest aspects of smart growth. The Service Area includes approximately 40% open space, incorporating direct access to such open space from each lot through a system of expansive trails to allow bike/pedestrian/scooter access to community parks and other amenities. The Project's planned non-potable water system is designed not just to save potable water supplies, but also reduce overall irrigation uses by approximately 30%. The Planned Development includes single family house designs of 100% single level living, nearly all ranches, and many with stepless entries designed to allow seniors to age-in-place independently and delay re-location to assisted living facilities.

The purpose of the Districts is to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of a portion of the Public Improvements necessary to enable the Project and Planned Development to develop as planned. A detailed description of the public benefits is attached hereto as **Exhibit L**.

#### C. Assessed Valuation

The current assessed valuation of the Service Area is approximately Seven Hundred Thirty Five Thousand Dollars (\$735,000) and, at build out, is expected to be approximately Forty Three Million Dollars (\$43,000,000). These amounts are expected to be sufficient to reasonably discharge the Debt as demonstrated in the Financial Plan.

### V. **INCLUSION OF LAND IN THE SERVICE AREA**

The Districts shall not add any property to the Service Area without the City's approval and in compliance with the Special District Act. The Districts shall be entitled to include within their boundaries any property within the Annexation Area Boundaries without the prior approval of the City so long as such property is first annexed into the City, and the then property owner of property within the Annexation Area Boundaries petitions for inclusion into one of the Districts in accordance with Section III.C above and the Special District Act. Upon inclusion of any property within the Annexation Area Boundaries into a District in accordance with this Service Plan, such property will be included within the Service Area.



## **VI. DISTRICT GOVERNANCE**

The Districts' Boards shall be comprised of persons who are a qualified "eligible electors" of the Districts as provided in the Special District Act. It is anticipated that over time, the End Users who are eligible electors will assume direct electoral control of the Districts' Boards as development within the Service Area progresses. The Districts shall not enter into any agreement by which the End Users' electoral control of the Boards is removed or diminished.

## **VII. AUTHORIZED AND PROHIBITED POWERS**

The Districts shall have the power and authority to provide the Public Improvements, the Regional Improvements and related operation and maintenance services, within and without the Service Area, as such powers and authorities are described in the Special District Act, other applicable State law, common law and the Colorado Constitution, subject to the prohibitions, restrictions and limitations set forth in this Service Plan.

If, after the Service Plan is approved, any State law is enacted to grant additional powers or authority to metropolitan districts by amendment of the Special District Act or otherwise, such powers and authority shall be deemed to be a part hereof and available to or exercised by the Districts upon prior resolution approval of the City Council approving the exercise of such powers or authority by the Districts. Such approval by the City Council shall not constitute a Service Plan Amendment.

### **A. Prohibited Improvements and Services and other Restrictions and Limitations**

The Districts' powers and authority under this Service Plan to provide Public Improvements and services and to otherwise exercise its other powers and authority under the Special District Act and other applicable State law, are prohibited, restricted and limited as hereafter provided. Failure to comply with these prohibitions, restrictions and limitations shall constitute a material modification under this Service Plan and shall entitle the City to pursue all remedies available at law and in equity as provided in Section XVII of this Service Plan:

#### **1. Eminent Domain Restriction**

The Districts shall not exercise its statutory power of eminent domain without first obtaining resolution approval from the City Council. This restriction on the Districts' exercise of its eminent domain power is being exercised voluntarily and shall not be interpreted in any way as a limitation on the Districts' sovereign powers and shall not negatively affect the Districts' status as political subdivision of the State as conferred by the Special District Act.

#### **2. Fee Limitation**

All Fees imposed for the repayment of Debt shall be authorized to be imposed by any District upon all property within the Service Area only if such Fees are due and payable no later than upon the issuance of a building permit by the City. Notwithstanding any of the foregoing, this Fee limitation shall not apply to any Fee imposed to fund the operation, maintenance, repair or replacement of Public Improvements or the



administration of the Districts, nor shall this Fee limitation apply if the majority of the District's Board imposing such Fee is composed of End Users.

3. Operations and Maintenance

The primary purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance a portion of the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners' association in a manner consistent with the Approved Development Plan and the City Code, provided that nothing herein requires the City to accept a dedication. Each District is specifically authorized to operate and maintain any part or all of the Public Improvements not otherwise conveyed or dedicated to the City or another appropriate governmental entity. The Districts shall also be specifically authorized to conduct operations and maintenance functions related to the Public Improvements that are not provided by the City or other governmental entity, or to the extent that the Districts' proposed operational and maintenance functions included services or activities that exceed those provided by the City or other governmental entity.

4. Fire Protection Restriction

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

5. Public Safety Services Restriction

The Districts are not authorized to provide policing or other security services. However, the Districts may, pursuant to C.R.S. § 32-1-1004(7), as amended, furnish security services pursuant to an intergovernmental agreement with the City.

6. Grants from Governmental Agencies Restriction

The Districts shall not apply for grant funds distributed by any agency of the United States Government or the State without the prior written approval of the City Manager. This does not restrict the collection of Fees for services provided by the Districts to the United States Government or the State, or specific ownership taxes which shall be distributed to and may constitute a revenue source for the Districts without any limitation.



7. Golf Course Construction Restriction

Acknowledging that the City has financed public golf courses and desires to coordinate the construction of public golf courses within the City's boundaries, the Districts shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

8. Television Relay and Translation Restriction

The Districts are not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to prior written approval from the City Manager.

9. Sales and Use Tax Exemption Limitation

The Districts shall not exercise their City sales and use tax exemption.

10. Sub-district Restriction

The Districts shall not create any sub-district pursuant to the Special District Act without the prior written approval of the City Manager.

11. Initial Debt Limitation

A District shall not: (i) issue any Debt; nor (ii) impose a Debt Mill Levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds, on or before the effective date of approval by the City of (a) an Approved Development Plan relating to that phase of development or Public Improvements to be financed by the issuance of such Debt or imposition of such Debt Mill Levy, or (b) the effective date of an intergovernmental agreement between the City and such District, at the City's option, which secures the delivery of certain Public Benefits described in Section IV.B.

12. Privately Placed Debt Limitation

Prior to the issuance of any privately placed Debt, the issuing District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in C.R.S. Section 32-1-103(12)) to be borne by [insert the



designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

## **VIII. PUBLIC IMPROVEMENTS AND ESTIMATED COSTS**

**Exhibit H** summarizes the type of Public Improvements that are projected to be constructed and/or installed by the Districts. The cost, scope, and definition of such Public Improvements may vary over time. The total estimated costs of Public Improvements, as set forth in **Exhibit H**, excluding any improvements paid for by the Regional Mill Levy necessary to serve the Planned Development, are approximately Ninety Eight Million Five Hundred Twelve Thousand Five Hundred Seventy Seven Dollars (\$98,512,577) in 2018 dollars, of which Thirty Two Million One Hundred Sixty Two Thousand Two Hundred Fifty Seven Dollars (\$32,162,257) are costs related to “Non-Basic Infrastructure” and which does not include approximately Forty-One Million Five Hundred Nineteen Thousand Five Hundred Twenty Three Dollars (\$41,519,523) in “Indirect Costs” of the Planned Development which are necessary to provide the extraordinary Public Benefit as set forth in **Exhibit L**. The cost estimates are based upon preliminary engineering, architectural surveys, and reviews of the Public Improvements and include all construction cost estimates together with estimates of costs such as land acquisition, engineering services, legal expenses and other associated expenses. Maps of the anticipated location, operation, and maintenance of Public Improvements are attached hereto as **Exhibit I**. Changes in the Public Improvements or costs, which are approved by the City in an Approved Development Plan, shall not constitute a Service Plan Amendment. In addition, due to the preliminary nature of the Project, the City shall not be bound by this Service Plan in reviewing and approving the Approved Development Plan and the Approved Development Plan shall supersede the Service Plan with regard to the cost, scope, and definition of Public Improvements.

The design, phasing of construction, location and completion of Public Improvements will be determined by the Districts to coincide with the phasing and development of the Planned Development and the availability of funding sources. The Districts may, in their discretion, phase the construction, completion, operation, and maintenance of Public Improvements or defer, delay, reschedule, rephase, relocate or determine not to proceed with the construction, completion, operation, and maintenance of Public Improvements, and such actions or determinations shall not constitute a Service Plan Amendment. The Districts shall also be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in its discretion.

The City Code has development standards, contracting requirements and other legal requirements related to the construction and payment of public improvements and related to certain operation activities. Relating to these, the Districts shall comply with the following requirements:

### **A. Development Standards**

The Districts shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City Code and of other governmental entities having proper jurisdiction, as applicable. The Districts directly, or indirectly through any Developer, will obtain the City’s approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.



Unless waived by the City, the Districts shall be required, in accordance with the City Code, to post a surety bond, letter of credit, or other approved development security for any Public Improvements to be constructed by the Districts. Such development security may be released when the constructing District has obtained funds, through Debt issuance or otherwise, adequate to insure the construction of the Public Improvements. Any limitation or requirement concerning the time within which the City must review the Districts' proposal or application for an Approved Development Plan or other land use approval is hereby waived by the District.

**B. Contracting**

The Districts shall comply with all applicable State purchasing, public bidding and construction contracting.

**C. Land Acquisition and Conveyance**

The purchase price of any land or improvements acquired by the Districts from the Developer shall be no more than the then-current fair market value as confirmed by an independent MAI appraisal for land and by an independent professional engineer for improvements. Land, easements, improvements and facilities conveyed to the City shall be free and clear of all liens, encumbrances and easements, unless otherwise approved by the City Manager prior to conveyance. All conveyances to the City shall be by special warranty deed, shall be conveyed at no cost to the City, shall include an ALTA title policy issued to the City, shall meet the environmental standards of the City and shall comply with any other conveyance prerequisites.

**D. Equal Employment and Discrimination**

In connection with the performance of all acts or activities hereunder, the Districts shall not discriminate against any person otherwise qualified with respect to its hiring, discharging, promoting or demoting or in matters of compensation solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability, and further shall insert the foregoing provision in contracts or subcontracts entered into by the Districts to accomplish the purposes of this Service Plan.

**IX. FINANCIAL PLAN/PROPOSED DEBT**

This Section IX of the Service Plan describes the nature, basis, method of funding and financing limitations associated with the acquisition, construction, completion, repair, replacement, operation and maintenance of Public Improvements. This section also describes the Districts' obligation to help finance certain Regional Improvements.

Notwithstanding any provision to the contrary contained in this Service Plan, no District shall impose a Debt Mill Levy until (a) such District and/or the Developer has obtained an Approved Development Plan relating to that phase of development or Public Improvements to be financed by the imposition of such Debt Mill Levy, or (b) the City and such District, at the City's option, have entered into an intergovernmental agreement securing the delivery of certain Public Benefits described in Section IV.B. Failure to comply with this provision shall constitute a material modification under this Service Plan and shall entitle the City to all remedies available at law and in equity as provided in Section XVII of this Service Plan.



### A. Financial Plan

The Districts' Financial Plan, attached as **Exhibit K** and incorporated by reference, reflects the Districts' anticipated schedule for incurring Debt to fund Public Improvements in support of the Project. The Financial Plan also reflects the schedule of all anticipated revenues flowing to the Districts derived from Districts' mill levies, Fees imposed by the Districts, specific ownership taxes, and all other anticipated legally available revenues. The Financial Plan is based on economic, political and industry conditions as they exist presently and reasonable projections and estimates of future conditions. These projections and estimates are not to be interpreted as the only method of implementation of the Districts' goals and objectives but rather a representation of one feasible alternative. Other financial structures may be used so long they are in compliance with this Service Plan. The Financial Plan incorporates all of the provisions of this Section IX.

Based upon the assumptions contained therein, the Financial Plan projects the issuance of Bonds to fund Public Improvements and anticipated Debt repayment based on the development assumptions and absorptions of the property in the Service Area by End Users. The Financial Plan anticipates that the Districts will acquire, construct, and complete a portion of the Public Improvements needed to serve the Service Area.

The Financial Plan demonstrates that the Districts will have the financial ability to discharge all Debt to be issued as part of the Financial Plan on a reasonable basis. Furthermore, the Districts will secure the certification of an External Financial Advisor who will provide an opinion as to whether such Debt issuances are in the best interest of the Districts at the time of issuance.

### B. Mill Levies

It is anticipated that the Districts will impose a Debt Mill Levy and an Operating Mill Levy on all property within the Service Area. In doing so, the following shall apply:

#### 1. Aggregate Mill Levy Maximum

The Aggregate Mill Levy shall not exceed in any year the Aggregate Mill Levy Maximum, which is fifty (50) mills, subject to Gallagher Adjustments as described below.

#### 2. Regional Mill Levy Not Included in Other Mill Levies

The Regional Mill Levy shall not be counted against the Aggregate Mill Levy Maximum.

#### 3. Operating Mill Levy

Each District may impose an Operating Mill Levy of up to fifty (50) mills until such District imposes a Debt Mill Levy. Once a District imposes a Debt Mill Levy, such District's Operating Mill Levy shall not exceed ten (10) mills, subject to Gallagher Adjustments as described below. Notwithstanding any of the foregoing, the Operating Mill Levy limitation set forth in this Section IX.B.3 shall not apply if the majority of



the District's Board imposing such Operating Mill Levy is composed of End Users, subject to continual compliance with the Aggregate Mill Levy Maximum.

4. Gallagher Adjustments

In the event the State's method of calculating assessed valuation for the Taxable Property changes after January 1, 2018, or any subsequent constitutionally mandated tax credit, cut or abatement, the Districts' Aggregate Mill Levy, Debt Mill Levy, Operating Mill Levy, and Aggregate Mill Levy Maximum, amounts herein provided may be increased or decreased to reflect such changes; such increases or decreases shall be determined by the District's Board in good faith so that to the extent possible, the actual tax revenues generated by such mill levies, as adjusted, are neither enhanced nor diminished as a result of such change occurring after January 1, 2018. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation will be a change in the method of calculating assessed valuation.

5. Excessive Mill Levy Pledges

Any Debt issued with a mill levy pledge, or which results in a mill levy pledge, that exceeds the Aggregate Mill Levy Maximum or the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan and shall not be an authorized issuance of Debt unless and until such material modification has been approved by a Service Plan Amendment.

6. Refunding Debt

The Maximum Debt Mill Levy Imposition Term may be exceeded for Debt refunding purposes if: (1) a majority of the issuing District's Board is composed of End Users and have voted in favor of a refunding of a part or all of the Debt; or (2) such refunding will result in a net present value savings as set forth in C.R.S. Section 11-56-101 et seq.

7. Maximum Debt Authorization

The Districts anticipate approximately Ninety Eight Million Five Hundred Twelve Thousand Five Hundred Seventy Seven Dollars (\$98,512,577) in Project costs 2018 dollars as set forth in **Exhibit H**, of which Thirty Two Million One Hundred Sixty Two Thousand Two Hundred Fifty Seven Dollars (\$32,162,257) are costs related to "Non-Basic Infrastructure" and which does not include approximately Forty-One Million Five Hundred Nineteen Thousand Five Hundred Twenty Three Dollars (\$41,519,523) in "Indirect Costs" of the Planned Development which are necessary to provide the extraordinary Public Benefit as set forth in **Exhibit L**, and the Districts anticipate issuing approximately Forty Five Million Dollars (\$45,000,000) in Debt to pay such costs as set forth in **Exhibit K**, which Debt issuance amount shall be the amount of the Maximum Debt Authorization. The Districts shall not issue Debt in excess of the Maximum Debt Authorization, and further shall not issue Debt in excess of Eighteen



Million Dollars (\$18,000,000) to finance and/or reimburse the Developer for costs related to “Basic Infrastructure” as further set forth in **Exhibit H**.

The Maximum Debt Authorization, and the limitation on Debt related to “Basic Infrastructure” shall not apply to bonds, loans, notes or other instruments issued for the purpose of refunding, refinancing, reissuing or restructuring outstanding Debt. The Districts must seek prior resolution approval by the City Council to issue Debt in excess of the Maximum Debt Authorization to pay the actual costs of the Public Improvements set forth in **Exhibit H** plus inflation, contingencies and other unforeseen expenses associated with such Public Improvements. Such approval by the City Council shall not constitute a material modification of this Service Plan requiring a Service Plan Amendment so long as increases are reasonably related to the Public Improvements set forth in **Exhibit H** and any Approved Development Plan.

C. Maximum Voted Interest Rate and Underwriting Discount

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The maximum interest rate on any Debt is not permitted to exceed Twelve Percent (12%). The maximum underwriting discount shall be three percent (3%). Debt, when issued, will comply with all relevant requirements of this Service Plan, the Special District Act, other applicable State law and federal law as then applicable to the issuance of public securities.

D. Interest Rate and Underwriting Discount Certification

The Districts shall retain an External Financial Advisor to provide a written opinion on the market reasonableness of the interest rate on any Debt and any underwriter discount paid by the Districts as part of a Debt financing transaction. The Districts shall provide this written opinion to the City before issuing any Debt based on it.

E. Disclosure to Purchasers

The Districts will use reasonable efforts to assure that all Developers provide written notice to all purchasers of property in the Districts notifying them of the Districts’ existing mill levies, the Maximum Debt Mill Levy Imposition Term and of the Districts’ authority to impose and collect Fees. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy Imposition Term.

F. External Financial Advisor

An External Financial Advisor shall be retained by the issuing District to provide a written opinion as to whether any Debt issuance is in the best interest of the issuing District once the total amount of Debt exceeds Five Million Dollars (\$5,000,000). The External Financial Advisor is to provide advice to the issuing District’s Board regarding the proposed terms and whether Debt conditions are reasonable based upon the status of development within the District, the projected tax base increase in the District, the security offered and other considerations as may be identified by the Advisor. The issuing District shall include in the transcript of any Bond transaction, or other appropriate financing documentation for related Debt instrument, a signed letter from the External Financial Advisor providing an official opinion on the structure of the Debt, stating the Advisor’s opinion that the cost of issuance, sizing, repayment term, redemption feature, couponing, credit



spreads, payment, closing date, and other material transaction details of the proposed Debt serve the best interest of the issuing District.

Debt shall not be undertaken by the Districts if found to be unreasonable by the External Financial Advisor.

#### G. Disclosure to Debt Purchasers

District Debt shall set forth a statement in substantially the following form:

“By acceptance of this instrument, the owner of this Debt agrees and consents to all of the limitations with respect to the payment of the principal and interest on this Debt contained herein, in the resolution of the District authorizing the issuance of this Debt and in the Service Plan of the District. This Debt is not and cannot be a Debt of the City of Fort Collins”

Similar language describing the limitations with respect to the payment of the principal and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a Developer of property within the Service Area.

#### H. Security for Debt

The Districts shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the Districts’ obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the Districts in the payment of any such obligation.

#### I. TABOR Compliance

The Districts shall comply with the provisions of the Taxpayer’s Bill of Rights in Article X, § 20 of the Colorado Constitution (“TABOR”). In the discretion of the Boards, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by a District will remain under the control of the District’s Board.

#### J. Districts’ Operating Costs

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts’ organization and initial operations, are anticipated to be \$200,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be operated and maintained. The first year’s operating budget is estimated to be \$100,000.

Ongoing administration, operations and maintenance costs may be paid from property taxes collected through the imposition of an Operating Mill Levy as set forth in Section IX.B.3, as well as other revenues legally available to the District.



## **X. REGIONAL IMPROVEMENTS**

The Districts shall be authorized to provide for the planning, design, acquisition, funding, construction, installation, relocation, redevelopment, administration and overhead costs related to the provision of Regional Improvements. At the discretion of the City, the Districts shall impose a Regional Improvement Mill Levy on all property within the Districts' boundaries under the following terms:

### **A. Regional Mill Levy Authority.**

The Districts shall seek the authority to impose an additional Regional Mill Levy of five (5) mills as part of the Districts' initial TABOR election.

### **B. Regional Mill Levy Imposition.**

Each District shall impose the Regional Mill Levy at a rate not to exceed five (5) mills within one year of receiving written notice from the City Manager to the District requesting the imposition of the Regional Mill Levy and stating the mill rate to be imposed. Upon receiving such notice and imposing a Regional Mill Levy, the Districts in the aggregate shall be entitled to retain the first Two Hundred Fifty Thousand Dollars (\$250,000) to reimburse the Developer for costs incurred to address negative impacts on intersections beyond Turnberry Road and County Club Road pursuant to that certain Development Agreement between the City and the Developer dated June 4, 2018, and recorded in the real property records of Larimer County, Colorado on June 21, 2018 at Reception Number 20180037646.

### **C. City Notice Regarding Regional Improvements.**

Such notice from the City shall provide a description of the Regional Improvements to be constructed and an analysis explaining how the Regional Improvements will be beneficial to property owners within the Service Area. The City shall require that planned developments that (i) are adjacent to the Service Area and (ii) will benefit from the Regional Improvement also impose a Regional Mill Levy, to the extent possible.

### **D. Regional Improvements Authorized Under Service Plan.**

If so notified by the City Manager, the Regional Improvements shall be considered public improvements that the District would otherwise be authorized to design, construct, install re-design, re-construct, repair or replace pursuant to this Service Plan and applicable law.

### **E. Expenditure of Regional Mill Levy Revenues.**

Revenue collected through the imposition of the Regional Mill Levy shall be expended as follows:

#### **1. Intergovernmental Agreement**

If the City and the District have executed an intergovernmental agreement concerning the Regional Improvements, then the revenue from the Regional Mill Levy shall be used in accordance with such agreement;

#### **2. No Intergovernmental Agreement**

If no intergovernmental agreement exists between the District and the City, then after the Districts in the aggregate retain the initial \$250,000 as further set forth in Section X.B above, then all revenue from the Regional Mill Levy shall be paid to the City, for use by the City in the planning, designing, constructing, installing,



acquiring, relocating, redeveloping or financing of Regional Improvements which benefit the End Users of the Districts as prioritized and determined by the City.

F. Regional Mill Levy Term.

The imposition of the Regional Mill Levy shall not exceed a term of twenty-five (25) years from December 31 of the tax collection year after which the Regional Mill Levy is first imposed.

G. Completion of Regional Improvements.

All Regional Improvements shall be completed prior to the end of the twenty-five (25) year Regional Mill Levy term.

H. City Authority to Require Imposition.

The City's authority to require the initiation of the imposition of a Regional Mill Levy shall expire fifteen (15) years after December 31st of the year in which a District first imposes a Debt Mill Levy.

I. Regional Mill Levy Not Included in Other Mill Levies.

The Regional Mill Levy imposed shall not be applied toward the calculation of the Aggregate Mill Levy.

J. Gallagher Adjustment.

In the event the method of calculating assessed valuation is changed after January 1, 2018, or any subsequent constitutionally mandated tax credit, cut or abatement, the Regional Mill Levy may be increased or shall be decreased to reflect such changes; such increases or decreases shall be determined by the District in good faith so that to the extent possible, the actual tax revenues generated by the Regional Mill Levy, as adjusted, are neither enhanced nor diminished as a result of such change occurring after January 1, 2018. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation will be a change in the method of calculating assessed valuation

**XI. CITY FEES**

The Districts shall pay all applicable City fees as required by the City Code.

**XII. BANKRUPTCY LIMITATIONS**

All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Aggregate Mill Levy Maximum, Maximum Debt Mill Levy Imposition Term and Fees, have been established under the authority of the City in the Special District Act to approve this Service Plan. It is expressly intended that by such approval such limitations: (i) shall not be set aside for any reason, including by judicial action, absent a Service Plan Amendment; and (ii) are, together with all other requirements of State law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable non-bankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).



### **XIII. ANNUAL REPORTS**

#### **A. General**

The Districts shall be responsible for submitting an annual report to the City Clerk no later than September 1st of each year following the year in which the Order and Decree creating the Districts have been issued. The Districts shall be permitted to file a consolidated annual report.

#### **B. Report Requirements**

Unless waived by the City Manager, the Districts' annual report must include the following in the Annual Report:

##### **1. Narrative**

A narrative summary of the progress of the Districts in implementing its Service Plan for the report year.

##### **2. Financial Statements**

Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operation (i.e., revenue and expenditures) for the report year.

##### **3. Capital Expenditures**

Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of improvements in the report year.

##### **4. Financial Obligations**

Unless disclosed within a separate schedule to the financial statements, a summary of financial obligations of the Districts at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new District Debt issued in the report year, the total assessed valuation of all Taxable Property within the Service Area as of January 1 of the report year and the current total Districts mill levy pledged to Debt retirement in the report year.

##### **5. Other Information**

Any other information deemed relevant by the City Council or deemed reasonably necessary by the City Manager.

#### **C. Reporting of Significant Events**

The annual report shall include information as to any of the following that occurred during the report year:

1. Boundary changes made or proposed to District boundaries as of December 31 of the report year.



2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the report year.
3. Copies of the Districts' rules and regulations, if any, or substantial changes to the Districts' rules and regulations as of December 31 of the report year.
4. A summary of any litigation which involves the Districts' Public Improvements as of December 31 of the report year.
5. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the report year.
6. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.
7. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

#### **D. Failure to Submit**

In the event the annual report is not timely received by the City Clerk or is not fully responsive, notice of such default shall be given to the Districts' Boards at its last known address. The failure of the Districts to file the annual report within forty-five (45) days of the mailing of such default notice by the City Clerk may constitute a material modification of the Service Plan, at the discretion of the City Manager.

### **XIV. SERVICE PLAN AMENDMENTS**

This Service Plan is general in nature and does not include specific detail in some instances. The Service Plan has been designed with sufficient flexibility to enable the Districts to provide required improvements, services and facilities under evolving circumstances without the need for numerous amendments. Modification of the general types of improvements and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements, shall be permitted to accommodate development needs consistent with the then-current Approved Development Plans for the Project. Any action of the Districts which is a material modification of this Service Plan requiring a Service Plan Amendment as provided in in Section XV below or any other applicable provision of this Service Plan, shall be deemed to be a material modification to this Service Plan unless otherwise expressly provided in this Service Plan. All other departures from the provisions of this Service Plan shall be considered on a case-by-case basis as to whether such departures are a material modification under this Service Plan or the Special District Act.

### **XV. MATERIAL MODIFICATIONS**

Material modifications to this Service Plan may be made only in accordance with C.R.S. Section 32-1-207 as a Service Plan Amendment. No modification shall be required for an action of the Districts that does not materially depart from the provisions of this Service Plan, unless otherwise provided in this Service Plan.

Departures from the Service Plan that constitute a material modification requiring a Service Plan Amendment include, without limitation:



1. Actions or failures to act that create materially greater financial risk or burden to the taxpayers of the Districts;
2. Performance of a service or function, construction of an improvement, or acquisition of a major facility that is not closely related to an improvement, service, function or facility authorized in the Service Plan;
3. Failure to perform a service or function, construct an improvement or acquire a facility required by the Service Plan;
4. Failure to comply with any of the prohibitions, limitations and restrictions of this Service Plan.

Actions that are not to be considered material modifications include without limitation changes in quantities of improvements, facilities or equipment; immaterial cost differences; and actions expressly authorized in this Service Plan.

#### **XVI. DISSOLUTION**

Upon independent determination by the City Council that the purposes for which any District was created have been accomplished, the District shall file a petition in district court for dissolution as provided in the Special District Act. In no event shall dissolution occur until such District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State law.

#### **XVII. SANCTIONS**

Should the Districts undertake any act without obtaining prior City Council resolution approval as required in this Service Plan or that constitutes a material modification to this Service Plan requiring a Service Plan Amendment as provided herein or under the Special Districts Act, the City Council may impose one (1) or more of the following sanctions, as it deems appropriate:

1. Exercise any applicable remedy under the Special District Act;
2. Withhold the issuance of any permit, authorization, acceptance or other administrative approval, or withhold any cooperation, necessary for the Districts' development or construction or operation of improvements or provision of services;
3. Exercise any legal remedy under the terms of any intergovernmental agreement under which the Districts are in default; or
4. Exercise any other legal and equitable remedy available under the law, including seeking injunctive relief against the Districts, to ensure compliance with the provisions of the Service Plan or applicable law.

#### **XVIII. CONCLUSION**

It is submitted that this Service Plan, as required by C.R.S. Section 32-1-203(2), establishes that:

1. There is sufficient existing and projected need for organized service in the Service Area to be served by the Districts;
2. The existing service in the Service Area to be served by the Districts is inadequate for present and projected needs;



3. The District is capable of providing economical and sufficient service to the Service Area; and
4. The Service Area does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

**XIX. RESOLUTION OF APPROVAL**

The Districts agree to incorporate the City Council's resolution of approval, including any conditions on any such approval, into the Service Plan presented to the District Court for and in Larimer County, Colorado.



**EXHIBIT A-1**

**Legal Description of District No. 1 Boundaries**



**WATERS' EDGE METROPOLITAN DISTRICT NO. 1**

A parcel of land, located in the Southwest Quarter (SW1/4) of Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 29 and assuming the West line of Section 29 as bearing North 00°28'06" East being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2638.33 feet and with all other bearings contained herein relative thereto;

THENCE North 00°28'06" East along said West line a distance of 1705.41 feet to the extension of centerline of Morningstar Way;

THENCE South 89°31'52" East along said extension a distance of 30.00 feet to the East Right-of-Way line of Turnberry Road;

THENCE continuing along said extension South 89°31'52" East a distance of 24.00 feet to the POINT OF BEGINNING;

THENCE North 00°28'06" East a distance of 50.00 feet;  
THENCE South 89°31'52" East a distance of 50.00 feet;  
THENCE South 00°28'06" West a distance of 50.00 feet;  
THENCE North 89°31'52" West a distance of 50.00 feet to the POINT OF BEGINNING.;

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less (±).

**SURVEYOR'S STATEMENT**

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



\_\_\_\_\_  
Steven Parks - on behalf of King Surveyors  
Colorado Licensed Professional  
Land Surveyor #38348

**KING SURVEYORS**  
650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011



**EXHIBIT A-2**

**Legal Description of District No. 2 Boundaries**



## **WATERS' EDGE METROPOLITAN DISTRICT NO. 2**

A parcel of land, located in the South Half (S1/2) of Section Thirty (30), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

Lots 1 through 345 and Tracts AA, BB, A, B, C, D, E, F, G, H, I, J, K, K-1, K-2, L, L-1, L-2, M, M-1, M-2, N, O, P, Q, R, S, T, U, V, W, X, Y and Z of Waters Edge as recorded July 19, 2010 as Reception No. 20100041008 of the records of the Larimer County Clerk and Recorder, located in the South Half (S1/2) of Section Thirty (30), Township Eight North (T.8N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado.

Said described parcel of land contains 88.126 acres, more or less.

### **SURVEYOR'S STATEMENT**

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



---

Steven Parks - on behalf of King Surveyors  
Colorado Licensed Professional  
Land Surveyor #38348

**KING SURVEYORS**  
650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011



**EXHIBIT A-3**

**Legal Description of District No. 3 Boundaries**



### **WATERS' EDGE METROPOLITAN DISTRICT NO. 3**

A parcel of land, located in the Southwest Quarter (SW1/4) of Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 29 and assuming the West line of Section 29 as bearing North 00°28'06" East being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2638.33 feet and with all other bearings contained herein relative thereto;

THENCE North 00°28'06" East along said West line a distance of 1705.41 feet to the extension of centerline of Morningstar Way;

THENCE South 89°31'52" East along said extension a distance of 30.00 feet to the East Right-of-Way line of Turnberry Road;

THENCE continuing along said extension South 89°31'52" East a distance of 24.00 feet to the POINT OF BEGINNING;

THENCE South 89°31'52" East a distance of 50.00 feet;

THENCE South 00°28'06" West a distance of 50.00 feet;

THENCE North 89°31'52" West a distance of 50.00 feet;

THENCE North 00°28'06" East a distance of 50.00 feet  
to the POINT OF BEGINNING;

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less (±).

### **SURVEYOR'S STATEMENT**

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



---

Steven Parks - on behalf of King Surveyors  
Colorado Licensed Professional  
Land Surveyor #38348

**KING SURVEYORS**  
650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011



**EXHIBIT A-4**

**Legal Description of District No. 4 Boundaries**



### **WATERS' EDGE METROPOLITAN DISTRICT NO. 4**

A parcel of land, located in the Southwest Quarter (SW1/4) of Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 29 and assuming the West line of Section 29 as bearing North 00°28'06" East being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2638.33 feet and with all other bearings contained herein relative thereto;

THENCE North 00°28'06" East along said West line a distance of 1705.41 feet to the extension of centerline of Morningstar Way;

THENCE South 89°31'52" East along said extension a distance of 30.00 feet to the East Right-of-Way line of Turnberry Road;

THENCE continuing along said extension South 89°31'52" East a distance of 74.00 feet to the POINT OF BEGINNING;

THENCE North 00°28'06" East a distance of 50.00 feet;

THENCE South 89°31'52" East a distance of 50.00 feet;

THENCE South 00°28'06" West a distance of 50.00 feet;

THENCE North 89°31'52" West a distance of 50.00 feet to the POINT OF BEGINNING;

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less ( $\pm$ ).

### **SURVEYOR'S STATEMENT**

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



---

Steven Parks - on behalf of King Surveyors  
Colorado Licensed Professional  
Land Surveyor #38348

**KING SURVEYORS**  
650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011



**EXHIBIT A-5**

**Legal Description of District No. 5 Boundaries**



## **WATERS' EDGE METROPOLITAN DISTRICT NO. 5**

A parcel of land, located in the Southwest Quarter (SW1/4) of Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 29 and assuming the West line of Section 29 as bearing North 00°28'06" East being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2638.33 feet and with all other bearings contained herein relative thereto;

THENCE North 00°28'06" East along said West line a distance of 1705.41 feet to the extension of centerline of Morningstar Way;

THENCE South 89°31'52" East along said extension a distance of 30.00 feet to the East Right-of-Way line of Turnberry Road;

THENCE continuing along said extension South 89°31'52" East a distance of 74.00 feet to the POINT OF BEGINNING;

THENCE South 89°31'52" East a distance of 50.00 feet;

THENCE South 00°28'06" West a distance of 50.00 feet;

THENCE North 89°31'52" West a distance of 50.00 feet;

THENCE North 00°28'06" East a distance of 50.00 feet to the POINT OF BEGINNING;

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less ( $\pm$ ).

## **SURVEYOR'S STATEMENT**

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



---

Steven Parks - on behalf of King Surveyors  
Colorado Licensed Professional  
Land Surveyor #38348

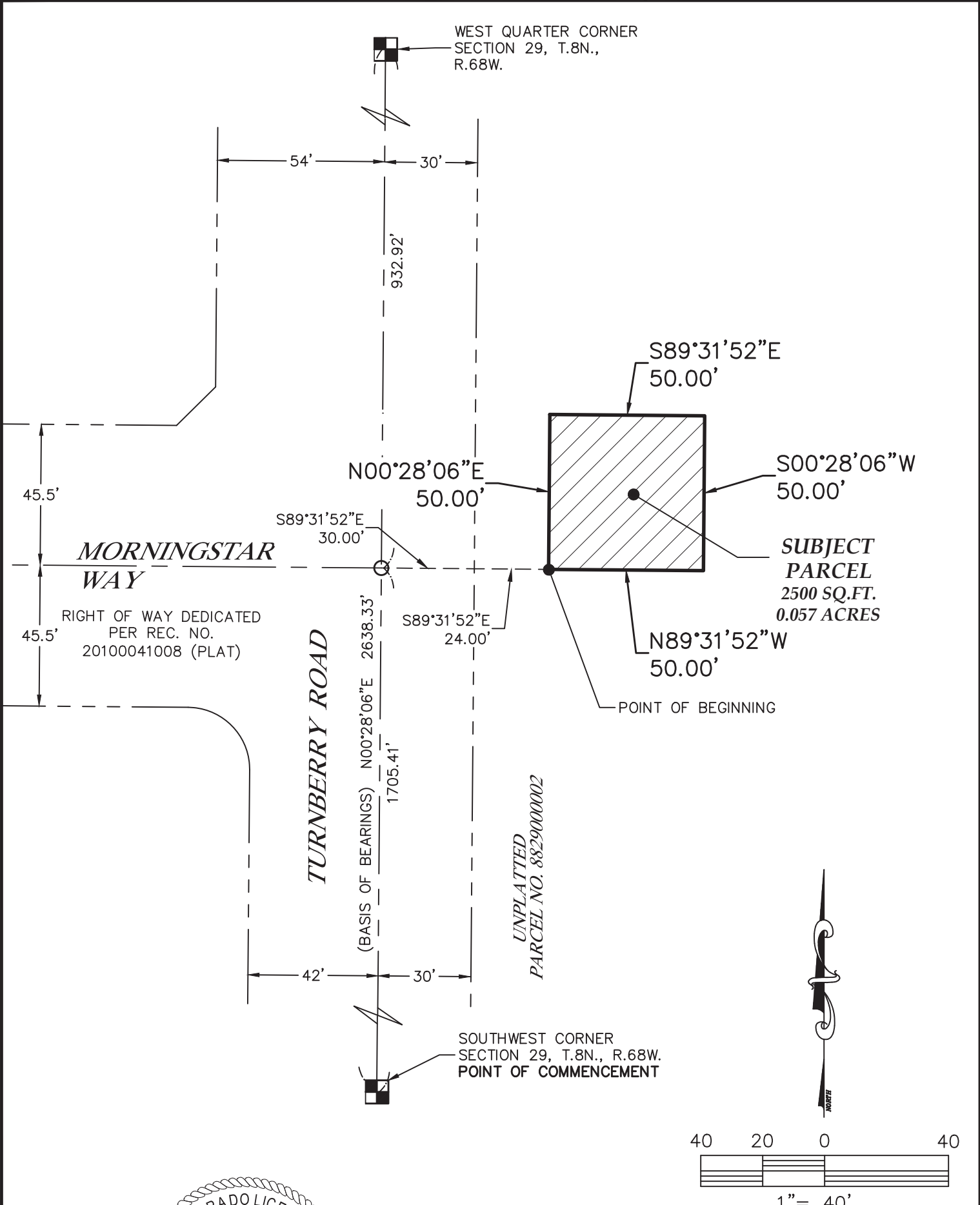
**KING SURVEYORS**  
650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011



**EXHIBIT B-1**

**District No. 1 Boundary Map**





**PRELIMINARY**

COLORADO LICENSED  
STEVEN PARKS  
#38348  
PROFESSIONAL LAND SURVEYOR

Steven Parks – On Behalf Of King Surveyors  
Colorado Licensed Professional  
Land Surveyor #38348

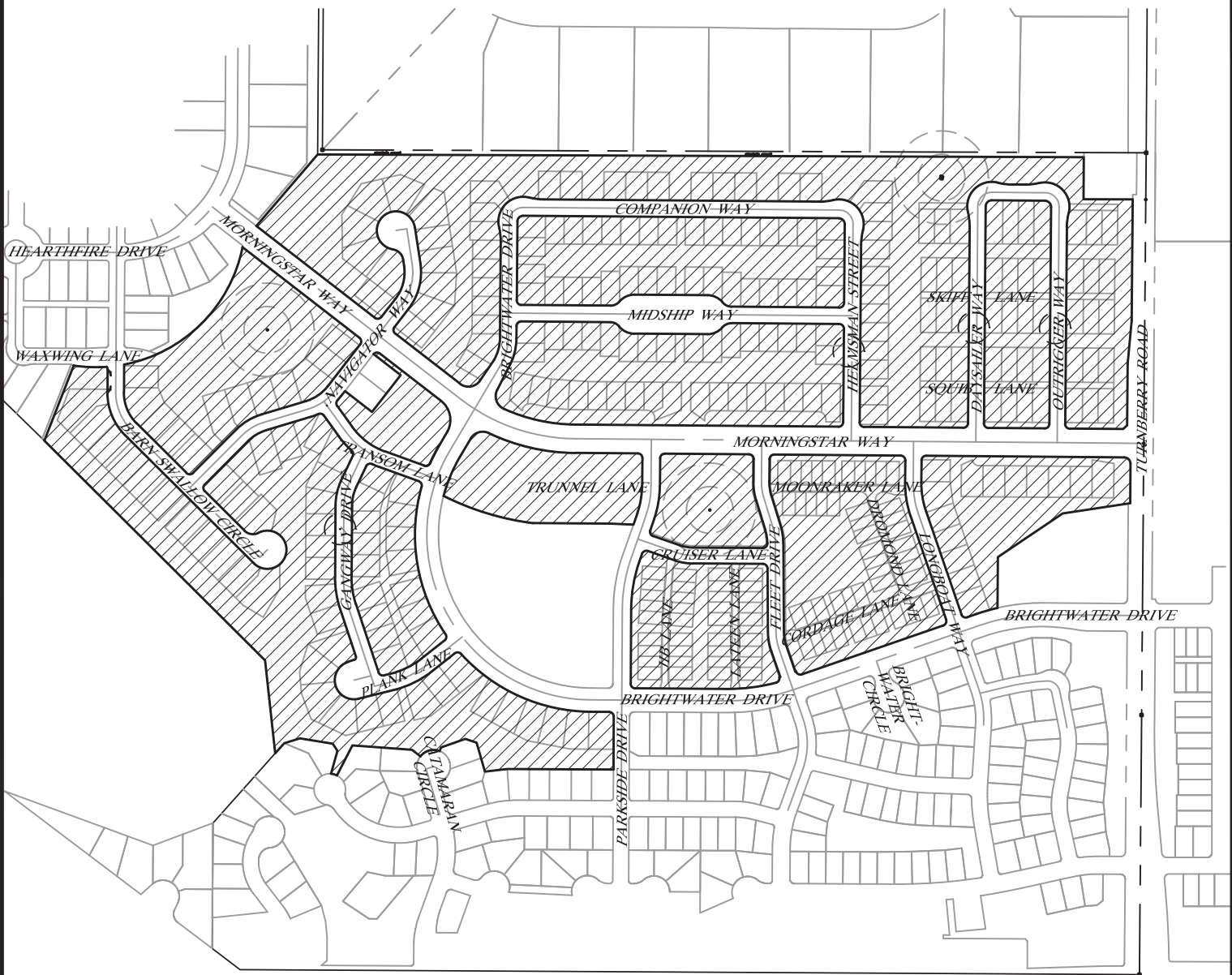
NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

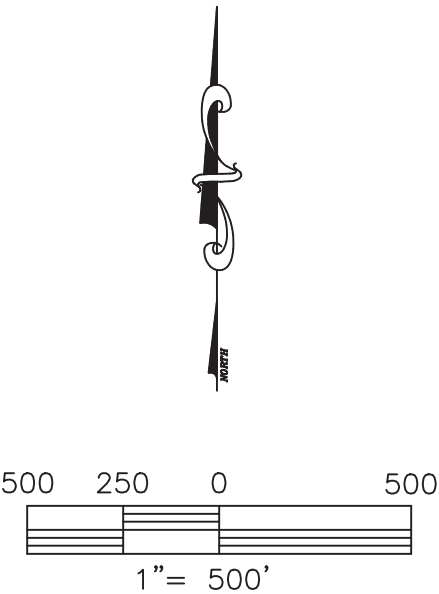


**EXHIBIT B-2**  
**District No. 2 Boundary Map**





NOTE: This exhibit drawing is not intended to be a  
monumented land survey.



**KING SURVEYORS**

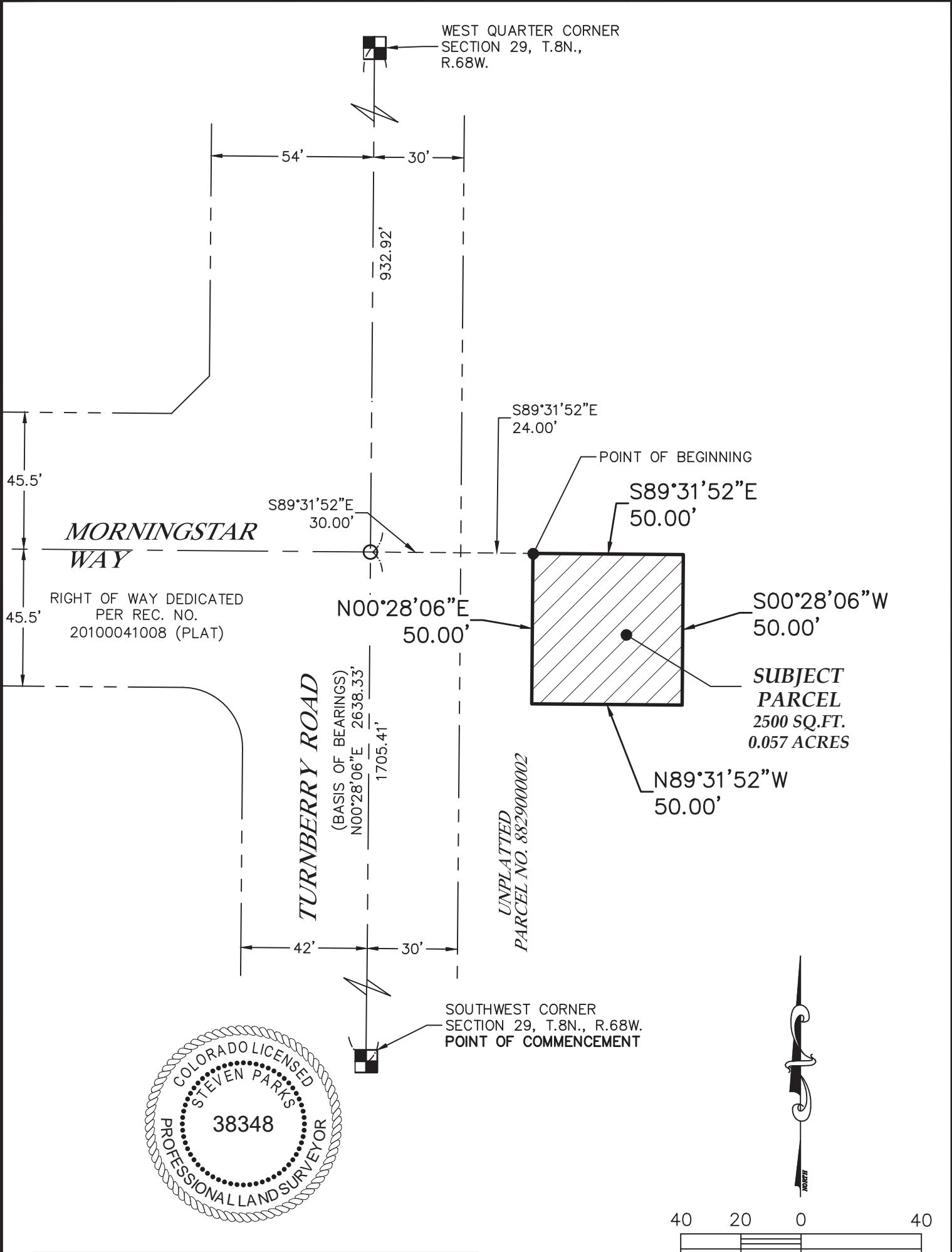
650 E. Garden Drive | Windsor, Colorado 80550  
phone: (970) 686-5011 | fax: (970) 686-5821  
email: [contact@KingSurveyors.com](mailto:contact@KingSurveyors.com)

**PROJECT NO:** 2015374-B  
**DATE:** 7/20/2017  
**CLIENT:** WATERS EDGE EAST, LLC  
**DWG:** 2015374-B-EXH-D2-OVERALL BD  
**DRAWN:** MM **CHECKED:** SP



**EXHIBIT B-3**  
**District No. 3 Boundary Map**





Steven Parks – On Behalf Of King Surveyors  
Colorado Licensed Professional  
Land Surveyor #38348

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

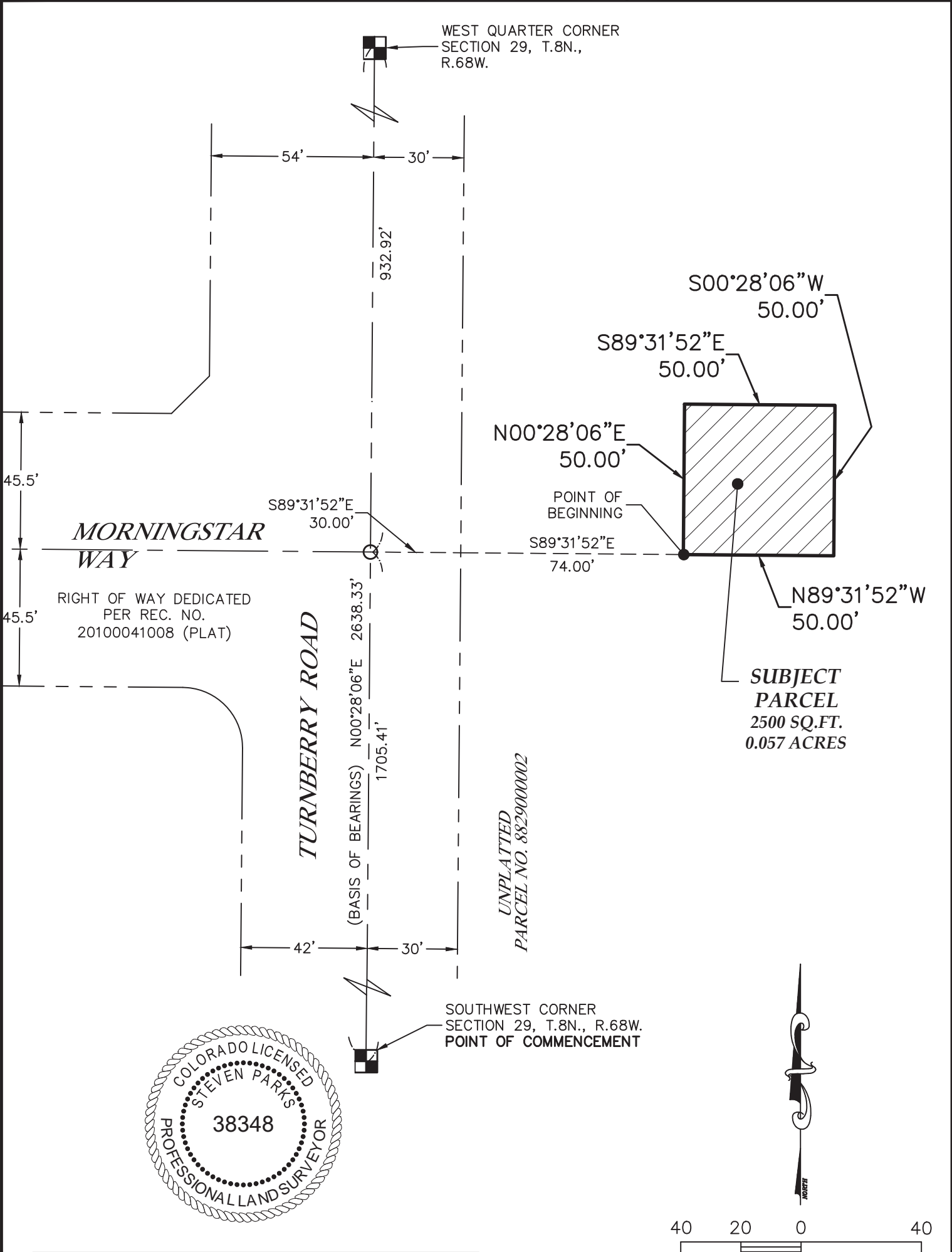
NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)



**EXHIBIT B-4**

**District No. 4 Boundary Map**





Steven Parks – On Behalf Of King Surveyors  
Colorado Licensed Professional  
Land Surveyor #38348

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

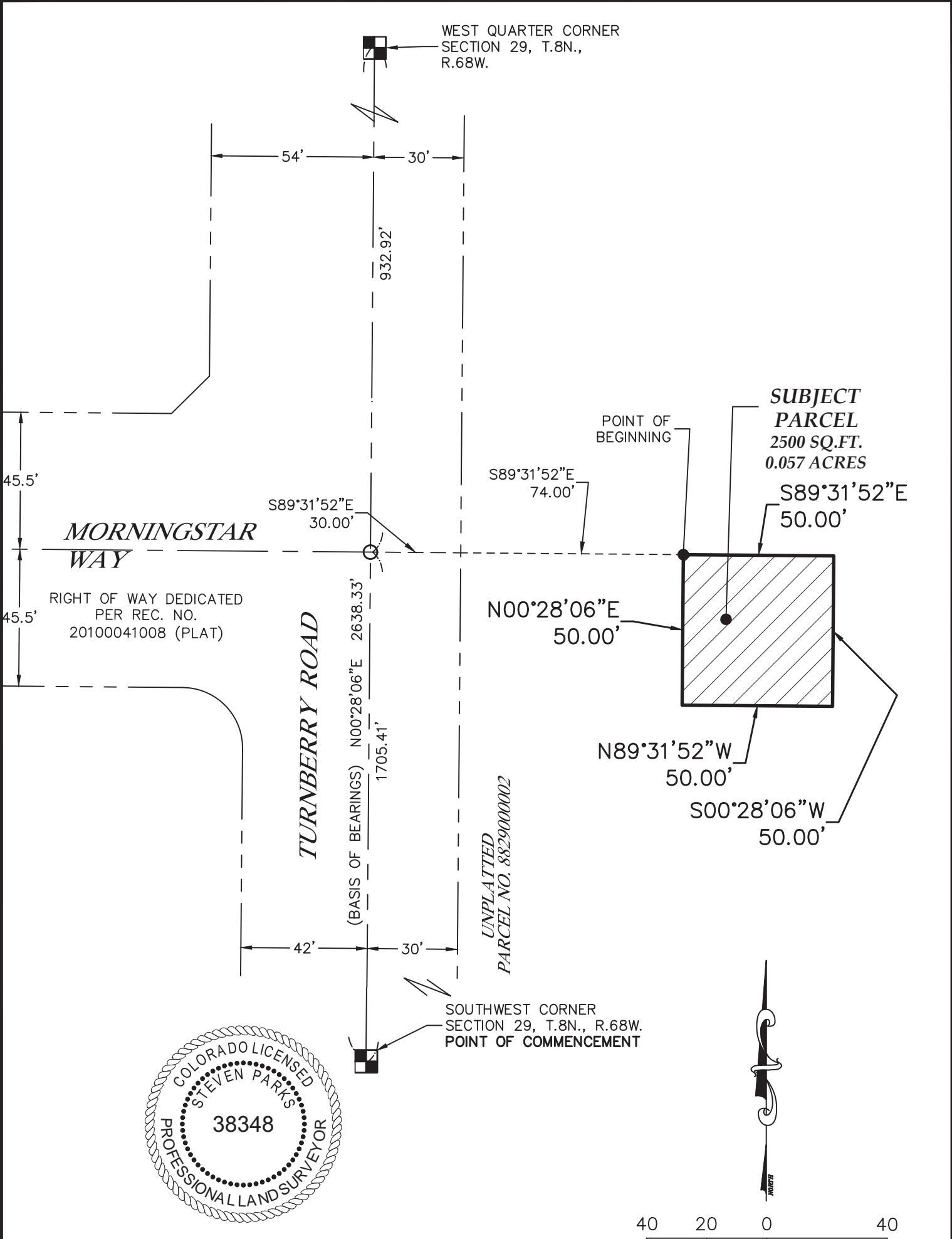
NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)



**EXHIBIT B-5**

**District No. 5 Boundary Map**





Steven Parks – On Behalf Of King Surveyors  
Colorado Licensed Professional  
Land Surveyor #38348

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)



## **EXHIBIT C**

### **Legal Description of Inclusion Area Boundaries**



**WATERS' EDGE METROPOLITAN DISTRICT INCLUSION AREA**

A parcel of land, located in Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

All that portion of Section 29 including Lind Property, Second Filing, Final Plat Recorded January 18, 2007 as Reception No. 20070004594, according to County of Larimer Records, excepting therefrom the following parcels:

- (1.) That portion of Section 29 lying east of the centerline of the W.P. Elder Reservoir Outlet Canal.
- (2.) Water's Edge Metropolitan Districts 1, 3, 4 and 5.
- (3.) All of that tract of land known as Lind Property, Final Plat Recorded December 2, 2003 as Reception No. 258077, according to County of Larimer records.



**EXHIBIT D**

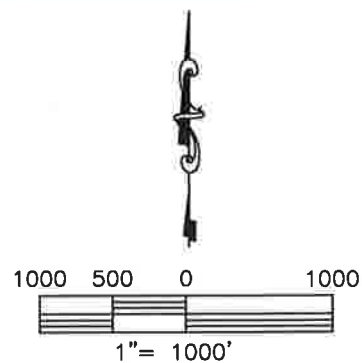
**Inclusion Area Boundary Map**





NOTE: This exhibit drawing is not intended to be a monumented land survey.

AERIAL PHOTOGRAPHY TAKEN FROM GOOGLE EARTH 2017.



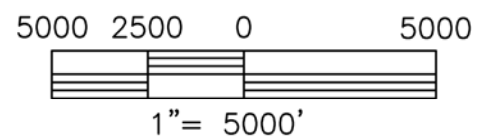
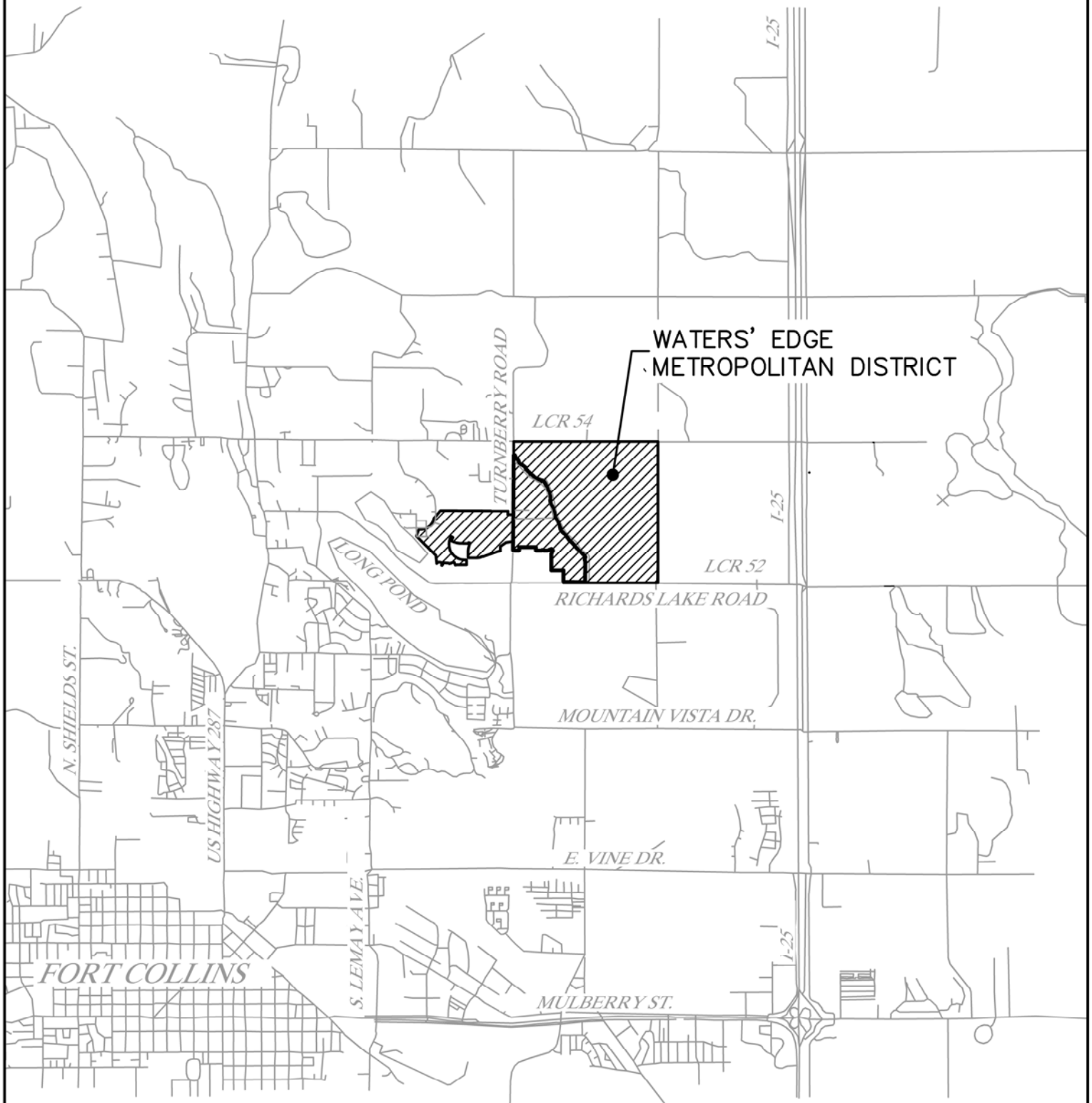
**KING SURVEYORS**  
 650 E. Garden Drive | Windsor, Colorado 80550  
 phone: (970) 686-5011 | fax: (970) 686-5821  
[www.kingsurveyors.com](http://www.kingsurveyors.com)

**PROJECT NO:** 2015374-B  
**DATE:** 7/27/2015  
**CLIENT:** WATERS EDGE INV.  
**DWG:** 2015374-BEXH-INCLUSION AREA  
**DRAWN:** MM **CHECKED:** SIP



**EXHIBIT E**  
**Vicinity Map**



**KING SURVEYORS**

650 E. Garden Drive | Windsor, Colorado 80550

phone: (970) 686-5011 | fax: (970) 686-5821

[www.kingsurveyors.com](http://www.kingsurveyors.com)**PROJECT NO:** 2015374-B**DATE:** 7/28/2017**CLIENT:** WATERS EDGE INV.**DWG:** 2015374-BEXH-VICINITY MAP**DRAWN:** MM **CHECKED:** SIP



## **EXHIBIT F**

### **Legal Description of Annexation Area Boundaries**



**WATERS' EDGE METROPOLITAN DISTRICT ANNEXATION AREA**

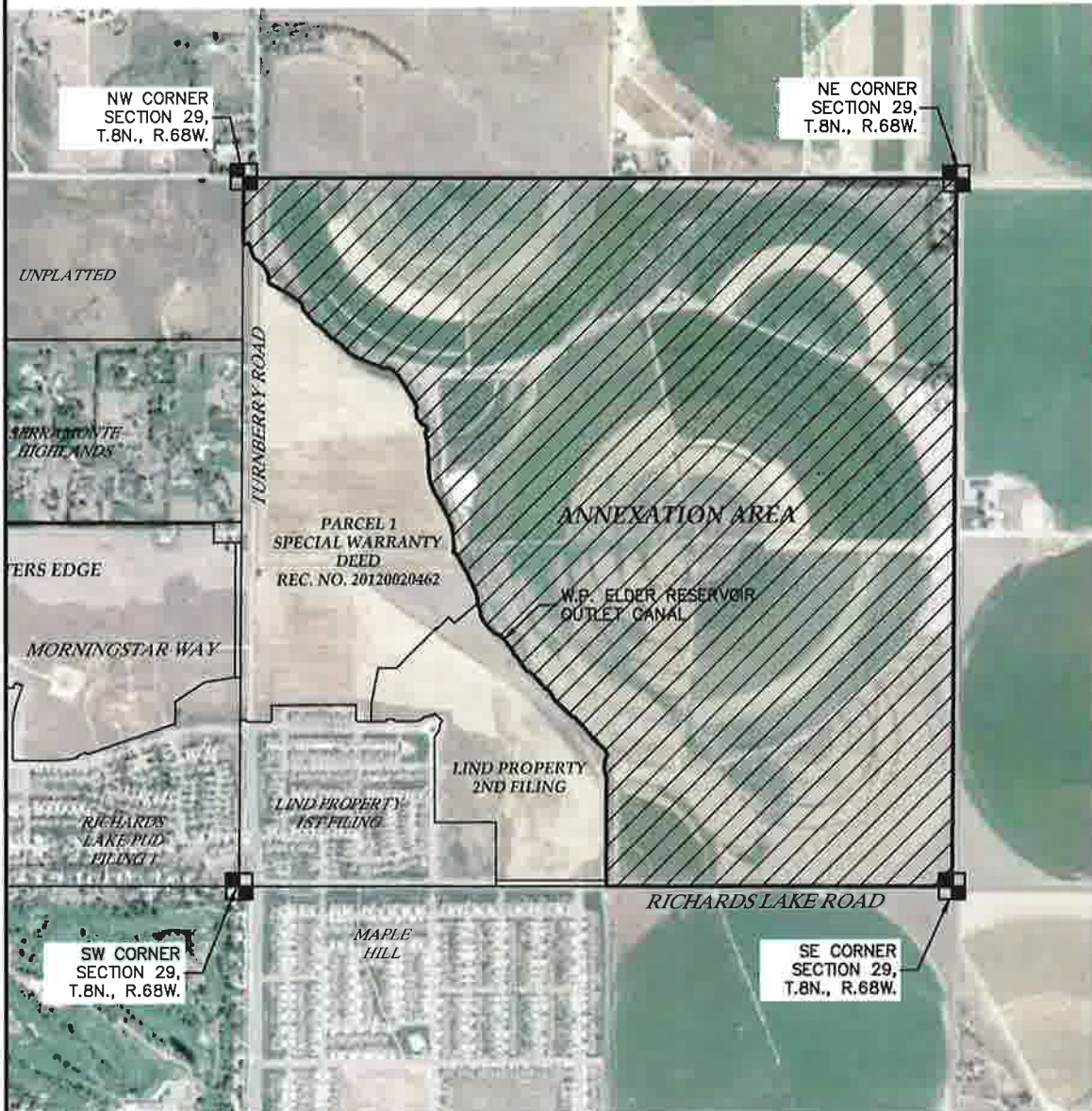
A parcel of land, located in Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

All that portion of Section 29 except that portion lying west of the centerline of the W.P. Elder Reservoir Outlet Canal, Township 8 North, Range 68 West of the Sixth P.M., City of Fort Collins, County of Larimer, State of Colorado.



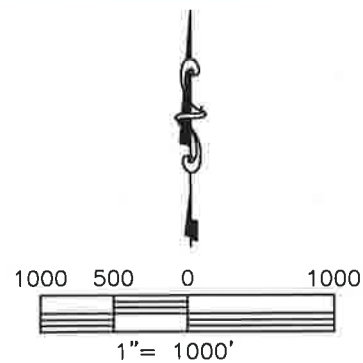
**EXHIBIT G**  
**Annexation Area Boundary Map**





NOTE: This exhibit drawing is not intended to be a  
monumented land survey.

AERIAL PHOTOGRAPHY TAKEN FROM GOOGLE EARTH 2017.



**KING SURVEYORS**

650 E. Garden Drive | Windsor, Colorado 80550  
phone: (970) 686-5011 | fax: (970) 686-5821

[www.kingsurveyors.com](http://www.kingsurveyors.com)

**PROJECT NO:** 2015374-B  
**DATE:** 7/27/2015  
**CLIENT:** WATERS EDGE INV.  
**DWG:** 2015374-BEXH-ANNEX AREA  
**DRAWN:** MM **CHECKED:** SIP



## **EXHIBIT H**

### **Public Improvement Cost Estimates**



# EXHIBIT H

## INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

### Description of Phase I Public Infrastructure and Estimated Costs

<u>Descriptions</u>	<u>Units</u>	<u>Unit Type</u>	<u>Unit Cost</u>	<u>Total Cost Estimates</u>
<b><u>Non-Basic</u></b>				
<b><u>Non-potable Water System</u></b>				
Irrigation System				
Non-potable pump station	1		\$585,000	\$585,000
Irrigation Distribution System	1		\$1,972,270	\$1,972,270
Open Space Irrigation System	1		\$548,230	<u>\$548,230</u>
Total Irrigation System				\$3,105,500
<b><u>Open Space, Parks and Recreation</u></b>				
Artisan Workshop/Inventors Center	1		\$3,500,000	\$3,500,000
Sustainability Center (composting, solar farm, charging for electric mowers)	1	\$	1,500,000	\$1,500,000
Plantings				
Turfgrass Sod	185,600	sf	\$0.50	\$92,800
Dryland Grass Seeding	769,120	sf	\$0.06	\$46,147
Dryland Grass Seeding (buffer)	150,700	sf	\$0.06	\$9,042
Steel Edging	10,900	lf	\$2.80	\$30,520
Weed Barrier Fabric	203,600	sf	\$0.20	\$40,720
Rock Mulch	203,600	sf	\$1.40	\$285,040
Crusher Fines Paths	7,100	sf	\$2.25	\$15,975
Plant Materials				
Shade Trees	540		\$375	\$202,500
Ornamental Tress	691		\$250	\$172,750
Evergreen Trees	319		\$310	\$98,890
Junipers	148		\$200	\$29,600
Fruit Trees	232		\$75	\$17,400
Shrubs				
Deciduous shrubs	3,750		\$40	\$150,000
Evergreen shrubs	609		\$50	\$30,450
Ornamental grass (5 gal)	2,433		\$22	\$53,526
Ornamental grass (1 gal)	2,160		\$15	\$32,400
Boulders	35	tons	\$175	<u>\$6,125</u>
Total Plantings				\$1,313,885
Site Furnishings				
Benches	10		\$1,000	\$10,000
Open Space Arbor	12		\$2,500	\$30,000
Patio with Fire Pit	2		\$4,500	\$9,000
Patio w/fountain	2		\$5,000	\$10,000



## EXHIBIT H

### INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

#### Description of Phase I Public Infrastructure and Estimated Costs

Median Arbor	2	\$2,500	\$5,000
Arbor Structure and Seat Wall	4	\$6,000	<u>\$24,000</u>
Total Site Furnishings			\$88,000
Top Soil, Fine Grading & Prep			
Soil prep for seed and sod areas	389,200 sf	\$0.16	\$62,272
Soil prep for dryland seed	688,510 sf	\$0.13	<u>\$89,506</u>
Total Soil Prep			\$151,778
Masonry			
Neighbor Entry Columns	12	\$3,500	\$42,000
Primary Entry Monument	1	\$24,000	\$24,000
Sculpture	1	\$60,000	<u>\$60,000</u>
Total Masonry			\$126,000
Less 1/2 of Plantings, Site Furnishings, Top Soil and Masonry			<span style="color: red;">(\$839,832)</span>
Total Open Space, Parks and Recreation			<hr/> \$5,839,832
Total Cost Estimates - Non-Basic			\$8,945,332
Plus allowance @18% for design, engineering, etc.		18%	\$1,610,160
Plus Construction Management		3.40%	\$304,141
Contingency		20%	<hr/> \$2,171,927
Total - Non-Basic			\$13,031,559

#### **Basic**

#### **Phase 1 & 2 Lots (209 lots)**

Allocation (50%) of Overlot Grading	\$	752,500
General conditions, removals, erosion control & earthwork		1,437,151
Sanitary Sewer		1,584,628
Storm Drain		1,266,319
Waterline		1,524,885
Retaining walls		1,033,982
Utility Sleeving		127,500
Concrete Flatwork		1,961,008
Base Course and Paving		2,396,827
Traffic Control		<hr/> 109,700



# EXHIBIT H

## INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

### Description of Phase I Public Infrastructure and Estimated Costs

Sub-total Phases 1 & 2	\$	12,194,500
------------------------	----	------------

#### **Phase 3 Lots (38 lots)**

General conditions, removals, erosion control & earthwork		219,501
Storm Drain		17,706
Waterline		183,890
Utility Sleeving		10,000
Concrete Flatwork		178,235
Base Course and Paving		182,568
Traffic Control		3,100
Sub-total Phase 3	\$	795,000

#### **Phases 4 & 5 Lots (130 townhome and condo lots)**

General conditions, removals, erosion control & earthwork		551,201
Sanitary Sewer		334,441
Storm Drain		95,177
Waterline		304,626
Concrete Flatwork		410,862
Base Course and Paving		612,561
Traffic Control		35,450
Sub-total Phases 4 & 5	\$	2,344,318

#### **Open Space, Parks and Recreation**

Open Space Fencing			
Rail Fence	20,580	If	\$20
Courtyard Gates	50		\$600
Total Fencing			\$441,600

Plus 1/2 of Plantings, Site Furnishings, Top Soil and Masonry		\$839,832
Sub-total Open Space, Parks and Rec.		\$1,281,432

Total Cost Estimates -Basic	\$	16,615,250
-----------------------------	----	------------

Plus allowance @18% for design, engineering, etc.	18%	\$2,990,745
Plus Construction Management	3.40%	\$564,918



## EXHIBIT H

### INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

#### Description of Phase I Public Infrastructure and Estimated Costs

Contingency	20%	<u>\$4,034,183</u>
Total - Basic*		\$24,205,096
Grand Total Phase I		\$37,236,655

\*District Debt shall not exceed  
\$18,000,000 to finance "Basic  
Infrastructure" in accordance with  
Service Plan



# EXHIBIT H

## INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

### Description of Phase II Public Infrastructure and Estimated Costs

<u>Descriptions</u>	<u>Units</u>	<u>Unit Type</u>	<u>Unit Cost</u>	<u>Total Cost Estimates</u>
<b><u>Non-Basic</u></b>				
<b><u>Non-potable Water System</u></b>				
Total Irrigation System				\$2,611,000
<b><u>Open Space, Parks and Recreation</u></b>				
Senior Activities Center	1		\$7,000,000	\$7,000,000
Rehabilitate Windsor No 8 Ditch	1		\$ 2,000,000	\$2,000,000
Total Plantings				\$1,531,000
Total Site Furnishings				\$103,000
Top Soil, Fine Grading & Prep				\$177,000
Total Masonry				\$147,000
Total Retaining Walls - Open Space				\$542,000
Less 1/2 of Plantings, and Top Soil, Site Furnishings & Masonry				(979,000)
Total Parks and Recreation				<u>\$10,521,000</u>
Plus allowance @18% for design, engineering, etc.			18% \$	2,363,760
Plus Construction Management			3.40% \$	446,488
Contingency			20% \$	<u>3,188,450</u>
Grand Total Non-Basic			\$	19,130,698

\* Phase II is 1.165 times larger than Phase I so Phase II cost estimates are calculated at 1.165 of Phase I estimates.



# EXHIBIT H

## INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

### Description of Phase II Public Infrastructure and Estimated Costs

#### Basic

<b><u>Estimated Phase II lots (471 lots)</u></b>	\$	1,693,000
Allocation (50%) of Overlot Grading		3,234,000
General conditions, removals, erosion control & earthwork		3,565,000
Sanitary Sewer		2,849,000
Storm Drain		3,431,000
Waterline		2,326,000
Retaining walls		287,000
Utility Sleeving		4,412,000
Concrete Flatwork		5,393,000
Base Course and Paving		247,000
Traffic Control		\$514,000
Total Open Space Fencing		979,000
Plus 1/2 of Plantings, and Top Soil, Site Furnishings & Masonry (basic portion)	\$	28,930,000
Sub-total Phase II Basic		

Note: Since Phase II is not platted, cost estimates are factored in relationship to the bids for Phases 1 and 2, in Phase I.

	18%	\$	5,207,400
Plus allowance @18% for design, engineering, etc.	3.40%	\$	983,620
Plus Construction Management	20%	\$	7,024,204
Contingency		\$	42,145,224
Total Basic - Phase II**		\$	61,275,922
Grand Total Phase II			

\* Phase II is 1.165 times larger than Phase I so Phase II cost estimates are calculated at 1.165 of Phase I estimates.

	\$	98,512,577
Grand Total Phases I and II		

\*\*District Debt shall not exceed \$18,000,000 to finance "Basic Infrastructure" in accordance with Service Plan



**EXHIBIT I**  
**Public Improvement Maps**

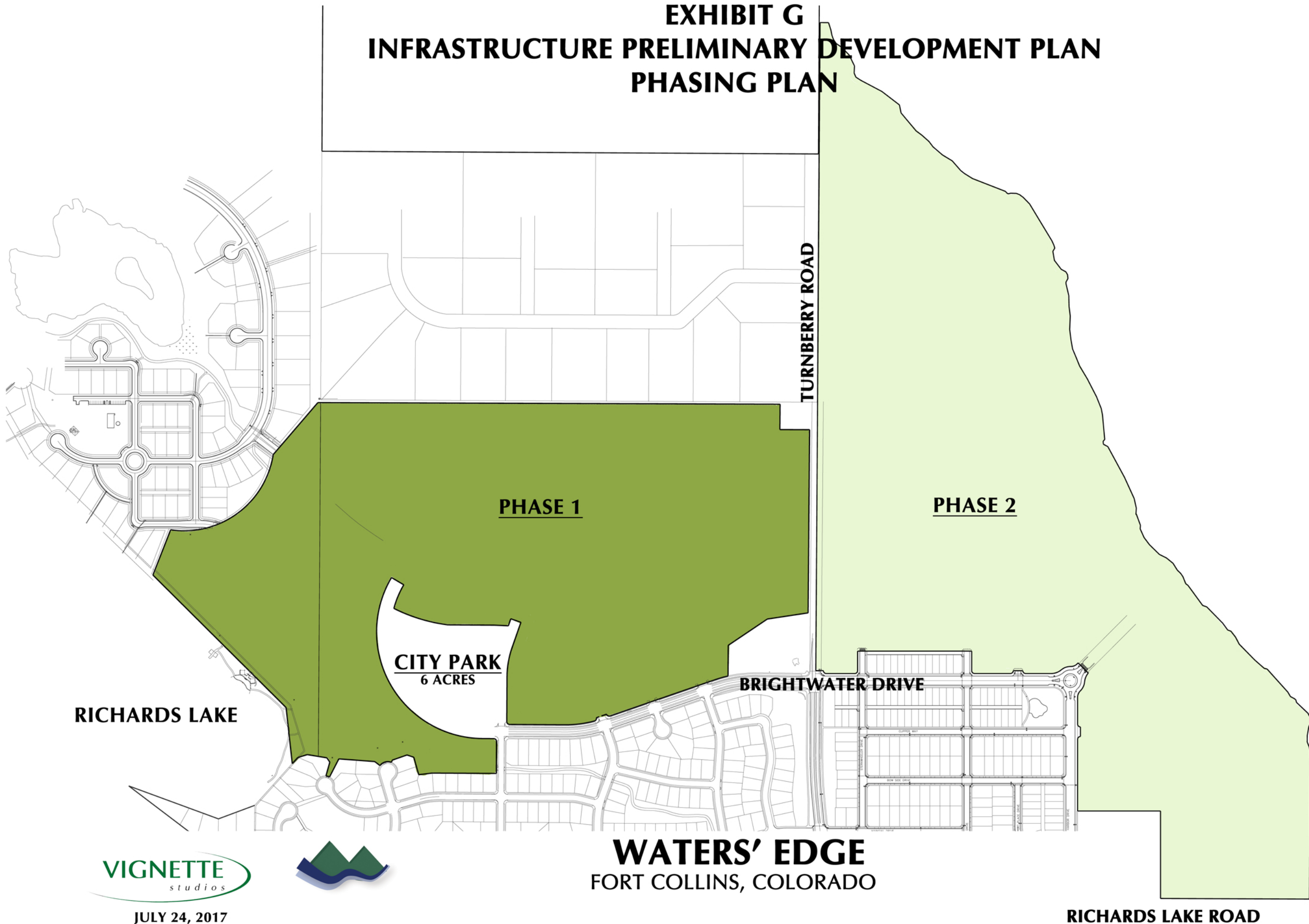


# EXHIBIT E INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN PHASE 1





# EXHIBIT G INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN PHASING PLAN





**EXHIBIT J**  
**Regional Improvements**



**EXHIBIT K**  
**Financial Plan**



**WATERS' EDGE METROPOLITAN DISTRICTS**

Development Projection at 40.000 (target) Mills for Debt Service, plus fees – Service Plan

Series 2029, G.O. Bonds, Pay & Cancel Refg of (proposed) Series 2019 + New Money, Assumes Investment Grade, 100x, 30-yr. Maturity

YEAR	<<<<<<< Residential >>>>>>>						< Platted/Developed Lots >		<<<<<<<< Commercial >>>>>>>>						District D/S Mill Levy [40.000 Target] [40.000 Cap]	District D/S Mill Levy Collections @ 98%	District S.O. Taxes Collected @ 6%	Total Facility Fees Collections	Total Available Revenue
	Total Res'l Units	Mkt Value Biennial Reasses'mt @ 6.0%	Cumulative Market Value	As'ed Value* @ 7.20% of Market (2-yr lag)	Cumulative Market Value	As'ed Value of Market @ 29.00% (2-yr lag)	Total Comm'l Sq. Ft.	Mkt Value Biennial Reasses'mt @ 6.0%	Cumulative Market Value	As'ed Value of Market @ 29.00% (2-yr lag)	Total Assessed Value								
2016	0		0		0		0		0									\$0	0
2017	0		0		0		0		0									0	0
2018	0	0	0		4,356,166	0	0	0	0	0	\$0	40.000	0	0			0	0	0
2019	84		44,432,891	0	6,063,733	0	0		0	0	0	40.000	0	0	252,000			252,000	252,000
2020	109	2,665,973	110,185,943	0	6,063,733	1,263,288	0	0	0	0	1,263,288	40.000	49,521	2,971	342,500			394,992	394,992
2021	109		174,534,762	3,199,168	5,913,733	1,758,483	0		0	0	4,957,651	40.000	194,340	11,660	342,500			548,500	548,500
2022	108	10,472,086	249,018,996	7,933,388	5,963,733	1,758,483	0	0	0	0	9,691,870	40.000	379,921	22,795	340,000			742,717	742,717
2023	105		309,343,023	12,566,503	5,463,733	1,714,983	20,000		5,520,404	0	14,281,485	40.000	559,834	33,590	332,500			925,924	925,924
2024	105	18,560,581	389,434,112	17,929,368	5,963,733	1,729,483	0	331,224	5,851,628	0	19,658,850	40.000	770,627	46,238	332,500			1,149,365	1,149,365
2025	105		452,195,230	22,272,698	4,932,550	1,584,483	20,000		11,595,057	1,600,917	25,458,097	40.000	997,957	59,877	332,500			1,390,335	1,390,335
2026	92	27,131,714	537,119,625	28,039,256	2,582,083	1,729,483	0	695,703	12,290,760	1,696,972	31,465,711	40.000	1,233,456	74,007	284,250			1,591,713	1,591,713
2027	31		559,014,713	32,558,057	0	1,430,439	30,000		21,253,954	3,362,566	37,351,062	40.000	1,464,162	87,850	77,500			1,629,511	1,629,511
2028	0	33,540,883	592,555,596	38,672,613	0	748,804	0	1,275,237	22,529,192	3,564,320	42,985,737	40.000	1,685,041	101,102	0			1,786,143	1,786,143
2029	0		592,555,596	40,249,059	0	0	0		22,529,192	6,163,647	46,412,706	40.000	1,819,378	109,163	0			1,928,541	1,928,541
2030	0	35,553,336	628,108,932	42,664,003	0	0	0	1,351,751	23,880,943	6,533,466	49,197,468	40.000	1,928,541	115,712	0			2,044,253	2,044,253
2031	0		628,108,932	42,664,003	0	0	0		23,880,943	6,533,466	49,197,468	40.000	1,928,541	115,712	0			2,044,253	2,044,253
2032	0	37,686,536	665,795,468	45,223,843	0	0	0	1,432,857	25,313,800	6,925,473	52,149,317	40.000	2,044,253	122,655	0			2,166,908	2,166,908
2033	0		665,795,468	45,223,843	0	0	0		25,313,800	6,925,473	52,149,317	40.000	2,044,253	122,655	0			2,166,908	2,166,908
2034	0	39,947,728	705,743,196	47,937,274	0	0	0	1,518,828	26,832,628	7,341,002	55,278,276	40.000	2,166,908	130,015	0			2,296,923	2,296,923
2035	0		705,743,196	47,937,274	0	0	0		26,832,628	7,341,002	55,278,276	40.000	2,166,908	130,015	0			2,296,923	2,296,923
2036	0	42,344,592	748,087,787	50,813,510	0	0	0	1,609,958	28,442,585	7,781,462	58,594,972	40.000	2,296,923	137,815	0			2,434,738	2,434,738
2037			748,087,787	50,813,510	0	0	0		28,442,585	7,781,462	58,594,972	40.000	2,296,923	137,815	0			2,434,738	2,434,738
2038	44,885,267		792,973,055	53,862,321	0	0	0	1,706,555	30,149,140	8,248,350	62,110,670	40.000	2,434,738	146,084	0			2,580,823	2,580,823
2039			792,973,055	53,862,321	0	0	0		30,149,140	8,248,350	62,110,670	40.000	2,434,738	146,084	0			2,580,823	2,580,823
2040	47,578,383		840,551,438	57,094,060	0	0	0	1,808,948	31,958,089	8,743,251	65,837,311	40.000	2,580,823	154,849	0			2,735,672	2,735,672
2041			840,551,438	57,094,060	0	0	0		31,958,089	8,743,251	65,837,311	40.000	2,580,823	154,849	0			2,735,672	2,735,672
2042	50,433,086		890,984,524	60,519,704	0	0	0	1,917,485	33,875,574	9,267,846	69,787,549	40.000	2,735,672	164,140	0			2,899,812	2,899,812
2043			890,984,524	60,519,704	0	0	0		33,875,574	9,267,846	69,787,549	40.000	2,735,672	164,140	0			2,899,812	2,899,812
2044	53,459,071		944,443,596	64,150,886	0	0	0	2,032,534	35,908,109	9,823,916	73,974,802	40.000	2,899,812	173,989	0			3,073,801	3,073,801
2045			944,443,596	64,150,886	0	0	0		35,908,109	9,823,916	73,974,802	40.000	2,899,812	173,989	0			3,073,801	3,073,801
2046	56,666,616		1,001,110,211	67,999,939	0	0	0	2,154,487	38,062,595	10,413,351	78,413,290	40.000	3,073,801	184,428	0			3,258,229	3,258,229
2047			1,001,110,211	67,999,939	0	0	0		38,062,595	10,413,351	78,413,290	40.000	3,073,801	184,428	0			3,258,229	3,258,229
2048	60,066,613		1,061,176,824	72,079,935	0	0	0	2,283,756	40,346,351	11,038,153	83,118,088	40.000	3,258,229	195,494	0			3,453,723	3,453,723
2049			1,061,176,824	72,079,935	0	0	0		40,346,351	11,038,153	83,118,088	40.000	3,258,229	195,494	0			3,453,723	3,453,723
2050	63,670,609		1,124,847,433	76,404,731	0	0	0	2,420,781	42,767,132	11,700,442	88,105,173	40.000	3,453,723	207,223	0			3,660,946	3,660,946
2051			1,124,847,433	76,404,731	0	0	0		42,767,132	11,700,442	88,105,173	40.000	3,453,723	207,223	0			3,660,946	3,660,946
2052	67,490,846		1,192,338,280	80,989,015	0	0	0	2,566,028	45,333,160	12,402,468	93,391,483	40.000	3,660,946	219,657	0			3,880,603	3,880,603
2053			1,192,338,280	80,989,015	0	0	0		45,333,160	12,402,468	93,391,483	40.000	3,660,946	219,657	0			3,880,603	3,880,603
2054	71,540,297		1,263,878,576	85,848,356	0	0	0	2,719,990	48,053,149	13,146,616	98,994,972	40.000	3,880,603	232,836	0			4,113,439	4,113,439
2055			1,263,878,576	85,848,356	0	0	0		48,053,149	13,146,616	98,994,972	40.000	3,880,603	232,836	0			4,113,439	4,113,439
2056	75,832,715		1,339,711,291	90,999,257	0	0	0	2,883,189	50,936,338	13,935,413	104,934,671	40.000	4,113,439	246,806	0			4,360,245	4,360,245
2057			1,339,711,291	90,999,257	0	0	0		50,936,338	13,935,413	104,934,671	40.000	4,113,439	246,806	0			4,360,245	4,360,245
2058	80,382,677		1,420,093,968	96,459,213	0	0	0	3,056,180	53,992,518	14,771,538	111,230,751	40.000	4,360,245	261,615	0			4,621,860	4,621,860
2059			1,420,093,968	96,459,213	0	0	0		53,992,518	14,771,538	111,230,751	40.000	4,360,245	261,615	0			4,621,860	4,621,860
	848	919,909,610					70,000	33,765,492					98,931,551	5,935,893	2,636,250			107,503,694	107,503,694

[\*] RAR @ 7.96% thru 2017



**WATERS' EDGE METROPOLITAN DISTRICTS**

Development Projection at 40.000 (target) Mills for Debt Service, plus fees -- Service Plan

Series 2029, G.O. Bonds, Pay & Cancel Refg of (proposed) Series 2019 + New Money, Assumes Investment Grade, 100x, 30-yr. Maturity

YEAR	Net Available for Debt Svc	Series 2019 \$33,535,000 Par [Net \$24.449 MM] Net Debt Service	Ser. 2029 \$50,330,000 Par [Net \$19.204 MM] Net Debt Service	Total Net Debt Service	Funds on Hand* Used as Source	Annual Surplus	Surplus Release @ to \$5,033,000	Cumulative Surplus \$5,033,000 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Cov. of Net DS: @ 40.000 Target	Cov. of Net DS: @ 40.000 Cap
2016	0					n/a						
2017	0					n/a		0	n/a	n/a	0.0%	0.0%
2018	0					n/a		0	n/a	n/a	0.0%	0.0%
2019	252,000	\$0				252,000		252,000	2655%	29%	0.0%	0.0%
2020	394,992	0		0		394,992	0	646,992	676%	19%	0.0%	0.0%
2021	548,500	0		0		548,500	0	1,195,492	346%	13%	0.0%	0.0%
2022	742,717	0		0		742,717	0	1,938,209	235%	10%	0.0%	0.0%
2023	925,924	1,676,750		1,676,750		(750,826)	0	1,187,383	171%	8%	55.2%	55.2%
2024	1,149,365	1,676,750		1,676,750		(527,385)	0	659,998	132%	7%	68.5%	68.5%
2025	1,390,335	1,676,750		1,676,750		(286,415)	0	373,583	107%	6%	82.9%	82.9%
2026	1,591,713	1,676,750		1,676,750		(85,037)	0	288,546	90%	6%	94.9%	94.9%
2027	1,629,511	1,676,750		1,676,750		(47,239)	0	241,307	78%	5%	97.2%	97.2%
2028	1,786,143	1,781,750		1,781,750		4,393	0	245,701	72%	5%	100.2%	100.2%
2029	1,928,541	1,926,500	\$0	1,926,500	245,000	(242,959)	0	2,741	0%	0%	100.1%	100.1%
2030	2,044,253	[Ref'd by ser. '29]	2,013,200	2,013,200		31,053	0	33,795	102%	8%	101.5%	101.5%
2031	2,044,253		2,043,200	2,043,200		1,053	0	34,848	96%	7%	100.1%	100.1%
2032	2,166,908		2,162,000	2,162,000		4,908	0	39,756	96%	7%	100.2%	100.2%
2033	2,166,908		2,166,000	2,166,000		908	0	40,665	90%	7%	100.0%	100.0%
2034	2,296,923		2,294,600	2,294,600		2,323	0	42,988	90%	7%	100.1%	100.1%
2035	2,296,923		2,292,800	2,292,800		4,123	0	47,110	84%	6%	100.2%	100.2%
2036	2,434,738		2,430,600	2,430,600		4,138	0	51,249	84%	6%	100.2%	100.2%
2037	2,434,738		2,432,400	2,432,400		2,338	0	53,587	78%	6%	100.1%	100.1%
2038	2,580,823		2,578,400	2,578,400		2,423	0	56,010	77%	6%	100.1%	100.1%
2039	2,580,823		2,577,800	2,577,800		3,023	0	59,032	72%	5%	100.1%	100.1%
2040	2,735,672		2,731,200	2,731,200		4,472	0	63,504	70%	5%	100.2%	100.2%
2041	2,735,672		2,732,400	2,732,400		3,272	0	66,776	65%	5%	100.1%	100.1%
2042	2,899,812		2,897,200	2,897,200		2,612	0	69,388	64%	5%	100.1%	100.1%
2043	2,899,812		2,899,000	2,899,000		812	0	70,201	58%	4%	100.0%	100.0%
2044	3,073,801		3,069,000	3,069,000		4,801	0	75,002	57%	4%	100.2%	100.2%
2045	3,073,801		3,070,400	3,070,400		3,401	0	78,402	52%	4%	100.1%	100.1%
2046	3,258,229		3,254,600	3,254,600		3,629	0	82,032	50%	4%	100.1%	100.1%
2047	3,258,229		3,254,200	3,254,200		4,029	0	86,061	45%	3%	100.1%	100.1%
2048	3,453,723		3,451,200	3,451,200		2,523	0	88,583	42%	3%	100.1%	100.1%
2049	3,453,723		3,452,600	3,452,600		1,123	0	89,706	38%	3%	100.0%	100.0%
2050	3,660,946		3,655,800	3,655,800		5,146	0	94,852	35%	3%	100.1%	100.1%
2051	3,660,946		3,657,600	3,657,600		3,346	0	98,198	30%	2%	100.1%	100.1%
2052	3,880,603		3,880,600	3,880,600		3	0	98,201	27%	2%	100.0%	100.0%
2053	3,880,603		3,875,800	3,875,800		4,803	0	103,004	23%	2%	100.1%	100.1%
2054	4,113,439		4,111,800	4,111,800		1,639	0	104,643	20%	1%	100.0%	100.0%
2055	4,113,439		4,108,800	4,108,800		4,639	0	109,282	16%	1%	100.1%	100.1%
2056	4,360,245		4,355,800	4,355,800		4,445	0	113,728	12%	1%	100.1%	100.1%
2057	4,360,245		4,357,600	4,357,600		2,645	0	116,373	8%	1%	100.1%	100.1%
2058	4,621,860		4,618,400	4,618,400		3,460	0	119,834	4%	0%	100.1%	100.1%
2059	4,621,860		4,617,600	4,617,600		4,260	124,094	0	0%	0%	100.1%	100.1%
	107,503,694	12,092,000	95,042,600	107,134,600		124,094	124,094					

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**WATERS' EDGE METROPOLITAN DISTRICTS**

**Operations Revenue and Expense Projection**

YEAR	Total Assessed Value	Oper'ns Mill Levy	Total Collections @ 98%	S.O. Tax Collections @ 98%	Total Available For O&M	Total Mills
2016						
2017						
2018	0	10.000	0	0	0	50.000
2019	0	10.000	0	0	0	50.000
2020	1,263,288	10.000	12,380	12,133	24,513	50.000
2021	4,957,651	10.000	48,585	47,613	96,198	50.000
2022	9,691,870	10.000	94,980	93,081	188,061	50.000
2023	14,281,485	10.000	139,959	137,159	277,118	50.000
2024	19,658,850	10.000	192,657	188,804	381,460	50.000
2025	25,458,097	10.000	249,489	244,500	493,989	50.000
2026	31,465,711	10.000	308,364	302,197	610,561	50.000
2027	37,351,062	10.000	366,040	358,720	724,760	50.000
2028	42,985,737	10.000	421,260	412,835	834,095	50.000
2029	46,412,706	10.000	454,845	445,748	900,592	50.000
2030	49,197,468	10.000	482,135	472,492	954,628	50.000
2031	49,197,468	10.000	482,135	472,492	954,628	50.000
2032	52,149,317	10.000	511,063	500,842	1,011,905	50.000
2033	52,149,317	10.000	511,063	500,842	1,011,905	50.000
2034	55,278,276	10.000	541,727	530,893	1,072,620	50.000
2035	55,278,276	10.000	541,727	530,893	1,072,620	50.000
2036	58,594,972	10.000	574,231	562,746	1,136,977	50.000
2037	58,594,972	10.000	574,231	562,746	1,136,977	50.000
2038	62,110,670	10.000	608,685	596,511	1,205,195	50.000
2039	62,110,670	10.000	608,685	596,511	1,205,195	50.000
2040	65,837,311	10.000	645,206	632,302	1,277,507	50.000
2041	65,837,311	10.000	645,206	632,302	1,277,507	50.000
2042	69,787,549	10.000	683,918	670,240	1,354,158	50.000
2043	69,787,549	10.000	683,918	670,240	1,354,158	50.000
2044	73,974,802	10.000	724,953	710,454	1,435,407	50.000
2045	73,974,802	10.000	724,953	710,454	1,435,407	50.000
2046	78,413,290	10.000	768,450	753,081	1,521,531	50.000
2047	78,413,290	10.000	768,450	753,081	1,521,531	50.000
2048	83,118,088	10.000	814,557	798,266	1,612,823	50.000
2049	83,118,088	10.000	814,557	798,266	1,612,823	50.000
2050	88,105,173	10.000	863,431	846,162	1,709,593	50.000
2051	88,105,173	10.000	863,431	846,162	1,709,593	50.000
2052	93,391,483	10.000	915,237	896,932	1,812,168	50.000
2053	93,391,483	10.000	915,237	896,932	1,812,168	50.000
2054	98,994,972	10.000	970,151	950,748	1,920,898	50.000
2055	98,994,972	10.000	970,151	950,748	1,920,898	50.000
2056	104,934,671	10.000	1,028,360	1,007,793	2,036,152	50.000
2057	104,934,671	10.000	1,028,360	1,007,793	2,036,152	50.000
2058	111,230,751	10.000	1,090,061	1,068,260	2,158,321	50.000
2059	111,230,751	10.000	1,090,061	1,068,260	2,158,321	50.000
			24,732,888	24,238,230	48,971,118	



## Development Projection -- Buildout Plan (updated 7/30/18)

## Residential Development

Product Type	Estate	Custom Water Front	Courtyard Ranch	Standard Ranch - 2 car	Standard Ranch - 3 Car	Large Active Adult Patio	Townhome	Condominium
Base \$ ('18)	\$1,125,000	\$1,500,000	\$459,333	\$536,250	\$608,333	\$730,000	\$408,750	\$340,667

2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	15	24	11	10	24	-
2020	5	4	15	24	11	10	24	16
2021	5	4	15	24	11	10	24	16
2022	5	3	15	24	11	10	24	16
2023	5	-	15	24	11	10	24	16
2024	5	-	15	24	11	10	24	16
2025	5	-	15	24	11	10	24	16
2026	5	-	11	24	11	10	18	13
2027	1	-	-	18	10	2	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-

36	11	116	210	98	82	186	109
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MV @ Full Buildout  
(base prices;un-infl.)

\$40,500,000	\$16,500,000	\$53,282,628	\$112,612,500	\$59,616,634	\$59,860,000	\$76,027,500	\$37,132,703
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### Commercial Development

Comm'l Prop.
\$250/sf

## Res'l Totals

[illegible]

848

**\$455,531,965**

### Comm'l Totals

[illegible]

70,000

**\$17,500,000**

70,000

**\$17,500,000**

notes:

Platted/Dev Lots = 10% MV; one-yr prior

Base MV \$ inflated 2% per annum

Res'l Fac. Fees: SFD @ \$2,500/SFD, \$1,750/SFA



## SOURCES AND USES OF FUNDS

### WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019 40.000 (target) Mills

**Non-Rated, 100x, 30-yr. Maturity**  
**(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)**  
**[ Preliminary -- for discussion only ]**

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

#### Sources:

Bond Proceeds:	
Par Amount	33,535,000.00
	33,535,000.00

#### Uses:

Project Fund Deposits:	
Project Fund	24,449,310.42
Other Fund Deposits:	
Capitalized Interest Fund	5,030,250.00
Debt Service Reserve Fund	3,084,739.58
	8,114,989.58
Cost of Issuance:	
Other Cost of Issuance	300,000.00
Delivery Date Expenses:	
Underwriter's Discount	670,700.00
	33,535,000.00



## BOND SUMMARY STATISTICS

### WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019 40.000 (target) Mills

**Non-Rated, 100x, 30-yr. Maturity**  
**(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)**  
**[ Preliminary -- for discussion only ]**

Dated Date	12/01/2019
Delivery Date	12/01/2019
First Coupon	06/01/2020
Last Maturity	12/01/2049
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.148087%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.215746%
Average Coupon	5.000000%
Average Life (years)	24.153
Weighted Average Maturity (years)	24.153
Duration of Issue (years)	13.931
Par Amount	33,535,000.00
Bond Proceeds	33,535,000.00
Total Interest	40,498,750.00
Net Interest	41,169,450.00
Bond Years from Dated Date	809,975,000.00
Bond Years from Delivery Date	809,975,000.00
Total Debt Service	74,033,750.00
Maximum Annual Debt Service	6,536,250.00
Average Annual Debt Service	2,467,791.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2049	33,535,000.00	100.000	5.000%	24.153	01/25/2044	51,979.25
	33,535,000.00			24.153		51,979.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	33,535,000.00	33,535,000.00	33,535,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-670,700.00	-670,700.00	
- Cost of Issuance Expense		-300,000.00	
- Other Amounts			
Target Value	32,864,300.00	32,564,300.00	33,535,000.00
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	5.148087%	5.215746%	5.000000%



## BOND DEBT SERVICE

### WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019

40.000 (target) Mills

Non-Rated, 100x, 30-yr. Maturity

(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

[ Preliminary -- for discussion only ]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020			838,375	838,375	
12/01/2020			838,375	838,375	1,676,750
06/01/2021			838,375	838,375	
12/01/2021			838,375	838,375	1,676,750
06/01/2022			838,375	838,375	
12/01/2022			838,375	838,375	1,676,750
06/01/2023			838,375	838,375	
12/01/2023			838,375	838,375	1,676,750
06/01/2024			838,375	838,375	
12/01/2024			838,375	838,375	1,676,750
06/01/2025			838,375	838,375	
12/01/2025			838,375	838,375	1,676,750
06/01/2026			838,375	838,375	
12/01/2026			838,375	838,375	1,676,750
06/01/2027			838,375	838,375	
12/01/2027			838,375	838,375	1,676,750
06/01/2028			838,375	838,375	
12/01/2028	105,000	5.000%	838,375	943,375	1,781,750
06/01/2029			835,750	835,750	
12/01/2029	255,000	5.000%	835,750	1,090,750	1,926,500
06/01/2030			829,375	829,375	
12/01/2030	385,000	5.000%	829,375	1,214,375	2,043,750
06/01/2031			819,750	819,750	
12/01/2031	400,000	5.000%	819,750	1,219,750	2,039,500
06/01/2032			809,750	809,750	
12/01/2032	545,000	5.000%	809,750	1,354,750	2,164,500
06/01/2033			796,125	796,125	
12/01/2033	570,000	5.000%	796,125	1,366,125	2,162,250
06/01/2034			781,875	781,875	
12/01/2034	730,000	5.000%	781,875	1,511,875	2,293,750
06/01/2035			763,625	763,625	
12/01/2035	765,000	5.000%	763,625	1,528,625	2,292,250
06/01/2036			744,500	744,500	
12/01/2036	945,000	5.000%	744,500	1,689,500	2,434,000
06/01/2037			720,875	720,875	
12/01/2037	990,000	5.000%	720,875	1,710,875	2,431,750
06/01/2038			696,125	696,125	
12/01/2038	1,185,000	5.000%	696,125	1,881,125	2,577,250
06/01/2039			666,500	666,500	
12/01/2039	1,245,000	5.000%	666,500	1,911,500	2,578,000
06/01/2040			635,375	635,375	
12/01/2040	1,460,000	5.000%	635,375	2,095,375	2,730,750
06/01/2041			598,875	598,875	
12/01/2041	1,535,000	5.000%	598,875	2,133,875	2,732,750
06/01/2042			560,500	560,500	
12/01/2042	1,775,000	5.000%	560,500	2,335,500	2,896,000
06/01/2043			516,125	516,125	
12/01/2043	1,865,000	5.000%	516,125	2,381,125	2,897,250
06/01/2044			469,500	469,500	
12/01/2044	2,130,000	5.000%	469,500	2,599,500	3,069,000
06/01/2045			416,250	416,250	
12/01/2045	2,240,000	5.000%	416,250	2,656,250	3,072,500
06/01/2046			360,250	360,250	
12/01/2046	2,535,000	5.000%	360,250	2,895,250	3,255,500
06/01/2047			296,875	296,875	
12/01/2047	2,660,000	5.000%	296,875	2,956,875	3,253,750
06/01/2048			230,375	230,375	
12/01/2048	2,990,000	5.000%	230,375	3,220,375	3,450,750
06/01/2049			155,625	155,625	
12/01/2049	6,225,000	5.000%	155,625	6,380,625	6,536,250
	33,535,000		40,498,750	74,033,750	74,033,750



## NET DEBT SERVICE

### WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019 40.000 (target) Mills

**Non-Rated, 100x, 30-yr. Maturity**  
**(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)**  
**[ Preliminary -- for discussion only ]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
12/01/2020		1,676,750	1,676,750		1,676,750	
12/01/2021		1,676,750	1,676,750		1,676,750	
12/01/2022		1,676,750	1,676,750		1,676,750	
12/01/2023		1,676,750	1,676,750			1,676,750.00
12/01/2024		1,676,750	1,676,750			1,676,750.00
12/01/2025		1,676,750	1,676,750			1,676,750.00
12/01/2026		1,676,750	1,676,750			1,676,750.00
12/01/2027		1,676,750	1,676,750			1,676,750.00
12/01/2028	105,000	1,676,750	1,781,750			1,781,750.00
12/01/2029	255,000	1,671,500	1,926,500			1,926,500.00
12/01/2030	385,000	1,658,750	2,043,750			2,043,750.00
12/01/2031	400,000	1,639,500	2,039,500			2,039,500.00
12/01/2032	545,000	1,619,500	2,164,500			2,164,500.00
12/01/2033	570,000	1,592,250	2,162,250			2,162,250.00
12/01/2034	730,000	1,563,750	2,293,750			2,293,750.00
12/01/2035	765,000	1,527,250	2,292,250			2,292,250.00
12/01/2036	945,000	1,489,000	2,434,000			2,434,000.00
12/01/2037	990,000	1,441,750	2,431,750			2,431,750.00
12/01/2038	1,185,000	1,392,250	2,577,250			2,577,250.00
12/01/2039	1,245,000	1,333,000	2,578,000			2,578,000.00
12/01/2040	1,460,000	1,270,750	2,730,750			2,730,750.00
12/01/2041	1,535,000	1,197,750	2,732,750			2,732,750.00
12/01/2042	1,775,000	1,121,000	2,896,000			2,896,000.00
12/01/2043	1,865,000	1,032,250	2,897,250			2,897,250.00
12/01/2044	2,130,000	939,000	3,069,000			3,069,000.00
12/01/2045	2,240,000	832,500	3,072,500			3,072,500.00
12/01/2046	2,535,000	720,500	3,255,500			3,255,500.00
12/01/2047	2,660,000	593,750	3,253,750			3,253,750.00
12/01/2048	2,990,000	460,750	3,450,750			3,450,750.00
12/01/2049	6,225,000	311,250	6,536,250	3,084,739.58		3,451,510.42
	33,535,000	40,498,750	74,033,750	3,084,739.58	5,030,250	65,918,760.42



## BOND SOLUTION

### WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019 40.000 (target) Mills

**Non-Rated, 100x, 30-yr. Maturity**  
**(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)**  
**[ Preliminary -- for discussion only ]**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2020		1,676,750	-1,676,750		52,492	52,492	
12/01/2021		1,676,750	-1,676,750		206,000	206,000	
12/01/2022		1,676,750	-1,676,750		402,717	402,717	
12/01/2023		1,676,750		1,676,750	593,424	-1,083,326	35.39134%
12/01/2024		1,676,750		1,676,750	816,865	-859,885	48.71713%
12/01/2025		1,676,750		1,676,750	1,057,835	-618,915	63.08841%
12/01/2026		1,676,750		1,676,750	1,307,463	-369,287	77.97604%
12/01/2027		1,676,750		1,676,750	1,552,011	-124,739	92.56069%
12/01/2028	105,000	1,781,750		1,781,750	1,786,143	4,393	100.24658%
12/01/2029	255,000	1,926,500		1,926,500	1,928,541	2,041	100.10593%
12/01/2030	385,000	2,043,750		2,043,750	2,044,253	503	100.02462%
12/01/2031	400,000	2,039,500		2,039,500	2,044,253	4,753	100.23306%
12/01/2032	545,000	2,164,500		2,164,500	2,166,908	2,408	100.11127%
12/01/2033	570,000	2,162,250		2,162,250	2,166,908	4,658	100.21544%
12/01/2034	730,000	2,293,750		2,293,750	2,296,923	3,173	100.13833%
12/01/2035	765,000	2,292,250		2,292,250	2,296,923	4,673	100.20386%
12/01/2036	945,000	2,434,000		2,434,000	2,434,738	738	100.03033%
12/01/2037	990,000	2,431,750		2,431,750	2,434,738	2,988	100.12289%
12/01/2038	1,185,000	2,577,250		2,577,250	2,580,823	3,573	100.13862%
12/01/2039	1,245,000	2,578,000		2,578,000	2,580,823	2,823	100.10949%
12/01/2040	1,460,000	2,730,750		2,730,750	2,735,672	4,922	100.18024%
12/01/2041	1,535,000	2,732,750		2,732,750	2,735,672	2,922	100.10692%
12/01/2042	1,775,000	2,896,000		2,896,000	2,899,812	3,812	100.13164%
12/01/2043	1,865,000	2,897,250		2,897,250	2,899,812	2,562	100.08844%
12/01/2044	2,130,000	3,069,000		3,069,000	3,073,801	4,801	100.15643%
12/01/2045	2,240,000	3,072,500		3,072,500	3,073,801	1,301	100.04234%
12/01/2046	2,535,000	3,255,500		3,255,500	3,258,229	2,729	100.08383%
12/01/2047	2,660,000	3,253,750		3,253,750	3,258,229	4,479	100.13766%
12/01/2048	2,990,000	3,450,750		3,450,750	3,453,723	2,973	100.08615%
12/01/2049	6,225,000	6,536,250	-3,084,740	3,451,510	3,453,723	2,212	100.06410%
	33,535,000	74,033,750	-8,114,990	65,918,760	63,593,256	-2,325,504	



## SOURCES AND USES OF FUNDS

**WATER'S EDGE METROPOLITAN DISTRICT  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029  
Pay & Cancel Refunding of (proposed) Series 2019 + New Money  
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity  
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)  
[ Preliminary -- for discussion only ]**

Dated Date	12/01/2029
Delivery Date	12/01/2029

**Sources:**

Bond Proceeds:	
Par Amount	50,330,000.00
Other Sources of Funds:	
Funds on Hand*	245,000.00
Series 2019 - DSRF	3,084,740.00
	3,329,740.00
	53,659,740.00

**Uses:**

Project Fund Deposits:	
Project Fund	19,203,715.00
Refunding Escrow Deposits:	
Cash Deposit*	34,004,375.00
Cost of Issuance:	
Other Cost of Issuance	200,000.00
Delivery Date Expenses:	
Underwriter's Discount	251,650.00
	53,659,740.00

[\*] Estimated balances, (tbd).



## BOND SUMMARY STATISTICS

**WATER'S EDGE METROPOLITAN DISTRICT**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029**  
**Pay & Cancel Refunding of (proposed) Series 2019 + New Money**  
**40.000 (target) Mills**  
**Assumes Investment Grade, 100x, 30-yr. Maturity**  
**(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)**  
**[ Preliminary -- for discussion only ]**

Dated Date	12/01/2029
Delivery Date	12/01/2029
First Coupon	06/01/2030
Last Maturity	12/01/2059
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.035174%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.063305%
Average Coupon	4.000000%
Average Life (years)	22.210
Weighted Average Maturity (years)	22.210
Duration of Issue (years)	14.524
Par Amount	50,330,000.00
Bond Proceeds	50,330,000.00
Total Interest	44,712,600.00
Net Interest	44,964,250.00
Bond Years from Dated Date	1,117,815,000.00
Bond Years from Delivery Date	1,117,815,000.00
Total Debt Service	95,042,600.00
Maximum Annual Debt Service	4,618,400.00
Average Annual Debt Service	3,168,086.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2059	50,330,000.00	100.000	4.000%	22.210	02/16/2052	87,574.20
	50,330,000.00			22.210		87,574.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	50,330,000.00	50,330,000.00	50,330,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-251,650.00	-251,650.00	
- Cost of Issuance Expense		-200,000.00	
- Other Amounts			
Target Value	50,078,350.00	49,878,350.00	50,330,000.00
Target Date	12/01/2029	12/01/2029	12/01/2029
Yield	4.035174%	4.063305%	4.000000%



## BOND DEBT SERVICE

**WATER'S EDGE METROPOLITAN DISTRICT  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029  
Pay & Cancel Refunding of (proposed) Series 2019 + New Money  
40.000 (target) Mills  
Assumes Investment Grade, 100x, 30-yr. Maturity  
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)  
[ Preliminary -- for discussion only ]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2030			1,006,600	1,006,600	
12/01/2030			1,006,600	1,006,600	2,013,200
06/01/2031			1,006,600	1,006,600	
12/01/2031	30,000	4.000%	1,006,600	1,036,600	2,043,200
06/01/2032			1,006,000	1,006,000	
12/01/2032	150,000	4.000%	1,006,000	1,156,000	2,162,000
06/01/2033			1,003,000	1,003,000	
12/01/2033	160,000	4.000%	1,003,000	1,163,000	2,166,000
06/01/2034			999,800	999,800	
12/01/2034	295,000	4.000%	999,800	1,294,800	2,294,600
06/01/2035			993,900	993,900	
12/01/2035	305,000	4.000%	993,900	1,298,900	2,292,800
06/01/2036			987,800	987,800	
12/01/2036	455,000	4.000%	987,800	1,442,800	2,430,600
06/01/2037			978,700	978,700	
12/01/2037	475,000	4.000%	978,700	1,453,700	2,432,400
06/01/2038			969,200	969,200	
12/01/2038	640,000	4.000%	969,200	1,609,200	2,578,400
06/01/2039			956,400	956,400	
12/01/2039	665,000	4.000%	956,400	1,621,400	2,577,800
06/01/2040			943,100	943,100	
12/01/2040	845,000	4.000%	943,100	1,788,100	2,731,200
06/01/2041			926,200	926,200	
12/01/2041	880,000	4.000%	926,200	1,806,200	2,732,400
06/01/2042			908,600	908,600	
12/01/2042	1,080,000	4.000%	908,600	1,988,600	2,897,200
06/01/2043			887,000	887,000	
12/01/2043	1,125,000	4.000%	887,000	2,012,000	2,899,000
06/01/2044			864,500	864,500	
12/01/2044	1,340,000	4.000%	864,500	2,204,500	3,069,000
06/01/2045			837,700	837,700	
12/01/2045	1,395,000	4.000%	837,700	2,232,700	3,070,400
06/01/2046			809,800	809,800	
12/01/2046	1,635,000	4.000%	809,800	2,444,800	3,254,600
06/01/2047			777,100	777,100	
12/01/2047	1,700,000	4.000%	777,100	2,477,100	3,254,200
06/01/2048			743,100	743,100	
12/01/2048	1,965,000	4.000%	743,100	2,708,100	3,451,200
06/01/2049			703,800	703,800	
12/01/2049	2,045,000	4.000%	703,800	2,748,800	3,452,600
06/01/2050			662,900	662,900	
12/01/2050	2,330,000	4.000%	662,900	2,992,900	3,655,800
06/01/2051			616,300	616,300	
12/01/2051	2,425,000	4.000%	616,300	3,041,300	3,657,600
06/01/2052			567,800	567,800	
12/01/2052	2,745,000	4.000%	567,800	3,312,800	3,880,600
06/01/2053			512,900	512,900	
12/01/2053	2,850,000	4.000%	512,900	3,362,900	3,875,800
06/01/2054			455,900	455,900	
12/01/2054	3,200,000	4.000%	455,900	3,655,900	4,111,800
06/01/2055			391,900	391,900	
12/01/2055	3,325,000	4.000%	391,900	3,716,900	4,108,800
06/01/2056			325,400	325,400	
12/01/2056	3,705,000	4.000%	325,400	4,030,400	4,355,800
06/01/2057			251,300	251,300	
12/01/2057	3,855,000	4.000%	251,300	4,106,300	4,357,600
06/01/2058			174,200	174,200	
12/01/2058	4,270,000	4.000%	174,200	4,444,200	4,618,400
06/01/2059			88,800	88,800	
12/01/2059	4,440,000	4.000%	88,800	4,528,800	4,617,600
	50,330,000		44,712,600	95,042,600	95,042,600



## NET DEBT SERVICE

**WATER'S EDGE METROPOLITAN DISTRICT  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029  
Pay & Cancel Refunding of (proposed) Series 2019 + New Money  
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity  
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)  
[ Preliminary -- for discussion only ]**

Period Ending	Principal	Interest	Total Debt Service	Net Debt Service
12/01/2030		2,013,200	2,013,200	2,013,200
12/01/2031	30,000	2,013,200	2,043,200	2,043,200
12/01/2032	150,000	2,012,000	2,162,000	2,162,000
12/01/2033	160,000	2,006,000	2,166,000	2,166,000
12/01/2034	295,000	1,999,600	2,294,600	2,294,600
12/01/2035	305,000	1,987,800	2,292,800	2,292,800
12/01/2036	455,000	1,975,600	2,430,600	2,430,600
12/01/2037	475,000	1,957,400	2,432,400	2,432,400
12/01/2038	640,000	1,938,400	2,578,400	2,578,400
12/01/2039	665,000	1,912,800	2,577,800	2,577,800
12/01/2040	845,000	1,886,200	2,731,200	2,731,200
12/01/2041	880,000	1,852,400	2,732,400	2,732,400
12/01/2042	1,080,000	1,817,200	2,897,200	2,897,200
12/01/2043	1,125,000	1,774,000	2,899,000	2,899,000
12/01/2044	1,340,000	1,729,000	3,069,000	3,069,000
12/01/2045	1,395,000	1,675,400	3,070,400	3,070,400
12/01/2046	1,635,000	1,619,600	3,254,600	3,254,600
12/01/2047	1,700,000	1,554,200	3,254,200	3,254,200
12/01/2048	1,965,000	1,486,200	3,451,200	3,451,200
12/01/2049	2,045,000	1,407,600	3,452,600	3,452,600
12/01/2050	2,330,000	1,325,800	3,655,800	3,655,800
12/01/2051	2,425,000	1,232,600	3,657,600	3,657,600
12/01/2052	2,745,000	1,135,600	3,880,600	3,880,600
12/01/2053	2,850,000	1,025,800	3,875,800	3,875,800
12/01/2054	3,200,000	911,800	4,111,800	4,111,800
12/01/2055	3,325,000	783,800	4,108,800	4,108,800
12/01/2056	3,705,000	650,800	4,355,800	4,355,800
12/01/2057	3,855,000	502,600	4,357,600	4,357,600
12/01/2058	4,270,000	348,400	4,618,400	4,618,400
12/01/2059	4,440,000	177,600	4,617,600	4,617,600
	50,330,000	44,712,600	95,042,600	95,042,600



## SUMMARY OF BONDS REFUNDED

**WATER'S EDGE METROPOLITAN DISTRICT  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029  
Pay & Cancel Refunding of (proposed) Series 2019 + New Money  
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity  
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)  
[ Preliminary -- for discussion only ]**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
7/30/18: Ser 19 NR SP, 5.00%, 100x, 40mls, FG+6% BiRE:					
TERM49	12/01/2030	5.000%	385,000.00	12/01/2029	100.000
	12/01/2031	5.000%	400,000.00	12/01/2029	100.000
	12/01/2032	5.000%	545,000.00	12/01/2029	100.000
	12/01/2033	5.000%	570,000.00	12/01/2029	100.000
	12/01/2034	5.000%	730,000.00	12/01/2029	100.000
	12/01/2035	5.000%	765,000.00	12/01/2029	100.000
	12/01/2036	5.000%	945,000.00	12/01/2029	100.000
	12/01/2037	5.000%	990,000.00	12/01/2029	100.000
	12/01/2038	5.000%	1,185,000.00	12/01/2029	100.000
	12/01/2039	5.000%	1,245,000.00	12/01/2029	100.000
	12/01/2040	5.000%	1,460,000.00	12/01/2029	100.000
	12/01/2041	5.000%	1,535,000.00	12/01/2029	100.000
	12/01/2042	5.000%	1,775,000.00	12/01/2029	100.000
	12/01/2043	5.000%	1,865,000.00	12/01/2029	100.000
	12/01/2044	5.000%	2,130,000.00	12/01/2029	100.000
	12/01/2045	5.000%	2,240,000.00	12/01/2029	100.000
	12/01/2046	5.000%	2,535,000.00	12/01/2029	100.000
	12/01/2047	5.000%	2,660,000.00	12/01/2029	100.000
	12/01/2048	5.000%	2,990,000.00	12/01/2029	100.000
	12/01/2049	5.000%	6,225,000.00	12/01/2029	100.000
			33,175,000.00		



## ESCROW REQUIREMENTS

**WATER'S EDGE METROPOLITAN DISTRICT  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029  
Pay & Cancel Refunding of (proposed) Series 2019 + New Money  
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity  
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)  
[ Preliminary -- for discussion only ]**

Dated Date	12/01/2029
Delivery Date	12/01/2029

**7/30/18: Ser 19 NR SP, 5.00%, 100x, 40mls, FG+6% BiRE**

Period Ending	Interest	Principal Redeemed	Total
12/01/2029	829,375.00	33,175,000.00	34,004,375.00
	829,375.00	33,175,000.00	34,004,375.00



## PRIOR BOND DEBT SERVICE

### WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029 Pay & Cancel Refunding of (proposed) Series 2019 + New Money 40.000 (target) Mills

Assumes Investment Grade, 100x, 30-yr. Maturity  
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)  
[ Preliminary -- for discussion only ]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2029			829,375	829,375	
06/01/2030			829,375	829,375	
12/01/2030	385,000	5.000%	829,375	1,214,375	2,873,125
06/01/2031			819,750	819,750	
12/01/2031	400,000	5.000%	819,750	1,219,750	2,039,500
06/01/2032			809,750	809,750	
12/01/2032	545,000	5.000%	809,750	1,354,750	2,164,500
06/01/2033			796,125	796,125	
12/01/2033	570,000	5.000%	796,125	1,366,125	2,162,250
06/01/2034			781,875	781,875	
12/01/2034	730,000	5.000%	781,875	1,511,875	2,293,750
06/01/2035			763,625	763,625	
12/01/2035	765,000	5.000%	763,625	1,528,625	2,292,250
06/01/2036			744,500	744,500	
12/01/2036	945,000	5.000%	744,500	1,689,500	2,434,000
06/01/2037			720,875	720,875	
12/01/2037	990,000	5.000%	720,875	1,710,875	2,431,750
06/01/2038			696,125	696,125	
12/01/2038	1,185,000	5.000%	696,125	1,881,125	2,577,250
06/01/2039			666,500	666,500	
12/01/2039	1,245,000	5.000%	666,500	1,911,500	2,578,000
06/01/2040			635,375	635,375	
12/01/2040	1,460,000	5.000%	635,375	2,095,375	2,730,750
06/01/2041			598,875	598,875	
12/01/2041	1,535,000	5.000%	598,875	2,133,875	2,732,750
06/01/2042			560,500	560,500	
12/01/2042	1,775,000	5.000%	560,500	2,335,500	2,896,000
06/01/2043			516,125	516,125	
12/01/2043	1,865,000	5.000%	516,125	2,381,125	2,897,250
06/01/2044			469,500	469,500	
12/01/2044	2,130,000	5.000%	469,500	2,599,500	3,069,000
06/01/2045			416,250	416,250	
12/01/2045	2,240,000	5.000%	416,250	2,656,250	3,072,500
06/01/2046			360,250	360,250	
12/01/2046	2,535,000	5.000%	360,250	2,895,250	3,255,500
06/01/2047			296,875	296,875	
12/01/2047	2,660,000	5.000%	296,875	2,956,875	3,253,750
06/01/2048			230,375	230,375	
12/01/2048	2,990,000	5.000%	230,375	3,220,375	3,450,750
06/01/2049			155,625	155,625	
12/01/2049	6,225,000	5.000%	155,625	6,380,625	6,536,250
	33,175,000		24,565,875	57,740,875	57,740,875



## BOND SOLUTION

**WATER'S EDGE METROPOLITAN DISTRICT  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029  
Pay & Cancel Refunding of (proposed) Series 2019 + New Money  
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity  
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)  
[ Preliminary -- for discussion only ]**

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2030		2,013,200	2,013,200	2,044,253	31,053	101.54248%
12/01/2031	30,000	2,043,200	2,043,200	2,044,253	1,053	100.05155%
12/01/2032	150,000	2,162,000	2,162,000	2,166,908	4,908	100.22703%
12/01/2033	160,000	2,166,000	2,166,000	2,166,908	908	100.04194%
12/01/2034	295,000	2,294,600	2,294,600	2,296,923	2,323	100.10123%
12/01/2035	305,000	2,292,800	2,292,800	2,296,923	4,123	100.17982%
12/01/2036	455,000	2,430,600	2,430,600	2,434,738	4,138	100.17026%
12/01/2037	475,000	2,432,400	2,432,400	2,434,738	2,338	100.09613%
12/01/2038	640,000	2,578,400	2,578,400	2,580,823	2,423	100.09396%
12/01/2039	665,000	2,577,800	2,577,800	2,580,823	3,023	100.11725%
12/01/2040	845,000	2,731,200	2,731,200	2,735,672	4,472	100.16373%
12/01/2041	880,000	2,732,400	2,732,400	2,735,672	3,272	100.11975%
12/01/2042	1,080,000	2,897,200	2,897,200	2,899,812	2,612	100.09016%
12/01/2043	1,125,000	2,899,000	2,899,000	2,899,812	812	100.02802%
12/01/2044	1,340,000	3,069,000	3,069,000	3,073,801	4,801	100.15643%
12/01/2045	1,395,000	3,070,400	3,070,400	3,073,801	3,401	100.11077%
12/01/2046	1,635,000	3,254,600	3,254,600	3,258,229	3,629	100.11150%
12/01/2047	1,700,000	3,254,200	3,254,200	3,258,229	4,029	100.12381%
12/01/2048	1,965,000	3,451,200	3,451,200	3,453,723	2,523	100.07310%
12/01/2049	2,045,000	3,452,600	3,452,600	3,453,723	1,123	100.03252%
12/01/2050	2,330,000	3,655,800	3,655,800	3,660,946	5,146	100.14077%
12/01/2051	2,425,000	3,657,600	3,657,600	3,660,946	3,346	100.09148%
12/01/2052	2,745,000	3,880,600	3,880,600	3,880,603	3	100.00008%
12/01/2053	2,850,000	3,875,800	3,875,800	3,880,603	4,803	100.12392%
12/01/2054	3,200,000	4,111,800	4,111,800	4,113,439	1,639	100.03986%
12/01/2055	3,325,000	4,108,800	4,108,800	4,113,439	4,639	100.11291%
12/01/2056	3,705,000	4,355,800	4,355,800	4,360,245	4,445	100.10206%
12/01/2057	3,855,000	4,357,600	4,357,600	4,360,245	2,645	100.06071%
12/01/2058	4,270,000	4,618,400	4,618,400	4,621,860	3,460	100.07492%
12/01/2059	4,440,000	4,617,600	4,617,600	4,621,860	4,260	100.09226%
	50,330,000	95,042,600	95,042,600	95,163,952	121,352	



## EXHIBIT L

### Public Benefits

This Project and Planned Development is proposed to support the needs of the City's residents, the surrounding community, and the City's stated missions and objectives. Enabling the Districts to finance a portion of the "basic" Public Improvements is essential to offset the higher costs associated with delivering public benefit through extraordinary development outcomes.

**Indirect Costs:** Necessary extraordinary developer costs associated with delivering public benefits/extraordinary development outcomes that will not be incurred by the Districts and will not be approved in the Districts' Public Improvement Cost Estimates.

Stepless Entries Accommodate Senior Access. Builder cost on 83% of lots.  $457 \times \$4,500 = \$2,056,500$

Wider Lots to Accommodate Single-level, Senior-Friendly House Design. Lost revenue from fewer lots (170) plus additional infrastructure (20% greater).  $170 \times \$50,000 + 20\% \text{ of } \$29,370,566 = \$14,374,113$  discounted by 25%\* = \$10,780,585

Single-level House Additional Building Costs. Differential of 10% per square foot.  $\$243-220 \times 2250\text{sf} \times 739 \text{ houses} = \$38,243,250$  discounted by 25%\* = \$ 28,682,438

**Total Indirect Costs: \$41,519,523.**

### Enhanced Development Outcomes:

Delaying Assisted Living. Delaying moving to independent senior living or assisted living through community design, house design, a walkable community, with a senior center and other compelling public spaces onsite, and helpful services such as snow removal, irrigation control and front yard landscape maintenance. Assuming a cost of \$6,000/mo. for independent/assisted living vs. \$2,500/mo. to stay in the house:  $\$6000 - \$2500$  for 10% of residents for 12 to 24 months = \$3,561,000 to \$7,140,000 annually

Basic Public Improvement Costs:	<b>\$59,009,201</b>
Non- Basic (Extraordinary) Public Improvement Costs:	<b>\$31,281,352</b>
Direct Public Improvement Costs (basic + non-basic):	<b>\$90,290,553</b>
Requested Debt Authorization:	<b>\$45,000,000</b>
Indirect Developer Costs:	<b>\$41,519,523</b>
Extraordinary Public Benefits (annual):	<b>\$3,561,000-\$7,140,000</b>

Following is a description of the Public Improvements that the Districts will assist in funding and operating, along with an analysis of how this infrastructure will serve to support various City initiatives and goals. This Project has incorporated the following basic principles and goals which underlie this analysis:

- City of Fort Collins Mission Statement: Innovate – Sustain – Connect (the "Triple Bottom Line")



- Operating Philosophy and Principles of Actual Communities (Waters' Edge General Partner)
  - To help engaged individuals in our sphere of influence to self-actualize
  - To create communities that allow residents to reach their full potential, physically, mentally and spiritually
  - To make a positive impact on surrounding communities
  - To respect the environment
  - A well-managed, financially strong, profitable company to implement these principles
- Waters' Edge Primary Goals:
  - Reduce the period of time when an individual is unhealthy, either mentally or physically, for the Waters' Edge Community, and the surrounding areas of influence
  - Implement recommendations from the Health Impact Assessment as specifically prepared for Waters' Edge, a community for adults aged 55 and older (attached)
  - Implement City Plan
- Metropolitan District Formation and Operating Principle: Facilities provided by the districts will be *extraordinary* and go *above and beyond* those provided in a typical development and those required by the City. The proposed districts will assist in implementing City goals and initiatives which will enhance the health and wellness of Waters' Edge residents and the surrounding community.
- Social Equity: By promoting the health and wellness of its residents, the proposed districts effects social equity in a positive manner. It provides services to an underserved and vulnerable population, encourages social and civic interaction and engagement, and serves to foster a sense of community among its residents. To the extent that the facilities and services provided by the proposed District disproportionately benefit an older population, the proposal may be seen as exclusionary. However, this population is increasing rapidly and Larimer County's over-65 demographic is one of the fastest growing in Colorado. The City should consider the specific needs of this population when evaluating this proposal.

#### Facilities to be Funded and Operated by the Districts and City Goals and Initiatives Supported

##### I. City Initiative Supported: *Climate Action Plan (Road to 2020)*

*The infrastructure detailed below, to be funded and operated by the proposed metropolitan districts, will support the City's Climate Action Plan by (1) helping to reduce emissions and promote sequestration of greenhouse gases, (2) significantly reducing water usage, and (3) reducing solid waste generation.*



- Health, Wellness and Senior Activity Center: This walkable facility, which will incorporate an artisan workshop and inventors center, will serve Waters' Edge residents and the surrounding community. The center will reduce the community's carbon footprint by reducing car travel to the existing Senior Center of 8 miles and travel to existing recreation of 4.5 miles.<sup>1</sup>
- Non-potable water system: This system is essential to be able to affordably create and maintain the project's expansive natural areas. The non-potable irrigation system will be financed by the land developer and then dedicated to the metropolitan districts. The non-potable system may be operated by the metropolitan districts.
  - Annual pumping costs are estimated at \$25,100, as compared to \$176,700 for potable water costs, based on current ELCO rates.
  - Estimated long-term annual water usage is reduced by 55%, from 51.4 million gallons to 23.5 million gallons.
  - Fertilizers applied through the system prevent over-fertilization and associated runoff
- Sustainability Center, including:
  - Commercial electric lawn mowers, and electric vehicle to collect compost
  - Solar recharging station for electric equipment and vehicles.
  - Solar gardens to provide renewable energy for community buildings
  - Compost collection site
- Community Kitchen: This kitchen will provide opportunities to use food before it is directed to pre-composting and composting by:
  - Source reduction
  - Education for residents and school children
- Enhanced and Expanded trail system and natural areas: Promotes walking/cycling and scooter use while discouraging vehicle use; green spaces and enhanced vegetation promote carbon sequestration
- Rehabilitation of the Windsor #8 Ditch: Wetlands natural areas along ditch promote carbon sequestration
- Already accomplished, yet an expense that can be offset by metropolitan district financing, is the plugging and abandonment of the five oil and gas wells on the property, three of which were in operation. The climate change benefit of closing off these wells cannot be overstated.

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<sup>1</sup> Note: Although not funded by the proposed metropolitan districts, the community will include a neighborhood commercial center which may include a grocery store, coffee shop, restaurants and service businesses. This center will be within walking, cycling or scooter distance for community residents.



## II. City Initiative Supported: *Nature in The City*

*The infrastructure and amenities detailed below will support the City's "Nature in the City" Initiative of providing a connected open space network accessible to the entire community that provides a variety of experiences and functional habitat for people, plants and wildlife.*

- Non-potable water system: This system is essential to be able to affordably create the project's expansive natural areas, as detailed below.
- Expanded Trail System and Natural Areas: These trails and natural areas will be adjacent to every home and provide residents with immediate access to the natural environment, even for those whose mobility is impaired. With minor exceptions, each home will back or front to open space. Waters' Edge will have two times the amount of natural areas than a typical subdivision. The trail system will connect to surrounding neighborhoods, promoting interconnectivity and use by all citizens.
- Enhanced Landscaping: Vegetative landscape will be focused on creating a quality environment for humans and wildlife with native species; ongoing stewardship will be performed by the proposed metropolitan districts. There will be edible plants (for both humans and wildlife) throughout the community.
- Rehabilitation of the Windsor #8 Ditch will feature:
  - Creation of wetlands to improve water quality and provide habitat for wildlife
  - High quality natural spaces
  - Trails to link the region
  - Transformation of an eyesore to an attractive and useful community amenity
  - Storm water retention as an aesthetic amenity

## III. City Plan and Initiative Supported: *Mountain Vista Subarea Plan and Urban Agriculture*

*The infrastructure funded and operated by the proposed metropolitan districts will support many of the objectives of the Mountain Vista Subarea Plan, particularly its emphasis on urban agriculture and elements of rural character. Among the amenities that will be provided are:*

- Community Gardens and Orchards: These facilities will be designed with raised beds and other features to facilitate their use by older residents. They will be spread in open spaces throughout the community and connected by the trail system. Promotes local food production.



- Community Kitchen: Will be used to educate the community on nutrition, healthy eating and sustainable agriculture.
- Greenhouses and aquaponics facility: additional elements of urban agriculture
- Redesigned #8 Ditch: regional trail system connects to “fingers” of open lands
- Trail System: creates a network of paths as opposed to a more urban grid of sidewalks

#### IV. City Initiative Supported: Social Sustainability Strategic Plan

*The infrastructure and programming funded and operated by the proposed metropolitan districts will support the City’s Social Sustainability Strategic Plan including three of the six dimensions of social sustainability including (1) Quality of Life, (2) Interconnectedness/Social Cohesion, and (3) Maturity (personal growth). It also supports one of the four themes of Social Sustainability as identified by the City - Community Wellness.*

The infrastructure and amenities previously discussed all support the primary goal of the Waters’ Edge community which is to promote the health and wellness of its residents and surrounding communities. To recap, those facilities and amenities include:

- A health, wellness and senior activity center
- An environmental sustainability center
- A non-potable water system
- A community kitchen
- Community gardens and orchards
- Community greenhouses and aquaponics facility
- Redesigned and rehabilitated Windsor #8 Ditch including wetlands and trail with regional connections
- Trail system and expanded natural areas
- Enhanced landscaping

The Waters’ Edge West community will provide extraordinary public benefits both to its residents, but also to the community at large by enabling people to stay in their homes longer and to be productive members of the Fort Collins community later into their lives. Accordingly, basic infrastructure of the community is included in the metropolitan districts’ financing opportunities to enable the extraordinary community design, the housing design and the breadth of facilities noted above.

The infrastructure and the facilities and amenities will promote the health and wellness of the community by:

- Providing an environment that encourages engagement in physical activities that promote wellness



- Providing an environment that encourages and facilitates social connection and interaction which is particularly important for older adults
- Providing an environment that encourages active modes of transportation, such as walking, cycling and electric scooters
- Increasing access to healthy, locally produced food
- Creating an environment where people with limited mobility and/or other disabilities can experience nature without having to travel outside their neighborhood
- Providing programming for older adults that supports ageing in place
- Providing programming that supports social interaction and activities that promote personal growth
- Creating an aesthetically pleasing environment in which to live

### Summary

Waters' Edge Investments is asking the City of Fort Collins to be its partner in developing an *innovative* and *exceptional* community by supporting and approving metropolitan districts to provide the infrastructure, amenities and services described herein. We believe that the features that the proposed districts will provide or will allow by offsetting other costs are truly *extraordinary* and in sync with many of the City's important initiatives as well as its operating philosophy as expressed in the tag line "Innovate – Sustain – Connect". This community cannot be achieved without the financing and operating opportunities afforded by metropolitan districts. If the City wants this type of development, and wants to achieve its reach goals, it must be willing to give extraordinary developments the tools to achieve those outcomes.



# *WATERS' EDGE*

## FORT COLLINS, CO

Proposal to the City of Fort Collins  
for Metropolitan Districts

*Waters' Edge Investments LLLP*

*August 14, 2018*



Waters' Edge is designed for empty nesters, active adults and seniors with the primary goal being to facilitate healthy aging-in-place.

This cohort is an underserved and rapidly expanding demographic in Northern Colorado. Waters' Edge is designed to meet their needs.

*WATERS' EDGE*  
FORT COLLINS, CO

Several thin, parallel white lines of varying lengths and orientations are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.



Waters' Edge incorporates the latest ideas and thoughts with respect to achieving this goal – to allow seniors to live healthy lives in their homes as long as possible. To increase the period of time when an individual is healthy mentally and physically.

*WATERS' EDGE*  
FORT COLLINS, CO

Several thin, parallel white lines of varying lengths and orientations are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.



Achieving our goal requires investment in community design and house design along with a higher level of services to each resident.

*WATERS' EDGE*  
FORT COLLINS, CO



## Indirect Costs

The indirect costs to achieve the goals of Waters' Edge have been identified in the Service Plan. The costs to provide stepless entries, where possible, and the costs to have every house be single-level living have been estimated at \$41,519,523. This equates to a cost of \$48,962 per house to accommodate our residents' needs.

*WATERS' EDGE*  
FORT COLLINS, CO

Several white lines of varying lengths and angles are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.



## Enhanced Development Outcome

The benefit of delaying moving to independent senior living or assisted living is accomplished through:

- Community design; access to nature, a walkable community with a senior center and other compelling public spaces onsite.
- House design; single-level living, stepless entries and universal design.
- Helpful services such as snow removal, irrigation control and front yard landscape maintenance.
- Social connections; senior center, programming and activities.

This benefit has been quantified.

*WATERS' EDGE*  
FORT COLLINS, CO



The cost savings to a senior of delaying the move to independent senior or assisted living is significant. The savings to the Waters' Edge community is huge. Estimated in Waters' Edge at \$3,561,000 to \$7,140,000 annually, this would total, at the lower estimate, over \$106 million over the 30 year term of the metro district bonds.

This cost saving, combined with the indirect costs give 3.5 times coverage for our request to use the metro district to offset basic infrastructure. And, no more than \$18 million of the debt capacity of the \$45 million debt limit can be used for basic infrastructure. This limitation ensures the lion's share of district financing is for extraordinary infrastructure.

*WATERS' EDGE*  
FORT COLLINS, CO



How does Waters' Edge measure up to Fort Collins' policy objectives? How will it deliver public benefits through extraordinary development outcomes? We will examine the four focus areas.

*WATERS' EDGE*  
FORT COLLINS, CO



# Environmental Sustainability Outcomes

Waters' Edge community design is focused on reducing off-site travel of its residents, reducing greenhouse gas emissions.

Our non-potable water system, which requires management by a district, not an HOA, will reduce water consumption by 55% benefiting the residents by lower operating costs and benefiting recreation and agriculture in Northern Colorado. The system will also allow liquefied fertilization which, while saving residents' money, also reduces the runoff of fertilizers to our natural drainages and streams.

Our planned Sustainability Center will teach by example using solar power to charge electric lawn mowers, while exhibiting the capped oil well pump.

Waters' Edge resiliency is strengthened by incorporating the latest design of Low Impact Development with bioretention facilities and permeable pavement systems.

Rehabilitating the #8 Ditch, addressed in the next two slides, will cleanup an existing environmental problem.



## Critical Public Infrastructure

Waters' Edge is contributing to regional transportation needs with construction of a traffic signal at Turnberry and Country Club Road and a contribution to resolving the vexing intersection at Timberline and Vine. And, significantly, Waters' Edge proposes to address an existing infrastructure issue with the planned rehabilitation of the Windsor #8 Ditch. The "new" ditch trail will connect to the planned regional trail system.

The Waters' Edge developer has mastered the rehabilitation of waterways, which the #8 Ditch sorely needs, as exemplified in the following photos.





COMPARE THE CURRENT WINDSOR #8 DITCH TO MEADOWS  
SANCTUARY, A PROJECT OF THE DEVELOPER IN JEFFERSON COUNTY.



## Smart Growth Management

Waters' Edge, with open space adjacent to nearly every lot, will be a friendly place for pedestrians, bicyclists and even electric scooters. The mixed use community design, with significant public spaces, multiple housing types, on-site recreation and a small commercial center exemplifies smart growth.

Waters' Edge promotes social interaction through development design, creating gathering places that attract people and facilitate connections. Reducing the need for off-site travel benefits the residents, by reducing costs and hassles, and benefits the planet by reducing greenhouse gases.

The community design will encourage healthier living patterns which is one of our primary goals.



## Strategic Priorities

Affordable Housing. Waters' Edge commitment to affordable housing for seniors is a different way to look at the subject. The City's Affordable Housing Strategic Plan dated October 6, 2015 states: *There is also a need for 55+ for-sale communities* (page 44). The Plan recognizes the need for housing for seniors to forestall the move to independent living or assisted living.

City Reach Goals. Waters' Edge meets the objective of *City Plan*, the *Mountain Vista Sub-Area Plan* and incorporates many of the aspects of *Nature in the City*, the aforementioned *Affordable Housing Plan*, the *Climate Action Plan* by reducing greenhouse gas emissions and the *Social Sustainability Strategic Plan*, including three of the six dimensions of social sustainability; (1) Quality of Life, (2) Interconnectedness/Social Cohesion, and (3) Maturity (personal growth).



## Public Private Partnership

Waters' Edge Investments is asking the City of Fort Collins to be its partner in developing an *innovative* and *exceptional* community by supporting and approving metropolitan districts to provide the infrastructure, amenities and services needed for such a community . We believe that the features that the proposed districts will provide or will allow by offsetting other costs are truly *extraordinary* and in sync with many of the City's important initiatives as well as the three major themes expressed in City Plan: "Innovate – Sustain – **Connect**".

This community cannot be achieved without the financing and operating opportunities afforded by metropolitan districts. If the City wants this type of development, and wants to achieve its reach goals, you must be willing to provide extraordinary developments the tools to achieve those outcomes.





Waters' Edge Metro District Request Preview

*Tom Leeson*



- What additional information does the committee recommend including for the Council evaluation of the proposed Waters' Edge Metro District Service Plan?



# Project Description



- 55+ Age Targeted
  - Senior friendly design (age in place)
  - Senior amenities
  - Enhanced open space
- 235 acres ; 847 units



# Policy Comparison – Key Provisions

	Project	Current	Proposed
Mill Levy Caps	<b><u>50 Mills</u></b>	40 Mills	50 Mills
Basic Infrastructure	<b>Partially</b>	To enable public benefit	To enable public benefit
Eminent Domain	Will Comply	Prohibited	Prohibited
Debt Limitation	Will Comply	100% of Capacity	100% of Capacity
Dissolution Limit	Ongoing for O&M	40 years	40 years (end user refunding exception)
Citizen Control	Will Comply	As early as possible	As early as possible
Multiple Districts	<b>Yes</b>	Projected over an extended period	Projected over an extended period
Commercial/ Residential Ratio	<b>Residential and Commercial</b>	90% to 10%	N/A



## Public Improvements – Phase I

### Phase I

Improvement	Amount
Non-Potable Water System	\$3.1 Million
Artisan Workshop/Inventors Center	\$3.5 Million
Sustainability Center	\$1.5 Million
Landscaping	\$840 Thousand
"Basic" - site prep., infrastructure, etc.	*\$18 Million
Design, Engineering, PM, Contingency	\$4 Million

*\*Basic infrastructure is maximum of \$18M between both Phase I and II.*



## Public Improvements – Phase II

Phase II	
Improvement	Amount
Non-Potable Water System	\$2.6 Million
Senior Activities Center	\$7 Million
Rehabilitate Windsor No. 8 Ditch	\$2 Million
Landscaping	\$979 Thousand
"Basic" - site prep., infrastructure, etc.	*\$18 Million
Design, Engineering, PM, Contingency	\$6 Million

*\*Basic infrastructure is maximum of \$18M between both Phase I and II.*



# Policy Evaluation & Public Benefits

## Environmental Sustainability



GHG Reduction



Water/Energy Conservation

Multimodal Transportation

Enhance Resiliency

Increase Renewable Capacity

## Critical Public Infrastructure

Existing significant infrastructure challenges

On-site

Off-site

## Smart Growth Management

Increase density

Walkability/Pedestrian Infrastructure

Availability of Transit

Public Spaces

Mixed-Use

## Strategic Priorities



Affordable Housing

Infill/Redevelopment

Economic Health Outcomes



## Questions for the Committee

- What additional information does the committee recommend including for the Council evaluation of the proposed Waters' Edge Metro District Service Plan?



## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

**Staff:** Josh Birks and Patrick Rowe

**Date:** August 20, 2018

### **SUBJECT FOR DISCUSSION**

Proposed Metro District at Montava Development

### **EXECUTIVE SUMMARY**

The developer of the proposed Montava Development has submitted a Metro District Service Plan to support a proposed development of approximately 988.5 acres located in the northeast portion of the community near the existing AB/InBev Brewery. The development is anticipated to include 2,000 single family homes, 2,400 multi-family units, 200,000 to 400,000 square feet of office, 88,900 square feet of retail. The project intends to provide 10 percent of housing units in a mix of for rent and for sale affordable housing. In addition, the project will deliver all units as US Department of Energy Certified Zero Energy Ready. The presentation will provide a review of the proposed metro district, based on the current state of staff's analysis.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

1. What additional information does the committee recommend including for the Council evaluation of the proposed Montava Metro District Service Plan?

### **BACKGROUND/DISCUSSION**

Montava is a multi-phase long-term development proposal located in the northeast portion of Fort Collins. The project is located with the area covered by the Mountain Vista Sub Area Plan (MVSAP). The project anticipates delivery on several key principals of the MVSAP while also providing a community that follows New Urbanist principles to promote environmentally friendly habits, walkable neighborhoods, and a variety of housing types.

### **PROJECT OVERVIEW**

The proposed Metro District will support a large-scale (988.5 acres) planned development that will extend the City into the largest remaining undeveloped section of the Growth Management Area (GMA). The project anticipates constructing:

- Approximately 4,400 residential units (a mix of single-family and multi-family);
- A town center including 88,900 square feet of retail;



- Approximately 200,000 to 400,000 square feet of office;
- Allocating land for natural areas, schools, and a community park;
- A 40-acre organic farm; and
- A variety of other public open spaces and trails.

The project is generally located between Mountain Vista on the south, Richards Lake Road on the north, Timberline Road on the West and the train tracks on the east (see **Attachment 2 – Project Vicinity Map**). The project, called Montava, “Mon” for mountains and “tava” the Ute Indian word for “sun,” uses the MVSAP as its basis for design and development approach.

## METRO DISTRICT

Montava has submitted the Consolidated Service Plan for Montava Metropolitan District Nos. 1-7 (the “Service Plan”). The Metro District would be used to construct critical public infrastructure and other site costs reducing the overall development costs.

### *Service Plan Overview*

The Service Plan calls for the creation of seven Metro Districts working collaboratively to deliver the proposed Montava development. The phased development is anticipated to occur over the next 25 plus years and support an estimated population of 11,073. A few highlights about the proposed Service Plan, include:

- **Assessed Value** – Estimated to be approximately \$76 million in 2029, which would be ten years into the phased development and not include full build-out
- **Aggregate Mill Levy** – 60 mills, subject to Gallagher Adjustments
- **Debt Mill Levy** – 40 mills, may not be levied until an approved development plan or intergovernmental agreement has been executed that delivers the pledged public benefits
- **Operating Mill Levy** – 20 Mills to fund several on-going operations, such as but not limited to: (a) a non-potable irrigation system, and (b) a community-wide “in home” water conservation program
- **Maximum Debt Authorization** – Anticipated to be \$203 million to cover a total a portion of the estimated \$325 million in public improvement costs
- **Regional Mill Levy** – 5 Mills, anticipated to be used to fund specific transportation and/or stormwater improvements

### *Public Improvements*

The Service Plans anticipate using the Debt Mill Levy to support the issuance of bonds in the maximum amount of \$203 million to fund all or a portion of the following \$325 million in public improvements (details available in *Exhibit E* and *Exhibit H* of the Service Plan):

- **Earthwork** – Up to approximately \$21.5 million in earthwork and site preparation costs associated with the proposed project, including significant grading associated with stormwater management linked to the Cooper Slough
- **Streets** – Up to approximately \$105.3 million to fund local residential streets, alleys, boulevards, and arterials both on- and off-site



- **Water Improvements** – Up to \$11.1 million in costs to construct potable water infrastructure both on- and off-site supporting the project
- **Sanitary Sewer Improvements** – Up to \$15.7 million in costs associated with constructing the sanitary sewer infrastructure both on- and off-site for the project
- **Non-potable Water** – Up to \$13.8 million to construct a non-potable irrigation system to serve the entire development – this infrastructure will significantly reduce the projects need to acquire water rights and demand on potable water treatment facilities
- **Storm Sewer Improvements** – Up to \$10.2 million in costs to construct the main storm sewer system and infrastructure for the project (costs associated with grading is included in the Earthwork amount above)
- **Recreation Facilities** – Up to \$8 million in costs to construct on- and off-site public parks, open space, recreation facilities and/or services
- **Landscaping, Trails, Open Space and Farm Facilities** – U to \$44.2 million to install landscaping, construct trails, open space, and farm facilities
- **Administrative, Miscellaneous, and Engineering** – Up to \$47 million in costs associated with administering, managing, surveying, engineering, inspecting, testing, planning, and permitting the construction of the public improvements
- **Contingency** – Up to \$48 million in contingency assumes a 20 percent factor on top of the costs estimates provide, which are only based on a conceptual design

Due to the preliminary nature of the project design and planning, the applicant has not supplied an estimate of non-basic costs. Non-basic costs are assumed to be costs that are not typical for a development of the proposed project's type and/or size. These costs therefore, are considered extraordinary infrastructure costs. While no estimate of non-basic costs has been supplied, the conceptual planning and design of the project has uncovered a number of extraordinary development conditions, including:

- **Cooper Slough** – The Cooper Slough creates several significant stormwater detention, retention, and water quality issues across the site. These impacts are complicated by the fact that the slough is not consolidated creating multiple entry points for water during a storm event. The net result is the need to manage the stormwater on the site in a variety of ways that deal with off-site conditions. This consumes a significant portion of land, approximate 150 acres or 15 percent of the District area, reducing the potential return from development and adding cost.
- **Utility Extension Requirements** – The proposed District will be served by ELCO and Boxelder Sanitary Sewer, both are smaller districts that do not have the necessary distribution infrastructure in place to support the proposed development. A significant cost will be associated with extending this infrastructure to serve the site.
- **Non-potable Irrigation System** – The applicant intends to serve 85 percent of the community's irrigation need through a non-potable system. Constructing, operating, and maintain this system will have significant costs – estimated at \$13.8 million to construct.

### *Public Benefits*

As required by the proposed new policy, the Service Plan will deliver several extraordinary development outcomes that support several public benefits. The benefits and, where available, their estimated value are described below (details available in *Exhibit K* of the Service Plan):



- **New Urbanist Development** – The applicant has designed the project following several key New Urbanist principles which promote environmentally friendly habits, create walkable neighborhoods, and a variety of housing types and job opportunities, including:
  - *Mixed-Use Town Center* – Plans include a traditional town center with walkable streets connecting it to surrounding neighborhoods, dense development (commercial and multi-family residential), and community serving retail uses (e.g., grocery, café and restaurants, etc.)
  - *Walkable Neighborhoods* – The project is planned as a series of 5-minute walk shed neighborhoods focused either on amenities along its edge (e.g., park, schools, and gardens) or within its boundaries (e.g., playgrounds and pocket parks, transportation facilities, etc.)
  - *Mixture of Housing Types* – The project plan calls for three zones of intensity within each neighborhood – each zone will provide a different density and housing type
  - *Pedestrian and Bicycle Friendly Streets* – The projects provides with a pattern of development that encourages walking and provides sidewalk, trail, and bike lane infrastructure to support that pattern of development
  - *Distributing Traffic* – The project relies on a grid of streets as an organizing principle – the street system creates walkable block sizes and distributes traffic over a broader area reducing impacts and congestion on collectors and arterials
  - *Integration of Market Rate and Affordable Housing* – The project plans to distribute subsidized affordable housing through the community – historic evidence indicates that integrating low-income households with a variety of income levels reduces the negative impacts many low-income households typically face and helps to overcome and break the cycle of poverty by removing social barriers
- **Agri-Urban Development** – The MVSAP calls for integration of agricultural uses with development, the project will have a 40-acre organic farm owned by a Land Coop; the District will fund the infrastructure, such as irrigation and water delivery, berms and wind breaks, interior roads, green houses, pack house facility, and farm stand reducing the cost of acquisition by the Land Coop
- **Energy and Water Conservation** – The project includes a number of commitments to reducing the energy and water consumption of the project below average consumption levels of similar development types, including:
  - *Zero Energy Ready* – The applicant has agreed to construct all 4,400 homes in the proposed project in compliance with the Department of Energy’s Zero Energy Ready and provide a ZERH rating for every home
  - *Residential Battery Storage* – The applicant is working with Colorado State University and the City of Fort Collins Utilities to create distributed storage by providing a battery in every home
  - *Non-potable Irrigation* – The applicant’s planned non-potable irrigation system will meet 85 percent of all irrigation needs and significantly reduce the use of potable water by the project – estimated cost of \$8.0 million
  - *Community-wide In-Home Water Conservation Program* – The applicant proposed purchasing water from the East Larimer County Water District (ELCO) through a master meter and “manage” individual user water consumption through allocations across the project, this could enable the project to achieve a significant reduction in overall water use



- **Parks & Recreation Facilities** – The applicant is working with the City to deliver several park and recreation facilities in the project that would serve the northeast region of Fort Collins primarily and all residents
  - *Community Recreation Center* – The applicant intends to partner with the City to develop and construct a Community Recreation Center in the project
  - *Poudre Library District Facility* – The applicant intends to partner with the Poudre Library District to develop a library branch in the project
  - *Community Park* – The applicant is working with the City to create an 80 plus acre community park to serve the northeast region of the City
- **Natural Areas** – The applicant is working to deliver natural areas through the project including 150 acres of stormwater land that will be landscaped to create habitat and function as a natural area providing both recreation facilities and Nature in the City
- **Multimodal Transportation Improvements** – The applicant designed the project with multimodal transportation principals
- **Affordable Housing** – The applicant intends to deliver at least 10 percent of the residential units as affordable housing with a mix of rental and ownership products – partnerships are forming with the City (for a Land Bank parcel), Housing Catalyst, and Land Trusts such as Elevations Land Trust, which serves the Front Range market
- **Housing Variety** – The applicant intends to deliver a variety of housing types

Due to the preliminary nature of the project design and planning, the applicant has not supplied an estimate of the value of the above public benefits. However, the wide range of benefits and partnerships will likely generate significant public benefit, that cannot be valued at this time.



## *Policy Comparison*

A comparison of the proposed use of Metro District revenues the currently adopted and proposed policy is provided below in **Table 1**.

**Table 1**  
**Metro District Policy Comparison**

	<b>Project</b>	<b>Current</b>	<b>Proposed</b>
<b>Mill Levy Caps</b>	<b><u>60 Mills</u></b>	40 Mills	50 Mills
<b>Basic Infrastructure</b>	<b>Partially</b>	Not favored	To enable public benefit
<b>Eminent Domain</b>	Will Comply	Prohibited	Prohibited
<b>Debt Limitation</b>	Will Comply	100% of Capacity	100% of Capacity
<b>Dissolution Limit</b>	Will Comply	40 years	40 years (end user refunding exception)
<b>Citizen Control</b>	Will Comply	As early as possible	As early as possible
<b>Multiple Districts</b>	<b>Yes</b>	Projected over an extended period	Projected over an extended period
<b>Commercial/ Residential Ratio</b>	<b>100% Residential</b>	90% to 10%	N/A

The conceptual use of a Metro District at Montava does not comply with the City's existing policy. However, it represents an example of the type of project that would comply with the proposed policy revisions to be considered by City Council on August 21, 2018.

## **POLICY EVALUATION & PUBLIC BENEFIT ASSESSMENT**

The proposed update to the policy supports the formation of a Metro District regardless of development type when a District delivers extraordinary public benefits. The public benefits should be: (1) aligned with the goals and objectives of the City whether such extraordinary public benefits are provided by the Metro District or by the entity developing the Metro District because Metro Districts exist to provide public improvements; and (2) not be practically provided by the City or an existing public entity, within a reasonable time and on a comparable basis. The Service Plan for the Montava Project delivers several proposed policy outcomes, as described in the attached matrix (see **Attachment 3**).

## *Public Benefits Value vs. Maximum Debt Authorization*



Due to the preliminary nature of the project design and planning, an analysis to estimate the net public benefit value cannot be completed at this time. Staff is continuing to work with the applicant to obtain estimates of public benefits not delivered directly the metro district. These inputs will help to complete an analysis to quantify the net public benefit of the proposed project.

### *Triple Bottom Line – Scan*

An interdisciplinary staff team is preparing a Triple Bottom Line Scan of the proposed Service Plan. The scan will compare the proposed development enabled by the Service Plan against the existing use of the property – generally agriculture. In addition, the scan will compare the proposed development against development that is consistent with the current zoning, which is generally Employment and Industrial. These two scans will provide a range of the economic, environmental, and social impacts of the project. This analysis will be complete and provided as part of the materials present to City Council when they formally consider the Service Plan on September 4, 2018.

### **FINANCIAL ASSESSMENT**

The proposed policy requires all District proposals submit a Financial Plan to the City for review. Utilizing the District's Financial Plan, and other supporting information which may be necessary, the City will evaluate a District's debt capacity and servicing ability. This analysis is still being prepared by Economic & Planning Systems and will be included in the materials presented to City Council on September 4, 2018.

### **ATTACHMENTS**

1. Staff Presentation
2. Project Vicinity Map
3. Policy Evaluation Matrix
4. Consolidated Service Plan for Montava Metropolitan District Nos. 1-4





Montava Metro District Request Preview

*Josh Birks*



- What additional information does the committee recommend including for the Council evaluation of the proposed Montava Metro District Service Plan?



# Project Description



- 25+ Year Multi Phase Master Planned Project
- Increased density
- 4,400 Residential Units
- 10% affordable



# Policy Comparison – Key Provisions

	Project	Current	Proposed
Mill Levy Caps	<b><u>60 Mills</u></b>	40 Mills	50 Mills
Basic Infrastructure	<b>Partially</b>	Not favored	To enable public benefit
Eminent Domain	Will Comply	Prohibited	Prohibited
Debt Limitation	Will Comply	100% of Capacity	100% of Capacity
Dissolution Limit	Will Comply	40 years	40 years (end user refunding exception)
Citizen Control	Will Comply	As early as possible	As early as possible
Multiple Districts	<b>Yes</b>	Projected over an extended period	Projected over an extended period
Commercial/ Residential Ratio	<b>100% Residential</b>	90% to 10%	N/A



# Public Improvements

Improvement	Description	Estimated Cost
Earthwork	Primarily grading	\$21.5 Million
Streets	Local streets, alleys, boulevards, arterials, off-site	\$105.3 Million
Water	Main infrastructure	\$11.1 Million
Sanitary Sewer	Main infrastructure	\$15.7 Million
Non-potable Irrigation	Irrigation System	\$13.8 Million
Storm Sewer	Main infrastructure	\$10.2 Million
Recreation Facilities	Parks, open space, rec. facilities	\$8.0 Million
Landscaping, Trails, Farm	Trail system, 40-acre farm	\$44.2 Million
Administrative	Engineering & Managing	\$47.0 Million
Contingency	20% of total cost	\$48.0 Million
<b>Total</b>		<b>\$325.2 Million</b>



# Policy Evaluation & Public Benefits

## Environmental Sustainability

GHG Reduction

Water/Energy  
Conservation

Multimodal  
Transportation

Enhance Resiliency

Increase Renewable  
Capacity

## Critical Public Infrastructure

Existing significant  
infrastructure  
challenges

On-site

Off-site

## Smart Growth Management

Increase density

Walkability/Pedestrian  
Infrastructure

Availability of Transit

Public Spaces

Mixed-Use

## Strategic Priorities

Affordable Housing

Workforce Housing

Infill/Redevelopment

Economic Health  
Outcomes

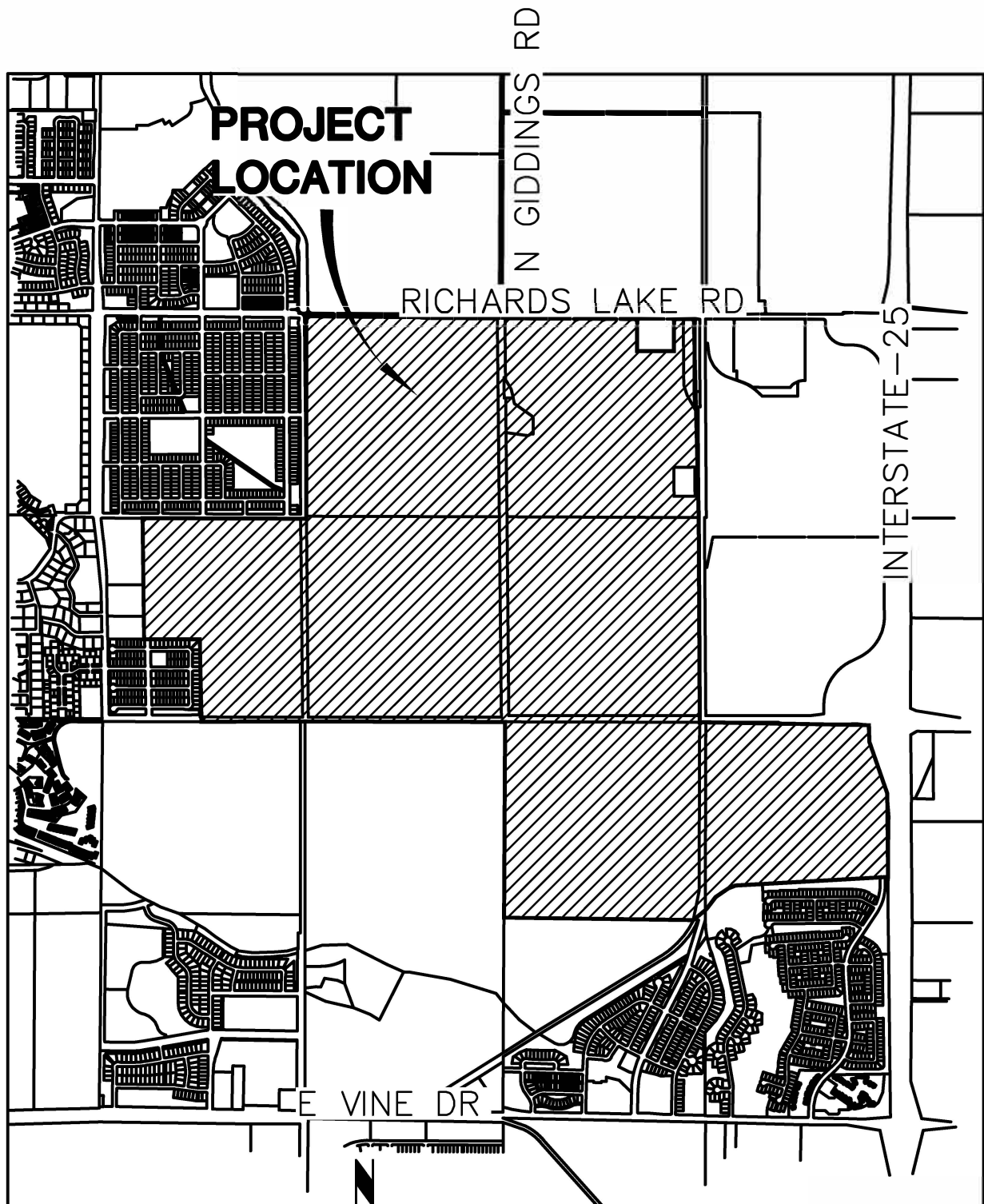


- What additional information does the committee recommend including for the Council evaluation of the proposed Montava Metro District Service Plan?



# ATTACHMENT 2 - MONTAVA METRO DISTRICT

FORT COLLINS, COLORADO



FORT COLLINS, CO  
DATE: JULY 2018  
JOB NO. 1230.0001.00  
SHEET 1 OF 1



748 Whalers Way, Suite 200  
Fort Collins, Colorado  
Phone: 970.226.0657  
Fax: 970.226.0204



## PUBLIC BENEFIT/POLICY ASSESSMENT MATRIX

Environmental Sustainability		Critical Public Infrastructure		Smart Growth Management		Strategic Priorities	
<b>GHG Reduction</b>	100% Zero Energy Ready; Distributed Storage	<b>On-Site</b>	Transportation system extension; Cooper Slough Improvements	<b>Increase Density</b>	Yes, New Urbanist	<b>Affordable Housing</b>	At least 10% of units; Approx. 440 units
<b>Water/Energy Conservation</b>	100% Zero Energy Ready; Distributed Storage; Non-potable irrigation system; Community-wide water conservation program			<b>Walkability/ Pedestrian Infrastructure</b>	Pedestrian and Bicycle Friendly design principles	<b>Workforce Housing</b>	N/A
<b>Multimodal Transportation</b>	Design principles applied	<b>Off-Site</b>	Contribution to Regional Transportation System	<b>Availability of Transit</b>	N/A	<b>Infill/ Redevelopment</b>	N/A
<b>Enhance Resiliency</b>	Cooper Slough			<b>Public Space</b>	Pocket Parks; Mixed-Use Open Space; 150 Acres natural area	<b>Economic Health</b>	N/A
<b>Increase Renewable Capacity</b>	Distributed Storage			<b>Mixed-Use</b>	Town Center; Housing Variety		



**CONSOLIDATED SERVICE PLAN**  
**FOR**  
**MONTAVA METROPOLITAN DISTRICT NOS. 1-7**  
**CITY OF FORT COLLINS, COLORADO**

Prepared by:  
White Bear Ankele Tanaka & Waldron, Professional Corporation  
2154 E. Commons Ave., Suite 2000  
Centennial, CO 80122

Submitted On: July 20, 2018

Approved On: \_\_\_\_\_, 2018



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## **EXHIBITS**

- EXHIBIT A    Legal Description of Initial District Boundaries
- EXHIBIT B    Initial District Boundary Map
- EXHIBIT C    Legal Description of Inclusion Area Boundaries
- EXHIBIT D    Inclusion Area Boundary Map
- EXHIBIT E    Public Improvements and Matrix of Ownership
- EXHIBIT F    Regional Improvements
- EXHIBIT G    Vicinity Map
- EXHIBIT H    Public Improvement Cost Estimates
- EXHIBIT I    Public Improvements Maps
- EXHIBIT J    Financial Plan
- EXHIBIT K    Public Benefits



## **I. INTRODUCTION**

### **A. Purpose and Intent.**

The Districts, which are intended to be independent units of local government separate and distinct from the City, are governed by this Service Plan, the Special District Act and other applicable State law. Except as may otherwise be provided for by State law, City Code or this Service Plan, the Districts' activities are subject to review and approval by the City Council only insofar as they are a material modification of this Service Plan under C.R.S. Section 32-1-207 of the Special District Act.

It is intended that the Districts will provide all of the Public Improvements for the Project for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements by the issuance of Debt.

It is intended that this Service Plan also authorizes the Districts to pay a portion of the cost of the Regional Improvements as part of ensuring that development and those that benefit from development pay for the associated costs.

The Districts are not intended to provide ongoing operations and maintenance services except as expressly authorized in this Service Plan.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if the Districts are authorized in this Service Plan to perform continuing operating or maintenance functions, to retain only the power necessary to impose and collect the taxes or Fees authorized in this Service Plan to pay for the costs of those functions.

It is intended that the Districts shall comply the provisions of this Service Plan and that the City may enforce any non-compliance with these provisions as provided in Section XVIII of this Service Plan.

### **B. Need for the Districts.**

There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements needed for the Project. Formation of the Districts is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

### **C. Objective of the City Regarding Districts' Service Plan.**



The City's objective in approving this Service Plan is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes and Fees imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy for commercial and residential properties, and/or repaid by Fees, as long as such Fees are not imposed upon or collected from Taxable Property owned or occupied by an End User for the purpose of creating a capital cost payment obligation as further described in Section VII.A.11. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

## **II. DEFINITIONS**

In this Service Plan, the following words, terms and phrases which appear in a capitalized format shall have the meaning indicated below, unless the context clearly requires otherwise:

Aggregate Mill Levy: means the total mill levy resulting from adding the Districts' Debt Mill Levy and Operating Mill Levy. The Districts' Aggregate Mill Levy does not include any Regional Mill Levy that the Districts may levy.

Aggregate Mill Levy Maximum: means the maximum number of combined mills that the Districts may levy for its Debt Mill Levy and Operating Mill Levy, not to exceed fifty (50) mills.

Approved Development Plan: means a City-approved development plan or other land-use application required by the City Code for identifying, among other things, public improvements necessary for facilitating the development of property within the Service Area.

Board or Boards: means the duly constituted Board or Boards of Directors of the Districts, or the boards of directors of all or the District, in the aggregate.

Bond, Bonds or Debt: means bonds, notes or other multiple fiscal year financial obligations for the payment of which a District has promised to impose an ad valorem property tax mill levy, Fees or other legally available revenue. Such terms do not include intergovernmental agreements pledging the collection and payment of property taxes or Fees in connection with a service district and taxing district(s) structure, if applicable, and other contracts through which a District procures or provides services or tangible property.

City: means the City of Fort Collins, Colorado, a home rule municipality. Any provision in this Service Plan requiring "City" approval shall be deemed to require the City Council's prior written approval, exercised in its sole discretion.



City Code: means collectively the City's Municipal Charter, Municipal Code, Land Use Code and ordinances as all are now existing and hereafter amended.

City Council: means the City Council of the City of Fort Collins, Colorado. Any exercise of approval or other power by the City Council under this Service Plan shall be deemed to be exercised by the City Council in its sole discretion.

City Manager: means the City Manager of the City of Fort Collins, Colorado.

C.R.S.: means the Colorado Revised Statutes.

Debt Mill Levy: means a property tax mill levy imposed on Taxable Property within the Districts for the purpose of paying Debt as authorized in this Service Plan.

Developer: means a person or entity that is the owner of property or owner of contractual rights to property in the Service Area that intends to develop the property.

Developer Obligation: means any agreement executed by a District for the purpose of borrowing funds from any Developer or related party developing or selling land within the Service Area or who is a member of a Board.

District: means any one of the Montava Metropolitan District Nos. 1-7, individually, organized under and governed by this Service Plan.

Districts: means the Montava Metropolitan District Nos. 1-7, collectively, organized under and governed by this Service Plan.

End User: means any owner, or tenant of any owner, of any property within the Districts, who is intended to become burdened by the imposition of ad valorem property taxes and/or Fees. By way of illustration, a resident homeowner, renter, commercial property owner or commercial tenant is an End User. A Developer and any person or entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (1) is qualified to advise Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place or, in the City's sole discretion, other recognized publication as a provider of financial projections; and (3) is not an officer or employee of the Districts.

Fees: means the fees, rates, tolls, penalties and charges the Districts are authorized to impose and collect under this Service Plan.



Financial Plan: means the Financial Plan described in Section IX of this Service Plan which is prepared by an External Financial Advisor in accordance with the requirements of this Service Plan and describes (a) how the Public Improvements may be financed; (b) how the Debt may be incurred; and (c) the estimated operating revenue derived from property taxes and any Fees for the first budget year through the year in which all District Debt is expected to be defeased or paid in the ordinary course. In the event the Financial Plan is not prepared by an External Financial Advisor, the Financial Plan is to be accompanied by a letter of support from an External Financial Advisor. This Financial Plan is intended to represent only one example of debt issuance and financing structure of the Districts, any variations or adjustments in the timing or implementation thereof shall not be interpreted as material modifications to this Service Plan.

Inclusion Area Boundaries: means the boundaries of the property that is anticipated to be added to the District Boundaries after the Districts organization, which property is legally described in **Exhibit C** attached hereto and incorporated by reference and depicted in the map attached hereto as **Exhibit D** and incorporated herein by reference.

Initial District Boundaries: means the boundaries of the area legally described in **Exhibit A** attached hereto and incorporated by reference and as depicted in the District Boundary Map.

Initial District Boundary Map: means the map of the District Boundaries attached hereto as **Exhibit B** and incorporated by reference.

Maximum Debt Authorization: means the total Debt the Districts are permitted to issue as set forth in Section IX.B.8 of this Service Plan.

Maximum Debt Mill Levy Imposition Term: means the maximum term during which the Districts' Debt Mill Levy may be imposed on property developed in the Service Area for residential use. This maximum term shall not exceed forty (40) years from December 31 of the year this Service Plan is approved by City Council.

Operating Mill Levy: means a property tax mill levy imposed on Taxable Property for the purpose of funding District administration, operations and maintenance as authorized in this Service Plan, including, without limitation, repair and replacement of Public Improvements.

Planned Development: means the private development or redevelopment of the properties in the Service Area under an Approved Development Plan.

Project: means the installation and construction of the Public Improvements for the Planned Development commonly referred to as "Montava".



Public Improvements: means the improvements and infrastructure the Districts are authorized by this Service Plan to fund and construct for the Planned Development to serve the future taxpayers and inhabitants of the Districts, except as specifically limited in Section VI of this Service Plan. Public Improvements may include, without limitation, the improvements and infrastructure described in **Exhibit E** attached hereto and incorporated by reference. Public Improvements do not include Regional Improvements.

Regional Improvements: means any regional public improvement identified by the City for funding, in whole or part, by a Regional Mill Levy levied by the Districts, including, without limitation, the public improvements described in **Exhibit F** attached hereto and incorporated by reference.

Regional Mill Levy: means the property tax mill tax imposed on Taxable Property for the purpose of planning, designing, acquiring, funding, constructing, installing, relocating and/or redeveloping the Regional Improvements and/or to fund the administration and overhead costs related to the Regional Improvements as provided in Section X of this Service Plan.

Service Area: means the property within the Initial District Boundaries and the property in the Inclusion Area Boundaries.

Special District Act: means Article 1 in Title 32 of the Colorado Revised Statutes, as amended.

Service Plan: means this service plan for the Districts approved by the City Council.

Service Plan Amendment: means a material modification of the Service Plan approved by the City Council in accordance with the Special District Act, this Service Plan and any other applicable law.

State: means the State of Colorado.

Taxable Property: means the real and personal property within the Initial District Boundaries and within the Inclusion Area Boundaries when added to the District Boundaries that will subject to the ad valorem taxes imposed by the Districts.

Vicinity Map: means the map attached hereto as **Exhibit G** and incorporated by reference depicting the location of the Service Area within the regional area surrounding it.

### **III. BOUNDARIES AND LOCATION**

The area of the Initial District Boundaries includes approximately 10 acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately 988.5 acres. A legal description and map of the Initial District Boundaries are attached hereto as **Exhibit A** and **Exhibit B**, respectively. A legal description and map of the Inclusion Area Boundaries are



attached hereto as **Exhibit C** and **Exhibit D**, respectively. It is anticipated that the Districts' boundaries may expand or contract from time to time as the Districts undertake inclusions or exclusions pursuant to the Special District Act, subject to the limitations set forth in this Service Plan. The location of the Service Area is depicted in the vicinity map attached as **Exhibit G**.

#### **IV. DESCRIPTION OF PROJECT, PLANNED DEVELOPMENT, PUBLIC BENEFITS & ASSESSED VALUATION**

##### **A. Project and Planned Development.**

The Districts are intended to enable the Montava Vision and Master Plan (the "Master Plan"). The Master Plan is the result of an unprecedented collaborative effort including: public meetings, a weeklong public charrette, and extensive City Staff involvement. The foundation of the 860-acre development is the Mountain Vista Sub Area Plan (the MVSAP), City Plan, and the Climate Action Plan. Montava will be a unique community - the name itself is a combination of "Mon" for our ever present mountains and the Ute Indian word "tava" which means "sun". "Mountain Sun" is both a reflection of the history and beauty of our area, and a commitment to renewable energy which is a foundational principal of the project.

Montava is planned as an extension of the City by providing a town center connected to surrounding development with community commercial and retail services including grocery, full and limited service restaurants, coffee and juice bar, service oriented business like insurance/hair/legal, City Recreation Center, Poudre Library, and many more uses. The transportation plan will tie the Project into the surrounding community including downtown Fort Collins. Any employment that is enabled by the Project will provide opportunity for anyone in the surrounding areas. Montava is a community that will serve all of Fort Collins. In a study commissioned by the developer of the Project, Bob Gibbs Consulting projects by 2022 Montava will have statistical market demand of up to 88,900 square feet and new retail development producing up to \$27.5 million in sales. At full build out, total additional demand could grow to 218,000 and \$70.1 million in gross sales annually.

The Project is currently anticipated to contain between 200,000 and 400,000 sf of office for employment opportunity, and between 70-100 acres of light and green industrial development, and residential development including approximately 2,000 single family homes and 2,400 multi-family units in a wide variety of types, sizes, and configurations. The anticipated population at build-out, which is anticipated to occur over 25+ years, is approximately 11,073 persons. The total assessed value at 5 years (2024) is estimated to be \$36,593,000, and the total assessed value at 10 years (2029) is estimated to be \$76,202,500. The total City tax paid in 5 years is estimated to be \$968,739 and total City tax paid in 10 years is estimated to be \$3,643,555.

Approval of this Service Plan by the City Council does not imply approval of the development of any particular land-use for any specific area within the Districts. Any such approval must be contained within an Approved Development Plan.



## B. Public Benefits.

The organization of the Districts is intended to enable the Project to deliver a number of extraordinary public benefits, including: smart growth management through New Urbanist principles, Argi-Urban development, energy and water conservation, community services, park and school integration, natural areas integration, multi-modal transportation, Zero Energy Ready Homes construction, affordable housing, housing variety, innovation, and employment integration. The purpose of the Districts is to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements necessary to enable Project to develop as planned. A detailed description of the extraordinary public benefits of the Project is attached hereto as **Exhibit K**.

## C. Assessed Valuation.

The current assessed valuation of the Service Area is approximately zero \$0.00 for purposes of this Service Plan and, at build out, is expected to be One Hundred Forty Five Million Dollars (\$145,000,000). These amounts are expected to be sufficient to reasonably discharge the Debt as demonstrated in the Financial Plan.

## V. INCLUSION OF LAND IN THE SERVICE AREA

Other than the property in the Inclusion Area Boundaries, the Districts shall not include any property into the Districts without the City's approval and in compliance with the Special District Act.

## VI. DISTRICT GOVERNANCE

The Districts' Boards shall be comprised of persons who are a qualified "eligible electors" of the Districts as provided in the Special District Act. It is anticipated that over time, the End Users who are eligible electors may assume direct electoral control of the Districts' Boards as development within the Service Area progresses. The Districts shall not enter into any agreement by which the End Users' electoral control of the Boards is removed or diminished.

## VII. AUTHORIZED AND PROHIBITED POWERS

The Districts shall have the power and authority to provide the Public Improvements, the Regional Improvements and related operation and maintenance services, within and without the Service Area, as such powers and authorities are described in the Special District Act, other applicable State law, common law and the Colorado Constitution, subject to the prohibitions, restrictions and limitations set forth in this Service Plan.

If, after the Service Plan is approved, any State law is enacted to grant additional powers or authority to metropolitan districts by amendment of the Special District Act or otherwise, such powers and authority shall be deemed to be a part hereof and available to or exercised by the Districts upon prior resolution approval of the City Council approving the exercise of such



powers or authority by the Districts. Such approval by the City Council shall not constitute a Service Plan Amendment.

#### A. Prohibited Improvements and Services and other Restrictions and Limitations

The Districts' powers and authority under this Service Plan to provide Public Improvements and services and to otherwise exercise its other powers and authority under the Special District Act and other applicable State law, are prohibited, restricted and limited as hereafter provided. Failure to comply with these prohibitions, restrictions and limitations shall constitute a material modification under this Service Plan and shall entitle the City to pursue all remedies available at law and in equity as provided in Section XVII of this Service Plan:

##### 1. Eminent Domain Restriction

The Districts shall not exercise its statutory power of eminent domain without first obtaining resolution approval from the City Council. This restriction on the Districts' exercise of its eminent domain power is being exercised voluntarily and shall not be interpreted in any way as a limitation on the Districts' sovereign powers and shall not negatively affect the Districts' status as political subdivision of the State as conferred by the Special District Act.

##### 2. Fee Limitation

All Fees imposed for the repayment of Debt, if authorized by this Service Plan, shall be authorized to be imposed by the Districts upon all property within the Districts' boundaries only if such Fees are due and payable no later than upon the issuance of a building permit by the City. Notwithstanding any of the foregoing, this Fee limitation shall not apply to any Fee imposed to fund the operation, maintenance, repair or replacement of Public Improvements or the administration of the Districts, nor shall this Fee limitation apply if the majority of the Districts' Boards are composed of End Users.

##### 3. Operations and Maintenance

The primary purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners' association in a manner consistent with the Approved Development Plan and the City Code, provided that nothing herein requires the City to accept a dedication. The Districts are specifically authorized to operate and maintain any part or all of the Public Improvements not otherwise conveyed or dedicated to the City or another appropriate governmental entity. The Districts shall also be specifically authorized to conduct operations and maintenance functions related to the Public Improvements that are not provided by the City or other governmental entity, or to the extent that the Districts' proposed operational and maintenance functions included services or



activities that exceed those provided by the City or other governmental entity. Additionally, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements not otherwise conveyed or dedicated to the City or another appropriate governmental entity until such time that the Districts dissolve.

4. Fire Protection Restriction

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

5. Public Safety Services Restriction

The Districts are not authorized to provide policing or other security services. However, the Districts may, pursuant to C.R.S. § 32-1-1004(7), as amended, furnish security services pursuant to an intergovernmental agreement with the City.

6. Grants from Governmental Agencies Restriction

The Districts shall not apply for grant funds distributed by any agency of the United States Government or the State without the prior written approval of the City Manager. This does not restrict the collection of Fees for services provided by the Districts to the United States Government or the State.

7. Golf Course Construction Restriction

Acknowledging that the City has financed public golf courses and desires to coordinate the construction of public golf courses within the City's boundaries, the Districts shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

8. Television Relay and Translation Restriction

The Districts are not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to prior written approval from the City Manager.

9. Sales and Use Tax Exemption Limitation



The Districts shall not exercise any City sales and use tax exemption in the City Code.

10. Sub-district Restriction

The Districts shall not create any sub-district pursuant to the Special District Act without the prior written approval of the City Manager.

11. Initial Debt Limitation

On or before the effective date of approval by the City of (a) an Approved Development Plan that secures the Public Benefits described in Section IV.B of this Service Plan, and/or (b) by an intergovernmental agreement between the Districts and the City further securing the delivery of the Public Benefits described in Section IV.B, as necessary, the Districts shall not: (i) issue any Debt; nor (ii) impose the Debt Mill Levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (iii) impose and collect any Fees used for the purpose of repayment of Debt.

12. Privately Placed Debt Limitation

Prior to the issuance of any privately placed Debt, the issuing District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in C.R.S. Section 32-1-103(12)) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

**VIII. PUBLIC IMPROVEMENTS AND ESTIMATED COSTS**

**Exhibit E** summarizes the type of Public Improvements that are projected to be constructed and/or installed by the Districts. The cost, scope, and definition of such Public Improvements may vary over time. The total estimated costs of Public Improvements, as set forth in **Exhibit H**, including any improvements paid for by the Regional Mill Levy necessary to serve the Planned Development, are approximately Three Hundred Twenty Five Million One Hundred Ninety Four Thousand Five Hundred Forty Three Dollars (\$325,194,543) in 2018



dollars. The cost estimates are based upon preliminary engineering, architectural surveys, and reviews of the Public Improvements and include all construction cost estimates together with estimates of costs such as land acquisition, engineering services, legal expenses and other associated expenses. Maps of the anticipated location, operation, and maintenance of Public Improvements are attached hereto as **Exhibit I**. Changes in the Public Improvements or costs, which are approved by the City in an Approved Development Plan, shall not constitute a Service Plan Amendment. In addition, due to the preliminary nature of the Project, the City shall not be bound by this Service Plan in reviewing and approving the Approved Development Plan and the Approved Development Plan shall supersede the Service Plan with regard to the cost, scope, and definition of Public Improvements.

The design, phasing of construction, location and completion of Public Improvements will be determined by the Districts to coincide with the phasing and development of the Planned Development and the availability of funding sources. The Districts may, in their discretion, phase the construction, completion, operation, and maintenance of Public Improvements or defer, delay, reschedule, rephase, relocate or determine not to proceed with the construction, completion, operation, and maintenance of Public Improvements, and such actions or determinations shall not constitute a Service Plan Amendment. The Districts shall also be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in their discretion.

The City Code has development standards, contracting requirements and other legal requirements related to the construction and payment of public improvements and related to certain operation activities. Relating to these, the Districts shall comply with the following requirements:

A. Development Standards

The Districts shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City Code and of other governmental entities having proper jurisdiction, as applicable. The Districts directly, or indirectly through any Developer, will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Unless waived by the City, the Districts shall be required, in accordance with the City Code, to post a surety bond, letter of credit, or other approved development security for any Public Improvements to be constructed by the Districts. Such development security may be released when the constructing District has obtained funds, through Debt issuance or otherwise, adequate to insure the construction of the Public Improvements. Any limitation or requirement concerning the time within which the City must review the Districts' proposal or application for an Approved Development Plan or other land use approval is hereby waived by the Districts.

B. Contracting

The Districts shall comply with all applicable State purchasing, public bidding and construction contracting.



### C. Land Acquisition and Conveyance

The purchase price of any land or improvements acquired by the Districts from the Developer shall be no more than the then-current fair market value as confirmed by an independent MAI appraisal for land and by an independent professional engineer for improvements. Land, easements, improvements and facilities conveyed to the City shall be free and clear of all liens, encumbrances and easements, unless otherwise approved by the City Manager prior to conveyance. All conveyances to the City shall be by special warranty deed, shall be conveyed at no cost to the City, shall include an ALTA title policy issued to the City, shall meet the environmental standards of the City and shall comply with any other conveyance prerequisites.

### D. Equal Employment and Discrimination

In connection with the performance of all acts or activities hereunder, the Districts shall not discriminate against any person otherwise qualified with respect to its hiring, discharging, promoting or demoting or in matters of compensation solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability, and further shall insert the foregoing provision in contracts or subcontracts entered into by the Districts to accomplish the purposes of this Service Plan.

### E. Public Art Requirement

The Districts shall initiate and implement a public art program as currently set forth in Article XII of City Municipal Code Chapter 23, as amended, or any similar ordinances hereafter adopted by the City Council.

## **IX. FINANCIAL PLAN/PROPOSED DEBT**

This Section IX of the Service Plan describes the nature, basis, method of funding and financing limitations associated with the acquisition, construction, completion, repair, replacement, operation and maintenance of Public Improvements. This section also describes the Districts' obligation to help finance certain Regional Improvements.

Notwithstanding any provision to the contrary contained in this Service Plan, the Districts shall not be authorized to impose any taxes and Fees for any purpose unless and until (a) the District and/or the Developer has obtained an Approved Development Plan that secures the Public Benefits described in Section IV.B of this Service Plan, or (b) the City and Districts, at the City's option, have entered into an intergovernmental agreement securing the delivery of the Public Benefits described in Section IV.B. Failure to comply with this provision shall constitute a material modification under this Service Plan and shall entitle the City to all remedies available at law and in equity as provided in Section XVII of this Service Plan.



#### A. Financial Plan

The Districts' Financial Plan, attached as **Exhibit J** and incorporated by reference, reflects the Districts' anticipated schedule for incurring Debt to fund Public Improvements in support of the Project. The Financial Plan also reflects the schedule of all anticipated revenues flowing to the Districts derived from Districts mill levies, Fees imposed by the Districts, specific ownership taxes, and all other anticipated legally available revenues. The Financial Plan is based on economic, political and industry conditions as they exist presently and reasonable projections and estimates of future conditions. These projections and estimates are not to be interpreted as the only method of implementation of the Districts' goals and objectives but rather a representation of one feasible alternative. Other financial structures may be used so long they are in compliance with this Service Plan. The Financial Plan incorporates all of the provisions of this Section IX.

Based upon the assumptions contained therein, the Financial Plan projects the issuance of Bonds to fund Public Improvements and anticipated Debt repayment based on the development assumptions and absorptions of the property in the Service Area by End Users. The Financial Plan anticipates that the District will acquire, construct, and complete all Public Improvements needed to serve the Service Area.

The Financial Plan demonstrates that the Districts will have the financial ability to discharge all Debt to be issued as part of the Financial Plan on a reasonable basis. Furthermore, the Districts will secure the certification of an External Financial Advisor who will provide an opinion as to whether such Debt issuances are in the best interest of the Districts at the time of issuance.

#### B. Mill Levies

It is anticipated that the Districts will impose a Debt Mill Levy and an Operating Mill Levy on all property within the Districts' boundaries. In doing so, the following shall apply:

##### 1. Aggregate Mill Levy Maximum

The Aggregate Mill Levy shall not exceed in any year the Aggregate Mill Levy Maximum, which is sixty (60) mills, subject to the Gallagher Adjustments below.

##### 2. Regional Mill Levy Not Included in Other Mill Levies

The Regional Mill Levy shall not be counted against the Aggregate Mill Levy Maximum.

##### 3. Operating Mill Levy

The Districts may impose an Operating Mill Levy of up to sixty (60) mills until the District imposes a Debt Mill Levy. Once the District imposes a Debt Mill Levy, the



District's Operating Mill Levy shall not exceed twenty (20) mills at any point, subject to the Gallagher Adjustments below.

#### 4. Assessed Value and Mill Levies

At such time as the Debt is equal to or less than fifty percent (50%) of the Districts' assessed valuation of Taxable Property, either on the date of issuance or at any time thereafter, the Debt Mill Levy to be imposed to pay on the Debt, shall not be subject to the Aggregate Mill Levy Maximum and may be unlimited as to rate and may be levied at the rate necessary to pay the Debt service on such Debt, provided however that the District shall not issue additional Debt that would cause the aggregate Debt to exceed fifty percent (50%) of the Districts' Taxable Property then assessed value. For the purposes of the foregoing, the Districts may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the Districts' Debt to assessed valuation ratio. All Debt issued by the Districts must otherwise be issued in compliance with the requirements of the Special District Act, this Service Plan and all other applicable State law.

#### 5. Gallagher Adjustments

In the event the State's method of calculating assessed valuation for the Taxable Property changes after January 1, 2018, or any constitutionally mandated tax credit, cut or abatement, the Districts' Aggregate Mill Levy, Debt Mill Levy, Operating Mill Levy, and Aggregate Mill Levy Maximum, amounts herein provided may be increased or decreased to reflect such changes; such increases or decreases shall be determined by the District's Board in good faith so that to the extent possible, the actual tax revenues generated by such mill levies, as adjusted, are neither enhanced nor diminished as a result of such change occurring after January 1, 2018. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation will be a change in the method of calculating assessed valuation.

#### 6. Excessive Mill Levy Pledges

Any Debt issued with a mill levy pledge, or which results in a mill levy pledge, that exceeds the Aggregate Mill Levy Maximum or the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan and shall not be an authorized issuance of Debt unless and until such material modification has been approved by a Service Plan Amendment.

#### 7. Refunding Debt

The Maximum Debt Mill Levy Imposition Term may be exceeded for Debt refunding purposes if: (1) a majority of the issuing District's Board is composed of End Users and have voted in favor of a refunding of a part or all of the Debt; or (2) such refunding will result in a net present value savings as set forth in C.R.S. Section 11-



56-101 et seq.

#### 8. Maximum Debt Authorization

The Districts anticipate approximately Three Hundred Twenty Five Million One Hundred Ninety Four Thousand Five Hundred Forty Three Dollars (\$325,194,543) in project costs in 2018 dollars as set forth in **Exhibit H**, and anticipate issuing approximately Two Hundred Three Million Dollars (\$203,000,000) in Debt to pay such costs as set forth in **Exhibit J**, which Debt issuance amount shall be the amount of the Maximum Debt Authorization. The Districts shall not issue Debt in excess of the Maximum Debt Authorization. The Districts must seek prior resolution approval by the City Council to issue Debt in excess of the Maximum Debt Authorization to pay the actual costs of the Public Improvements set forth in **Exhibit H** plus inflation, contingencies and other unforeseen expenses associated with such Public Improvements. Such approval by the City Council shall not constitute a material modification of this Service Plan requiring a Service Plan Amendment so long as increases are reasonably related to the Public Improvements set forth in **Exhibit E** and any Approved Development Plan.

#### C. Maximum Voted Interest Rate and Underwriting Discount

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The maximum interest rate on any Debt is not permitted to exceed Twelve Percent (12%). The maximum underwriting discount shall be three percent (3%). Debt, when issued, will comply with all relevant requirements of this Service Plan, the Special District Act, other applicable State law and federal law as then applicable to the issuance of public securities.

#### D. Interest Rate and Underwriting Discount Certification

The Districts shall retain an External Financial Advisor to provide a written opinion on the market reasonableness of the interest rate on any Debt and any underwriter discount paid by the Districts as part of a Debt financing transaction. The Districts shall provide this written opinion to the City before issuing any Debt based on it.

#### E. Disclosure to Purchasers

The Districts will use reasonable efforts to assure that all Developers provide written notice to all purchasers of property in the Districts notifying them of the Districts' existing mill levies, the Maximum Debt Mill Levy Imposition Term and of the Districts' authority to impose and collect Fees. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy Imposition Term.

#### F. External Financial Advisor



An External Financial Advisor shall be retained by the issuing District to provide a written opinion as to whether any Debt issuance is in the best interest of the issuing District once the total amount of Debt exceeds Five Million Dollars (\$5,000,000). The External Financial Advisor is to provide advice to the issuing District's Board regarding the proposed terms and whether Debt conditions are reasonable based upon the status of development within the District, the projected tax base increase in the District, the security offered and other considerations as may be identified by the Advisor. The issuing District shall include in the transcript of any Bond transaction, or other appropriate financing documentation for related Debt instrument, a signed letter from the External Financial Advisor providing an official opinion on the structure of the Debt, stating the Advisor's opinion that the cost of issuance, sizing, repayment term, redemption feature, couponing, credit spreads, payment, closing date, and other material transaction details of the proposed Debt serve the best interest of the issuing District.

Debt shall not be undertaken by the Districts if found to be unreasonable by the External Financial Advisor.

#### G. Disclosure to Debt Purchasers

District Debt shall set forth a statement in substantially the following form:

“By acceptance of this instrument, the owner of this Debt agrees and consents to all of the limitations with respect to the payment of the principal and interest on this Debt contained herein, in the resolution of the District authorizing the issuance of this Debt and in the Service Plan of the District. This Debt is not and cannot be a Debt of the City of Fort Collins”

Similar language describing the limitations with respect to the payment of the principal and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a Developer of property within the Service Area.

#### H. Security for Debt

The Districts shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the Districts in the payment of any such obligation.

#### I. TABOR Compliance

The Districts shall comply with the provisions of the Taxpayer's Bill of Rights in Article X, § 20 of the Colorado Constitution (“TABOR”). In the discretion of the Boards, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services,



and programs. To the extent allowed by law, any entity created by a District will remain under the control of the District's Board.

#### J. Districts' Operating Costs

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated to be \$200,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be operated and maintained. The first year's operating budget is estimated to be \$100,000.

Ongoing administration, operations and maintenance costs may be paid from property taxes collected through the imposition of an Operating Mill Levy not to exceed ten (10) mills as set forth in Section IX.B.3, as well as other revenues legally available to the District.

### X. REGIONAL IMPROVEMENTS

The District shall be authorized to provide for the planning, design, acquisition, funding, construction, installation, relocation, redevelopment, administration and overhead costs related to the provision of Regional Improvements. At the discretion of the City, the Districts shall impose a Regional Improvement Mill Levy on all property within the Districts' boundaries under the following terms:

#### A. Regional Mill Levy Authority.

The Districts shall seek the authority to impose an additional Regional Mill Levy of five (5) mills as part of the Districts' initial TABOR election.

#### B. Regional Mill Levy Imposition.

The Districts shall impose the Regional Mill Levy at a rate not to exceed five (5) mills within one year of receiving written notice from the City Manager to the Districts requesting the imposition of the Regional Mill Levy and stating the mill rate to be imposed.

#### C. City Notice Regarding Regional Improvements.

Such notice from the City shall provide a description of the Regional Improvements to be constructed and an analysis explaining how the Regional Improvements will be beneficial to property owners within the Service Area. The City shall require that planned developments that (i) are adjacent to the Service Area and (ii) will benefit from the Regional Improvement also impose a Regional Mill Levy, to the extent possible.



D. Regional Improvements Authorized Under Service Plan.

If so notified by the City Manager, the Regional Improvements shall be considered public improvements that the Districts would otherwise be authorized to design, construct, install re-design, re-construct, repair or replace pursuant to this Service Plan and applicable law.

E. Expenditure of Regional Mill Levy Revenues.

Revenue collected through the imposition of the Regional Mill Levy shall be expended as follows:

1. Intergovernmental Agreement

If the City and the Districts have executed an intergovernmental agreement concerning the Regional Improvements, then the revenue from the Regional Mill Levy shall be used in accordance with such agreement;

2. No Intergovernmental Agreement

If no intergovernmental agreement exists between the Districts and the City, then the revenue from the Regional Mill Levy shall be paid to the City, for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of Regional Improvements which benefit the End Users of the Districts as prioritized and determined by the City.

F. Regional Mill Levy Term.

The imposition of the Regional Mill Levy shall not exceed a term of twenty-five (25) years from December 31 of the tax collection year after which the Regional Mill Levy is first imposed.

G. Completion of Regional Improvements.

All Regional Improvements shall be completed prior to the end of the twenty-five (25) year Regional Mill Levy term.

H. City Authority to Require Imposition.

The City's authority to require the initiation of the imposition of a Regional Mill Levy shall expire fifteen (15) years after December 31st of the year in which the Districts first imposes a Debt Mill Levy.

I. Regional Mill Levy Not Included in Other Mill Levies.

The Regional Mill Levy imposed shall not be applied toward the calculation of the Aggregate Mill Levy.



J. Gallagher Adjustment.

In the event the method of calculating assessed valuation is changed after January 1, 2018, or any constitutionally mandated tax credit, cut or abatement, the Regional Mill Levy may be increased or shall be decreased to reflect such changes; such increases or decreases shall be determined by the Districts in good faith so that to the extent possible, the actual tax revenues generated by the Regional Mill Levy, as adjusted, are neither enhanced nor diminished as a result of such change occurring after January 1, 2018. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation will be a change in the method of calculating assessed valuation.

**XI. CITY FEES**

The Districts shall pay all applicable City fees as required by the City Code.

**XII. BANKRUPTCY LIMITATIONS**

All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Aggregate Mill Levy Maximum, Maximum Debt Mill Levy Imposition Term and Fees, have been established under the authority of the City in the Special District Act to approve this Service Plan. It is expressly intended that by such approval such limitations: (i) shall not be set aside for any reason, including by judicial action, absent a Service Plan Amendment; and (ii) are, together with all other requirements of State law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable non-bankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

**XIII. ANNUAL REPORTS**

A. General

The Districts shall be responsible for submitting an annual report to the City Clerk no later than September 1st of each year following the year in which the Order and Decree creating the Districts has been issued. They Districts shall be permitted to file a consolidated annual report.

B. Report Requirements

Unless waived by the City Manager, the Districts’ annual report must include the following in the Annual Report:

1. Narrative



A narrative summary of the progress of the Districts in implementing its Service Plan for the report year.

2. Financial Statements

Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operation (i.e., revenue and expenditures) for the report year.

3. Capital Expenditures

Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of improvements in the report year.

4. Financial Obligations

Unless disclosed within a separate schedule to the financial statements, a summary of financial obligations of the Districts at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new District Debt issued in the report year, the total assessed valuation of all Taxable Property within the Service Area as of January 1 of the report year and the current total Districts mill levy pledged to Debt retirement in the report year.

5. Other Information

Any other information deemed relevant by the City Council or deemed reasonably necessary by the City Manager.

C. Reporting of Significant Events

The annual report shall include information as to any of the following that occurred during the report year:

1. Boundary changes made or proposed to the District boundaries as of December 31 of the report year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the report year.
3. Copies of the Districts' rules and regulations, if any, or substantial changes to the Districts' rules and regulations as of December 31 of the report year.



4. A summary of any litigation which involves the Districts' Public Improvements as of December 31 of the report year.
5. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the report year.
6. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.
7. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

D. Failure to Submit

In the event the annual report is not timely received by the City Clerk or is not fully responsive, notice of such default shall be given to the Districts' Boards at its last known address. The failure of the Districts to file the annual report within forty-five (45) days of the mailing of such default notice by the City Clerk may constitute a material modification of the Service Plan, at the discretion of the City Manager.

**XIV. SERVICE PLAN AMENDMENTS**

This Service Plan is general in nature and does not include specific detail in some instances. The Service Plan has been designed with sufficient flexibility to enable the Districts to provide required improvements, services and facilities under evolving circumstances without the need for numerous amendments. Modification of the general types of improvements and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements, shall be permitted to accommodate development needs consistent with the then-current Approved Development Plans for the Project. Any action of the Districts which is a material modification of this Service Plan requiring a Service Plan Amendment as provided in in Section XV below or any other applicable provision of this Service Plan, shall be deemed to be a material modification to this Service Plan unless otherwise expressly provided in this Service Plan. All other departures from the provisions of this Service Plan shall be considered on a case-by-case basis as to whether such departures are a material modification under this Service Plan or the Special District Act.

**XV. MATERIAL MODIFICATIONS**

Material modifications to this Service Plan may be made only in accordance with C.R.S. Section 32-1-207 as a Service Plan Amendment. No modification shall be required for an action of the Districts that does not materially depart from the provisions of this Service Plan, unless otherwise provided in this Service Plan.



Departures from the Service Plan that constitute a material modification requiring a Service Plan Amendment include, without limitation:

1. Actions or failures to act that create materially greater financial risk or burden to the taxpayers of the Districts;
2. Performance of a service or function, construction of an improvement, or acquisition of a major facility that is not closely related to an improvement, service, function or facility authorized in the Service Plan;
3. Failure to perform a service or function, construct an improvement or acquire a facility required by the Service Plan;
4. Failure to comply with any of the prohibitions, limitations and restrictions of this Service Plan.

Actions that are not to be considered material modifications include without limitation changes in quantities of improvements, facilities or equipment; immaterial cost differences; and actions expressly authorized in this Service Plan.

## **XVI. DISSOLUTION**

Upon independent determination by the City Council that the purposes for which the Districts were created have been accomplished, the Districts shall file a petition in district court for dissolution as provided in the Special District Act. In no event shall dissolution occur until the Districts have provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State law.

## **XVII. SANCTIONS**

Should the Districts undertake any act without obtaining prior City Council resolution approval as required in this Service Plan or that constitutes a material modification to this Service Plan requiring a Service Plan Amendment as provided herein or under the Special Districts Act, the City Council may impose one (1) or more of the following sanctions, as it deems appropriate:

1. Exercise any applicable remedy under the Special District Act;
2. Withhold the issuance of any permit, authorization, acceptance or other administrative approval, or withhold any cooperation, necessary for the Districts' development or construction or operation of improvements or provision of services;
3. Exercise any legal remedy under the terms of any intergovernmental agreement under which the Districts are in default; or



4. Exercise any other legal and equitable remedy available under the law, including seeking injunctive relief against the Districts, to ensure compliance with the provisions of the Service Plan or applicable law.

#### **XVIII. CONCLUSION**

It is submitted that this Service Plan, as required by C.R.S. Section 32-1-203(2), establishes that:

1. There is sufficient existing and projected need for organized service in the Service Area to be served by the Districts;
2. The existing service in the Service Area to be served by the Districts is inadequate for present and projected needs;
3. The Districts is capable of providing economical and sufficient service to the Service Area; and
4. The Service Area does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

#### **XIX. RESOLUTION OF APPROVAL**

The Districts agrees to incorporate the City Council's resolution of approval, including any conditions on any such approval, into the Service Plan presented to the District Court for and in Larimer County, Colorado.



## **EXHIBIT A**

### **Legal Description of Initial District Boundaries**



# EXHIBIT A-1

## PROJECT DISTRICT 1-7

A PARCEL OF LAND SITUATE IN NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 8 NORTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF FORT COLLINS, COUNTY OF LARIMER, STATE OF COLORADO; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTH QUARTER CORNER OF SAID SECTION 32 WHENCE THE SOUTH QUARTER CORNER BEARS S00°29'18"E A DISTANCE OF 5289.91 FEET AND CONSIDERING ALL BEARINGS HEREIN RELATIVE THERETO;

THENCE ON THE WEST LINE OF THE EAST HALF OF SAID SECTION LINE S00°29'18"E A DISTANCE OF 50.01 FEET;

THENCE S89°35'02"E A DISTANCE OF 973.88 FEET; TO THE **POINT OF BEGINNING**;

THENCE S89°35'02"E A DISTANCE OF 660.00 FEET;

THENCE S00°24'58"W A DISTANCE OF 660.00 FEET;

THENCE N89°35'02"W A DISTANCE OF 660.00 FEET;

THENCE N00°24'58"E A DISTANCE OF 660.00 FEET TO THE **POINT OF BEGINNING**

SAID PARCEL CONTAINS 10.00 ACRES (435,600 SQUARE FEET) MORE OR LESS AND IS SUBJECT TO ALL RIGHTS-OF-WAY, EASEMENTS AND RESTRICTIONS NOW IN USE OR OF RECORD.

MONTAVA METRO DISTRICT NO. 1  
DATE: JUNE 2018  
JOB NO. 1230.0001.00



TST, INC. CONSULTING ENGINEERS



748 Whalers Way, Suite 200  
Fort Collins, Colorado  
Phone: 970.226.0557  
Fax: 970.226.0204



## **EXHIBIT B**

### **Initial District Boundary Map**



# EXHIBIT C-1

NORTH QUARTER CORNER SEC.  
32, T8N, R68W FD. 3 1/4"  
ALUMINUM CAP STAMPED PLS  
34176 IN RANGE BOX

S00°29'18"E 50.01'

POINT OF BEGINNING

S89°35'02"E 973.88'

S89°35'02"E  
660.00'

N00°24'58"E  
660.00'

S00°24'58"W  
660.00'

**DISTRICT 1-7**  
10.0 AC.

N89°35'02"W  
660.00'

S00°29'18"E 5289.91'

SOUTH QUARTER CORNER SEC. 32,  
T8N, R68W FD. 3" ALUMINUM CAP  
STAMPED PLS 20123

MONTAVA METRO DISTRICT NO. 1  
DATE: JUNE 2018  
JOB NO. 1230.0001.00

**TST** TST, INC. CONSULTING ENGINEERS



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Fax: 970.226.0204

300 150 0 300  
scale 1"=300' feet





## **EXHIBIT C**

### **Legal Description of Inclusion Area Boundaries**



# MONTAVA METROPOLITAN DISTRICTS

## EXHIBIT A-2

A PARCEL OF LAND SITUATE IN THE EAST HALF OF SECTION 32, AND THE WEST HALF OF SECTION 33, TOWNSHIP 8 NORTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND THE NORTH HALF OF SECTION 4, TOWNSHIP 7 NORTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF FORT COLLINS, COUNTY OF LARIMER, STATE OF COLORADO; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTH QUARTER CORNER OF SECTION 32 WHENCE THE SOUTH QUARTER CORNER BEARS S00°29'18"E A DISTANCE OF 5289.91 FEET AND CONSIDERING ALL BEARINGS HEREIN RELATIVE THERETO;

THENCE S89°35'02"E A DISTANCE OF 974.67 FEET;  
THENCE S00°24'58"W A DISTANCE OF 710.00 FEET;  
THENCE S89°35'02"E A DISTANCE OF 660.00 FEET;  
THENCE N00°24'58"E A DISTANCE OF 710.00 FEET;  
THENCE S89°35'02"E A DISTANCE OF 1003.43 FEET;  
THENCE S89°53'24"E A DISTANCE OF 1773.90 FEET;  
THENCE S00°00'00"E A DISTANCE OF 472.51 FEET;  
THENCE S89°53'24"E A DISTANCE OF 864.73 FEET;  
THENCE S00°16'21"E A DISTANCE OF 1513.06 FEET;  
THENCE S89°59'54"E A DISTANCE OF 397.54 FEET;  
THENCE S00°20'11"E A DISTANCE OF 380.10 FEET;  
THENCE S89°59'31"E A DISTANCE OF 397.12 FEET;  
THENCE S00°16'21"E A DISTANCE OF 2906.93 FEET;  
THENCE S00°06'47"E A DISTANCE OF 50.00 FEET;  
THENCE S89°47'00"E A DISTANCE OF 945.36 FEET;  
THENCE S00°00'50"E A DISTANCE OF 15.00 FEET;  
THENCE N89°59'10"E A DISTANCE OF 1022.26 FEET;  
THENCE S84°33'41"E A DISTANCE OF 150.45 FEET;  
THENCE S00°31'28"E A DISTANCE OF 220.49 FEET;  
THENCE S19°10'52"E A DISTANCE OF 716.33 FEET;  
THENCE S06°01'40"E A DISTANCE OF 296.08 FEET;  
THENCE S00°30'00"W A DISTANCE OF 783.98 FEET;  
THENCE N88°21'45"W A DISTANCE OF 92.96 FEET;  
THENCE S86°38'10"W A DISTANCE OF 1900.01 FEET;  
THENCE S68°38'10"W A DISTANCE OF 99.99 FEET;  
THENCE S55°58'15" W A DISTANCE OF 200.00 FEET;  
THENCE S36°58'15"W A DISTANCE OF 199.96 FEET;  
THENCE S89°38'15"W A DISTANCE OF 15.00 FEET;  
THENCE S00°06'47"W A DISTANCE OF 139.93 FEET;  
THENCE N89°11'06"W A DISTANCE OF 2627.63 FEET;  
THENCE N00°23'56"E A DISTANCE OF 2580.05 FEET;

MONTAVA METRO DISTRICTS  
DATE: JUNE 2018  
JOB NO. 1230.0001.00



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Fax: 970.226.0204



# MONTAVA METROPOLITAN DISTRICTS

## EXHIBIT A-2

THENCE N89°53'45W A DISTANCE OF 2639.82 FEET;  
THENCE S89°44'44"W A DISTANCE OF 1339.28 FEET;  
THENCE N01°15'55"W A DISTANCE OF 1062.88 FEET;  
THENCE S89°50'10"W A DISTANCE OF 721.52 FEET;  
THENCE N01°15'28"W A DISTANCE OF 1589.29 FEET;  
THENCE N89°50'10"E A DISTANCE OF 2060.57 FEET;  
THENCE N00°29'18"W A DISTANCE OF 2644.95 FEET TO THE **POINT OF BEGINNING**;

SAID PARCEL CONTAINS 988.49 ACRES (43,058,529.06 SQUARE FEET) MORE OR LESS AND IS  
SUBJECT TO ALL RIGHTS-OF-WAY, EASEMENTS AND RESTRICTIONS NOW IN USE OR OF RECORD.

MONTAVA METRO DISTRICTS  
DATE: JUNE 2018  
JOB NO. 1230.0001.00



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# MONTAVA METRO DISTRICTS

LINE TABLE		
LINE	LENGTH	DIRECTION
L1	974.67	S89°35'02"E
L2	710.00	S0°24'58"W
L3	660.00	S89°35'02"E
L4	710.00	N0°24'58"E
L5	1003.43	S89°35'02"E
L6	1773.90	S89°53'24"E
L7	472.51	S0°00'00"E
L8	864.73	S89°53'24"E
L9	1513.06	S0°16'21"E
L10	397.54	N89°59'54"E
L11	380.10	S0°20'11"E
L12	397.12	S89°59'31"E
L13	2906.93	S0°16'21"E
L14	50.00	S0°06'47"W
L15	945.36	S89°47'00"E
L16	15.00	S0°00'50"E
L17	1022.26	N89°59'10"E
L18	150.45	S84°33'41"E
L19	220.49	S0°31'28"E

LINE TABLE		
LINE	LENGTH	DIRECTION
L20	716.33	S19°10'52"E
L21	296.08	S6°01'40"E
L22	783.98	S0°30'00"W
L23	92.96	N88°21'45"W
L24	1900.01	S86°38'15"W
L25	99.99	S68°38'10"W
L26	200.00	S55°58'15"W
L27	199.96	S36°58'15"W
L28	15.00	S89°38'15"W
L29	139.93	S0°06'47"W
L30	2627.63	N89°11'06"W
L31	2580.05	N0°23'56"E
L32	2639.82	N89°53'45"W
L33	1339.28	S89°44'44"W
L34	1062.68	N0°15'55"W
L35	721.52	S89°50'10"W
L36	1589.29	N1°15'28"W
L37	2060.57	S89°50'10"W
L38	2644.95	N0°29'18"W

MONTAVA METRO DISTRICTS  
DATE: JUNE 2018  
JOB NO. 1230.0001.00



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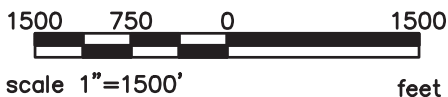
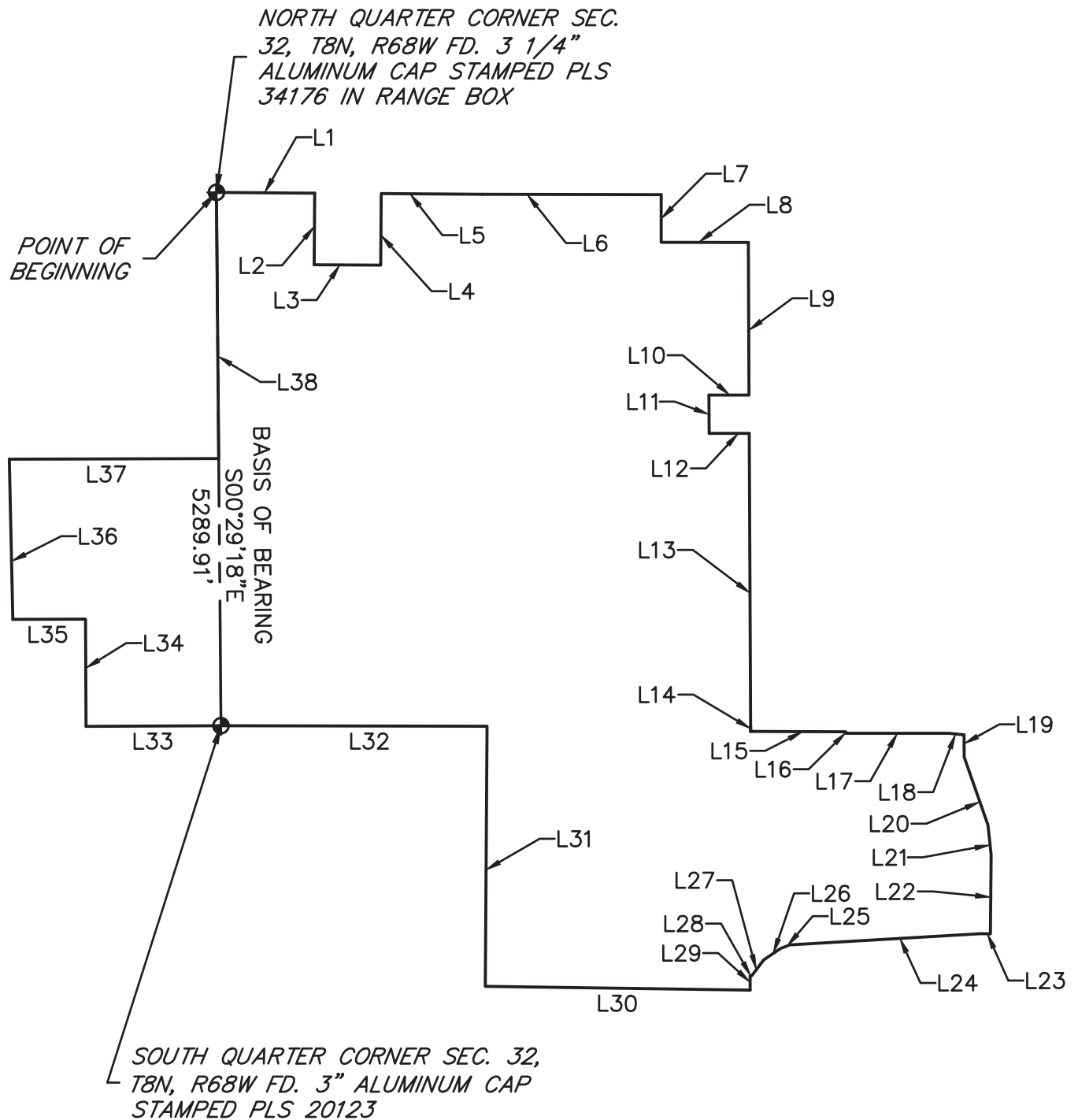
## **EXHIBIT D**

### **Inclusion Area Boundary Map**



# MONTAVA METROPOLITAN DISTRICTS

## FUTURE INCLUSION AREA



MONTAVA METRO DISTRICTS  
DATE: JUNE 2018  
JOB NO. 1230.0001.00



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## **EXHIBIT E**

### **Public Improvements**

#### **Description of Public Improvements**

a. Streets.

On-site and off-site streets, curbs, gutters, culverts, other drainage facilities, sidewalks, bridges, parking facilities, paving, lighting, grading, utility relocation necessitated by public rights-of-way, monumentation, signage, snow removal, streetscapes and related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, equipment, land and easements and extensions of and improvements to such facilities.

b. Water.

On-site and off-site potable and non-potable water supply improvements, including water rights, storage facilities, transmission and distribution lines, pumping stations, fire hydrants, meters, facilities, equipment, and related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, equipment, land and easements, and extensions of and improvements to such facilities.

c. Storm and Sanitary Sewer.

On-site and Off-site storm and sanitary sewer collection and transmission improvements, including storage facilities, collection mains and laterals, pumping stations, lift stations, transmission lines, storm sewer, flood and surface drainage facilities and systems, and related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, equipment, land and easements and extensions of and improvements to such facilities.

d. Parks and Recreation.

On-site and off-site public park, open space and recreation facilities or services, including parks, bike paths, pedestrian ways, public plazas and courtyards, water features, signage, monumentation, art, gardens, farm facilities, orchards, picnic areas, recreation facilities, playground equipment/areas, park shelters, public area landscaping and weed control, streetscaping, outdoor lighting of all types, and related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, equipment, land and easements, and extensions of and improvements to such facilities.



## **EXHIBIT F**

### **Regional Improvements**



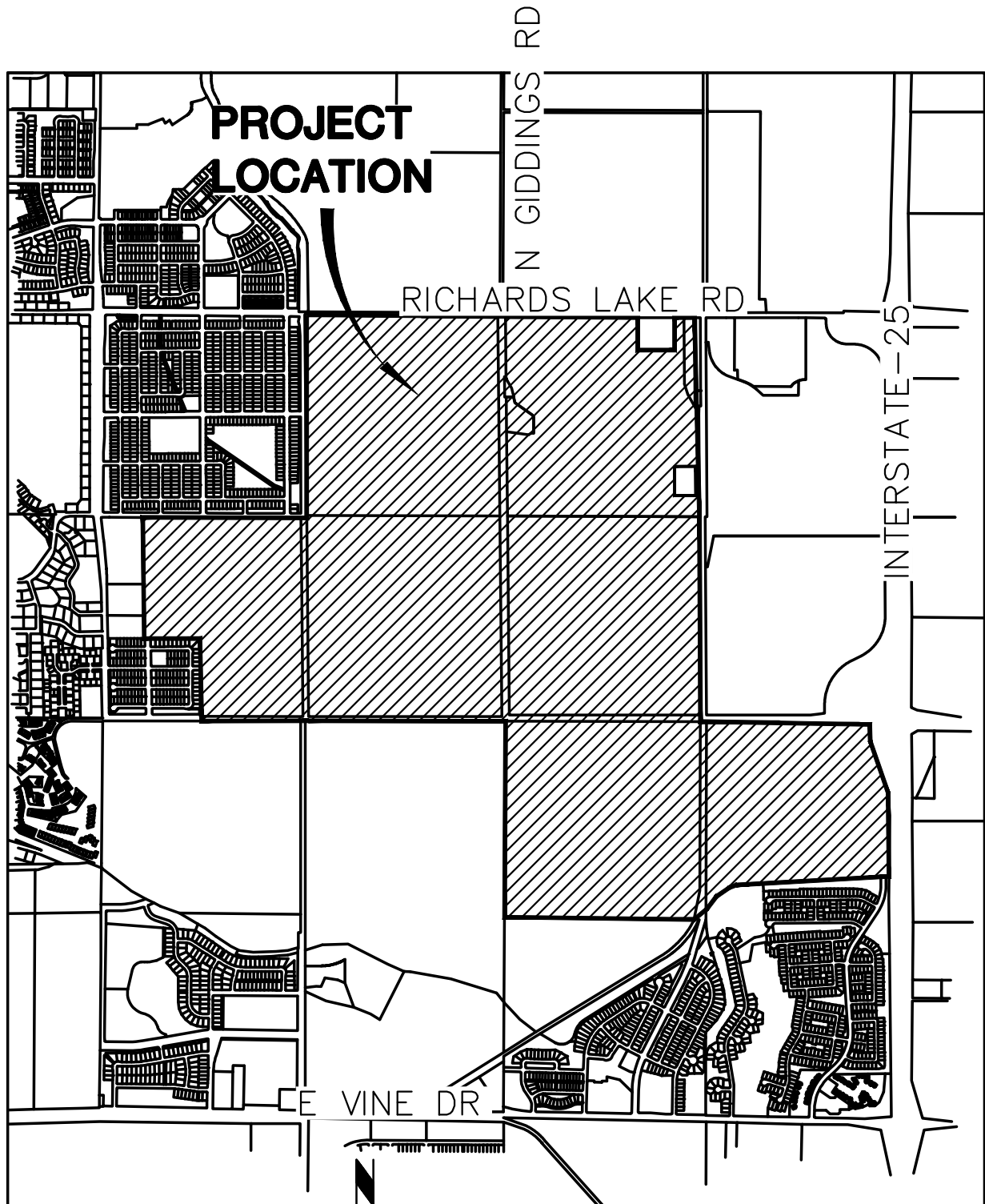
## **EXHIBIT G**

### **Vicinity Map**



# EXHIBIT B - MONTAVA METROPOLITAN DISTRICT

FORT COLLINS, COLORADO



FORT COLLINS, CO  
DATE: JULY 2018  
JOB NO. 1230.0001.00  
SHEET 1 OF 1



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2000 1000 0 2000

scale 1"=2000'

feet



## **EXHIBIT H**

### **Public Improvement Cost Estimates**





TST, INC. CONSULTING ENGINEERS



## CONCEPTUAL OPINION OF COST

PROJECT:		JOB NO.		DATE:	BY:
Montava Metropolitan Districts		1230.0001.00		6/27/2018	JAZ
No.	Item	Quantity	Units	Unit Cost	Total
ADMINISTRATIVE & MISCELLANEOUS					\$11,000,000
EARTHWORK					\$21,499,312
STREETS (ONSITE & OFFSITE)					\$105,255,350
SANITARY SEWER (ONSITE & OFFSITE)					\$15,732,500
WATER (ONSITE & OFFSITE)					\$11,081,500
NONPOTABLE WATER (ONSITE & OFFSITE)					\$13,814,500
STORM SEWER (ONSITE & OFFSITE)					\$10,286,290
RECREATION FACILITIES					\$8,000,000
LANDSCAPING, TRAILS, OPEN SPACE, AND FARM FACILITIES					\$44,215,395
Additional Costs					
				Construction Costs	\$240,884,847
				Contingency (20% of Costs)	\$48,176,969
				Engineering / Survey / C. M. (15% of Costs)	\$36,132,727
Total Infrastructure Cost					
					\$325,194,543

This is a conceptual opinion of cost and supplied only as a guide. TST is not responsible for fluctuation in costs of material, labor or unforeseen contingencies.



## **EXHIBIT I**

### **Public Improvements Maps**



MONTAVA METROPOLITAN DISTRICTS  
FORT COLLINS, COLORADO

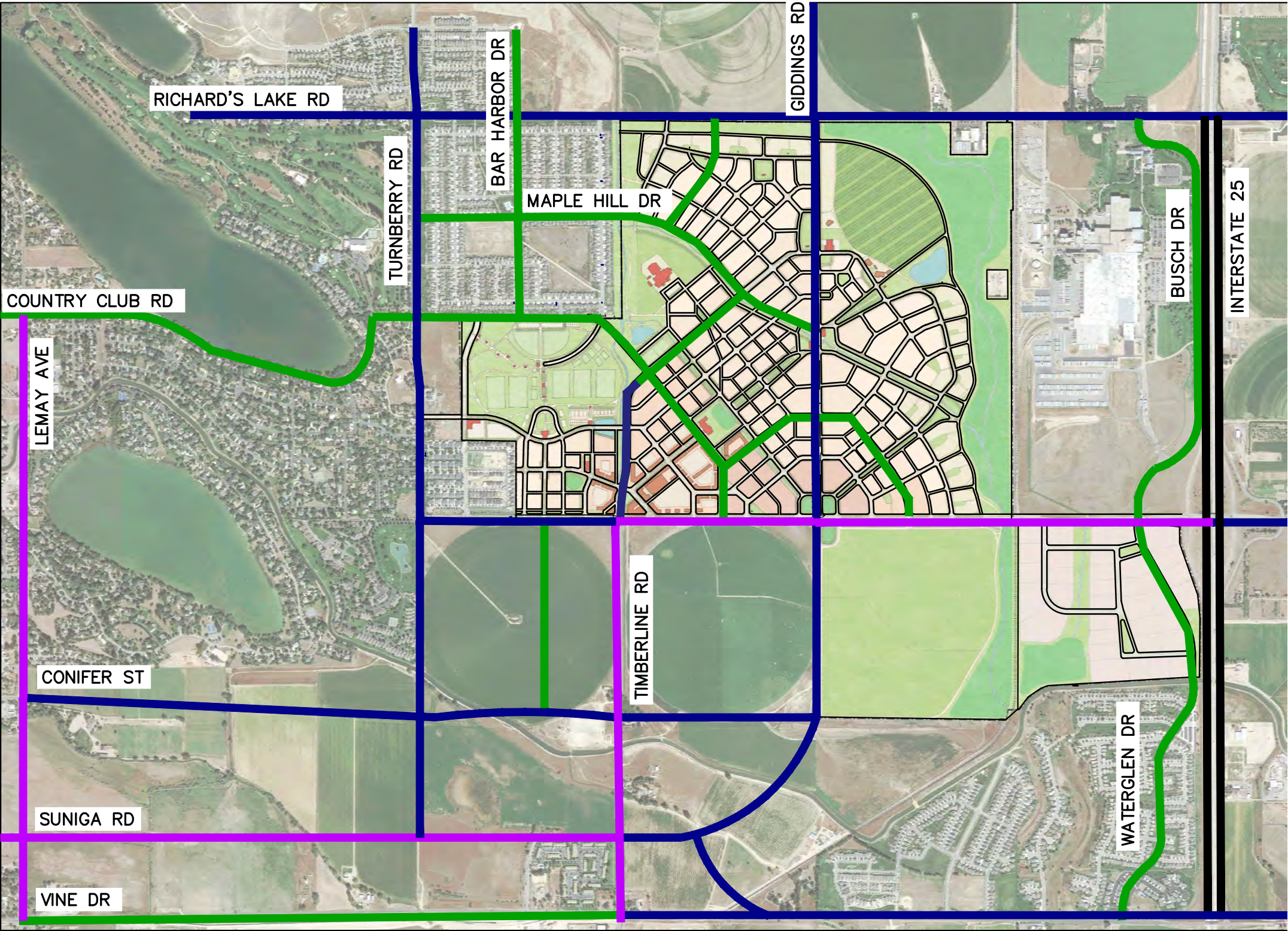
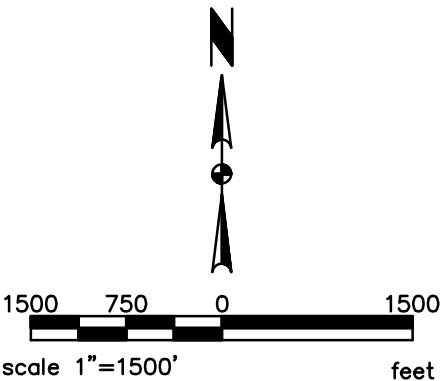


EXHIBIT ST-2

MAP OF OFF-SITE ROADWAY IMPROVEMENTS

MONTAVA METROPOLITAN DISTRICT

- LEGEND**
- ARTERIAL 2-LANE
  - ARTERIAL 4-LANE
  - COLLECTOR 2-LANE
  - INTERSTATE



**PREPARED BY:**  
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Fax: 970.226.0204  
Job no. 1230.0002.00  
Filename: Metro District Exhibits  
JUNE 21, 2018



MONTAVA METROPOLITAN DISTRICTS  
FORT COLLINS, COLORADO

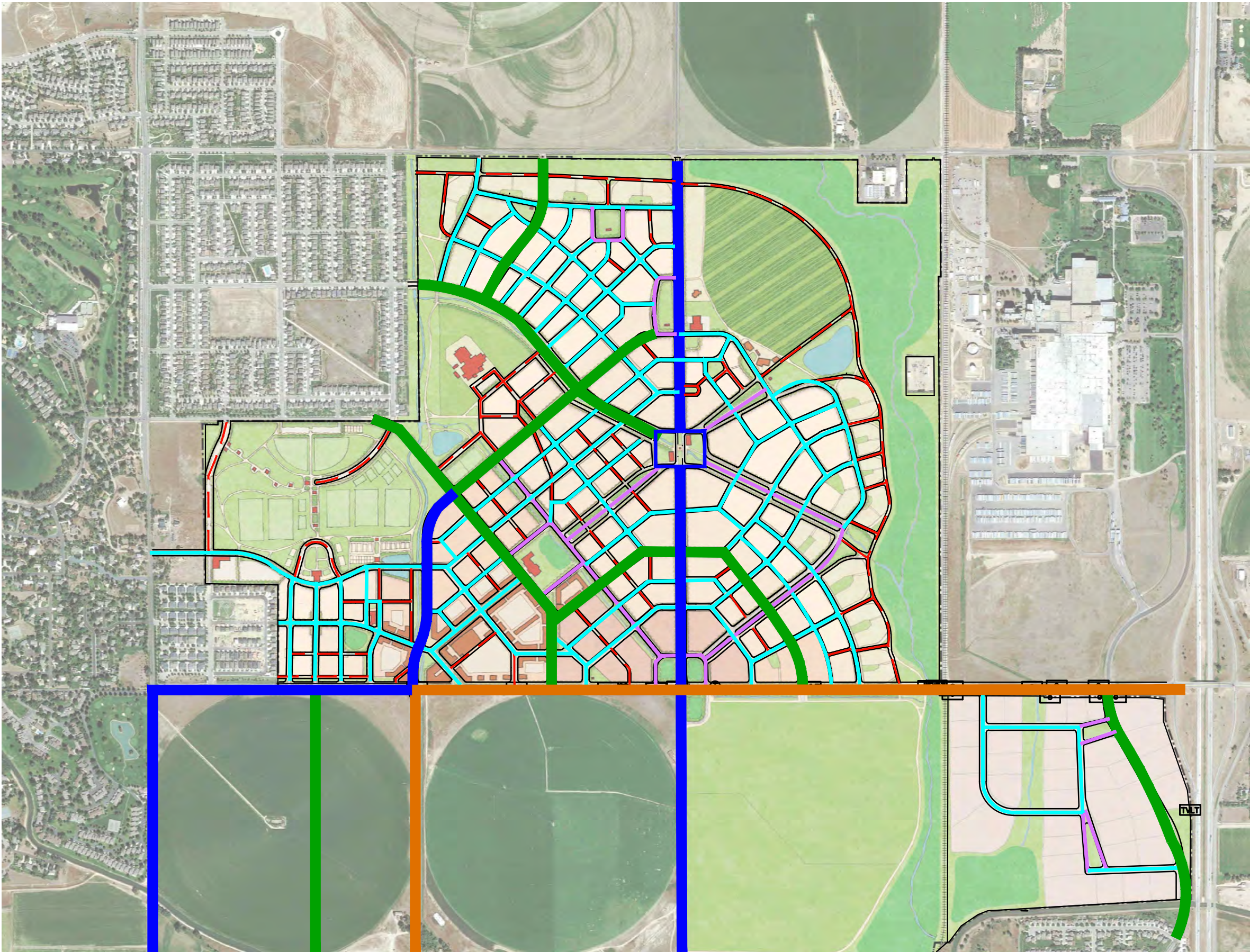


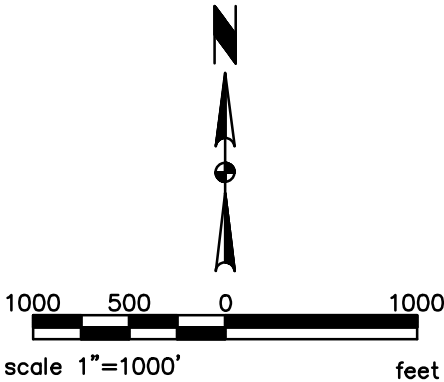
EXHIBIT ST-1

MAP OF DISTRICT STREET SYSTEMS

MONTAVA METROPOLITAN DISTRICT

LEGEND

- 4-LANE ARTERIAL
- 2-LANE ARTERIAL
- MINOR COLLECTOR
- LOCAL
- SPECIALTY LOCAL
- ALLEY



TST

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JUNE 21, 2018



MONTAVA METROPOLITAN DISTRICTS  
FORT COLLINS, COLORADO

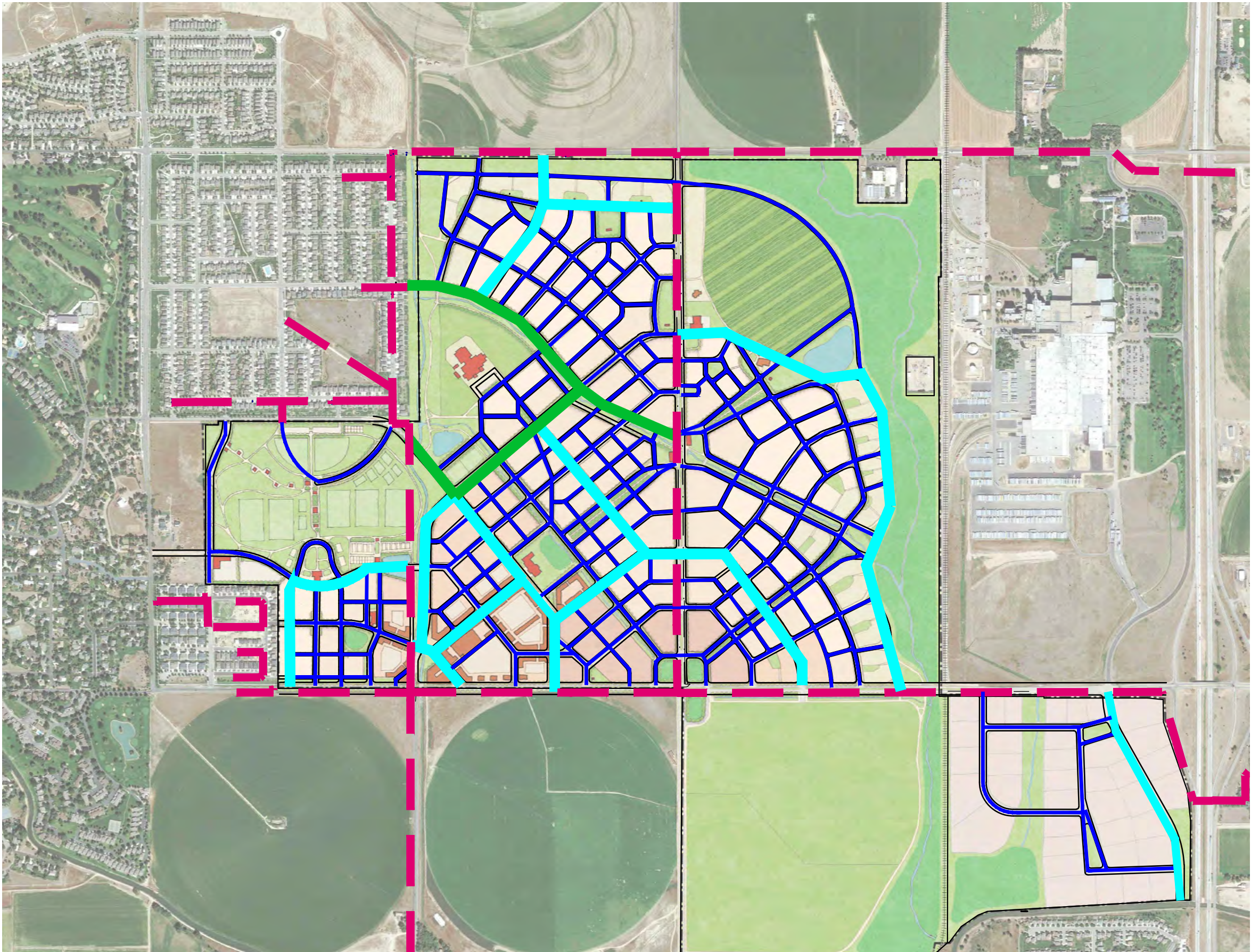
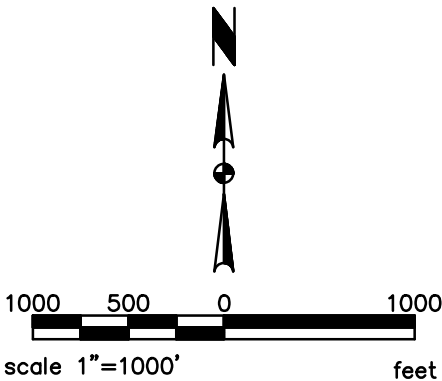


EXHIBIT W-1

MAP OF DISTRICT WATER SYSTEMS

MONTAVA METROPOLITAN DISTRICT

- LEGEND**
- EXISTING ELCO WATER
  - 8" WATER
  - 10" WATER
  - 12" WATER



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JUNE 21, 2018



MONTAVA METROPOLITAN DISTRICTS  
FORT COLLINS, COLORADO

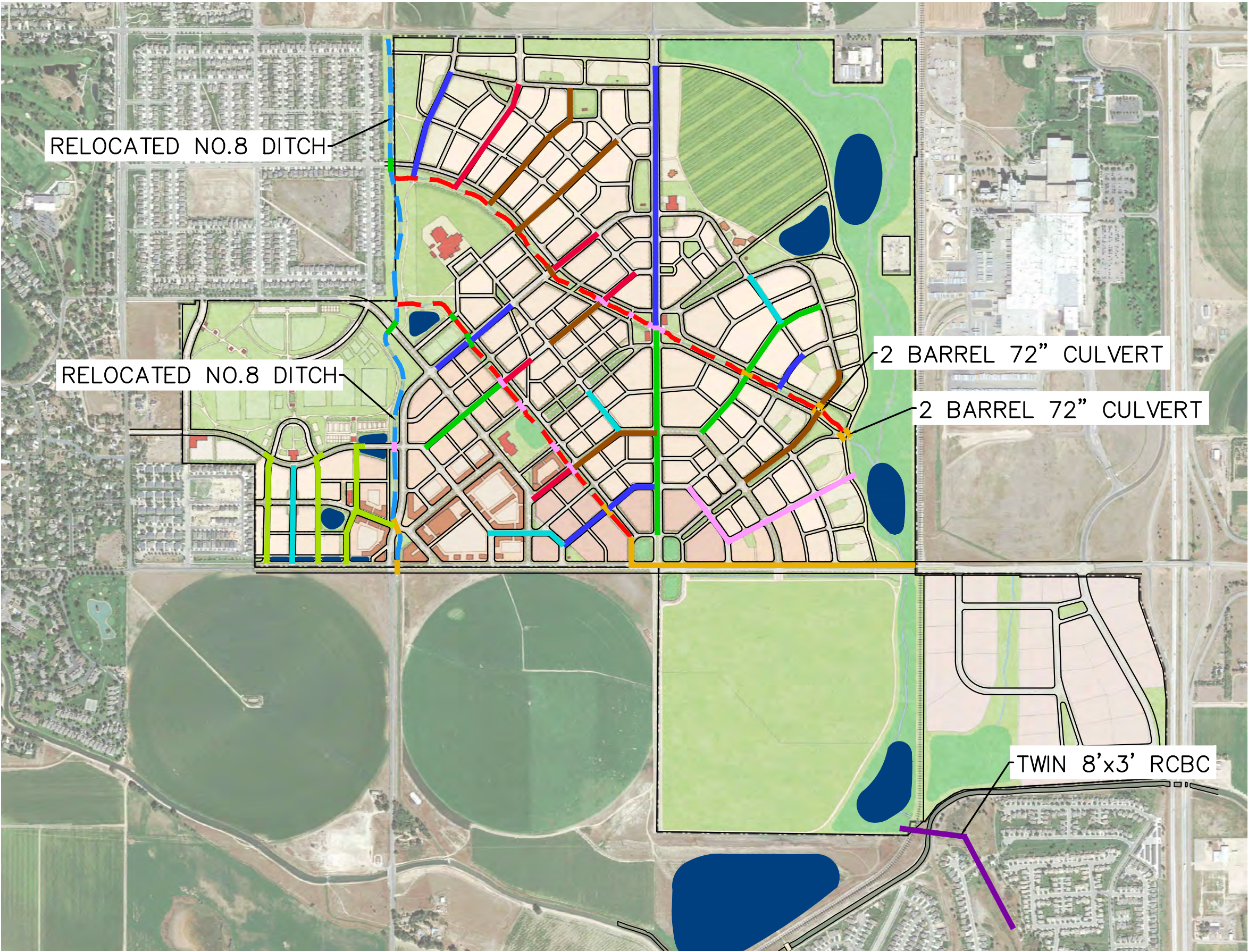


EXHIBIT ST-1

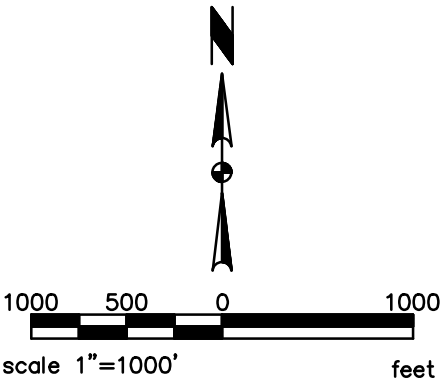
MAP OF DISTRICT STORM WATER SYSTEMS

MONTAVA METROPOLITAN DISTRICT

LEGEND

- 18" STORM
- 24" STORM
- 30" STORM
- 36" STORM
- 48" STORM
- 54" STORM
- 60" STORM
- 72" STORM
- PROPOSED CHANNEL
- RELOCATED NO.8 DITCH

PROPOSED STORMWATER  
DETENTION POND



**TST** TST, INC. CONSULTING ENGINEERS

**PREPARED BY:**  
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JUNE 21, 2018



MONTAVA METROPOLITAN DISTRICTS  
FORT COLLINS, COLORADO

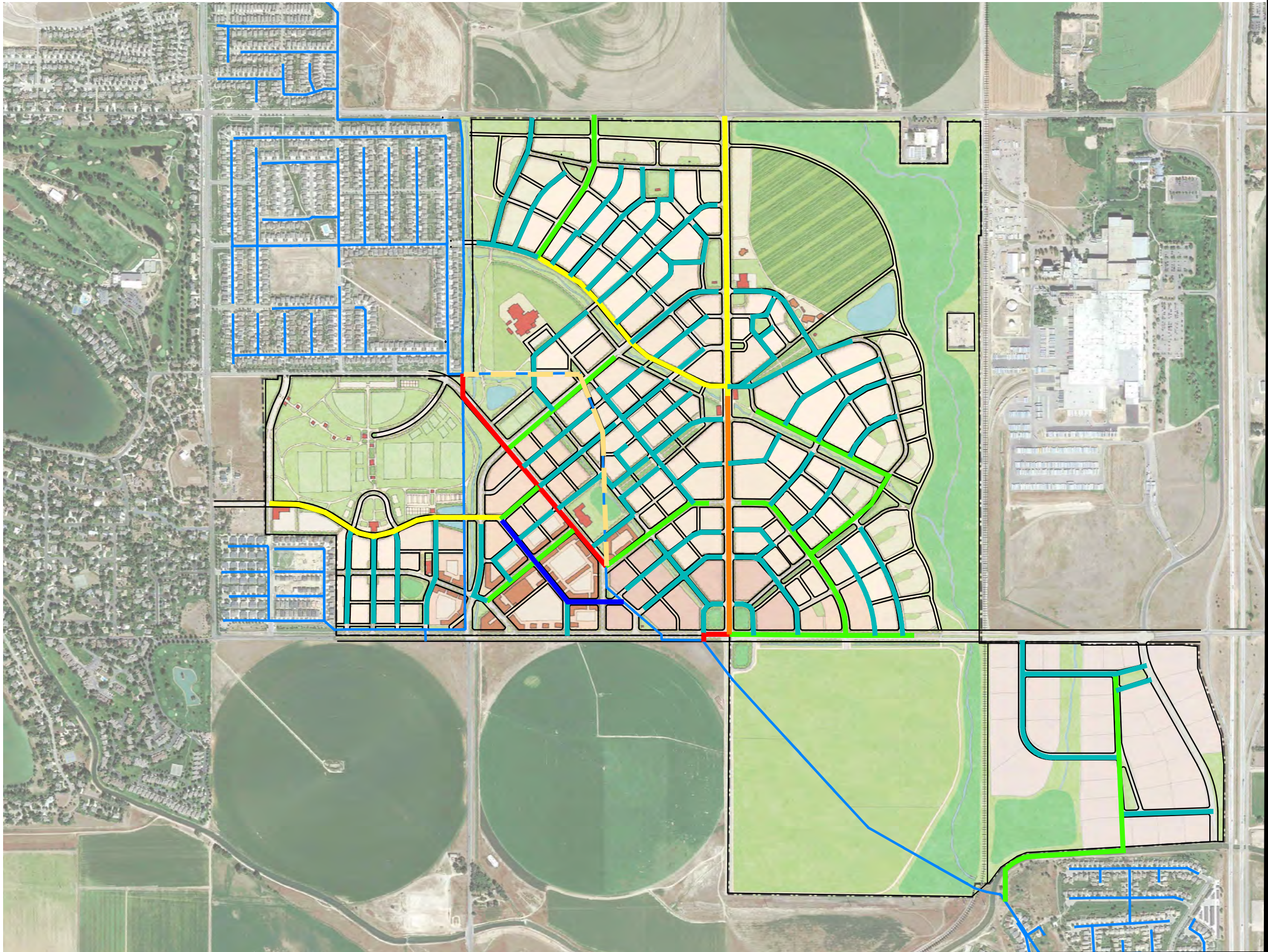


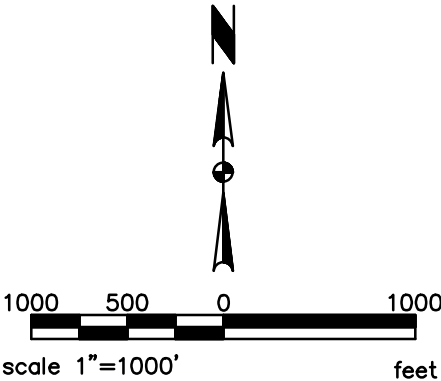
EXHIBIT SS-1

MAP OF DISTRICT SEWER SYSTEMS

MONTAVA METROPOLITAN DISTRICTS

LEGEND

- DISTRICT BOUNDARY
- 8" SEWER
- 10" SEWER
- 12" SEWER
- 15" SEWER
- 18" SEWER
- 21" SEWER
- SS EXISTING SEWER
- PROPOSED SEWER DEMOLITION





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Job no. 1230.0002.00  
Filename: Cobblestone Exhibits  
JUNE 21, 2018



MONTAVA METROPOLITAN DISTRICTS  
FORT COLLINS, COLORADO

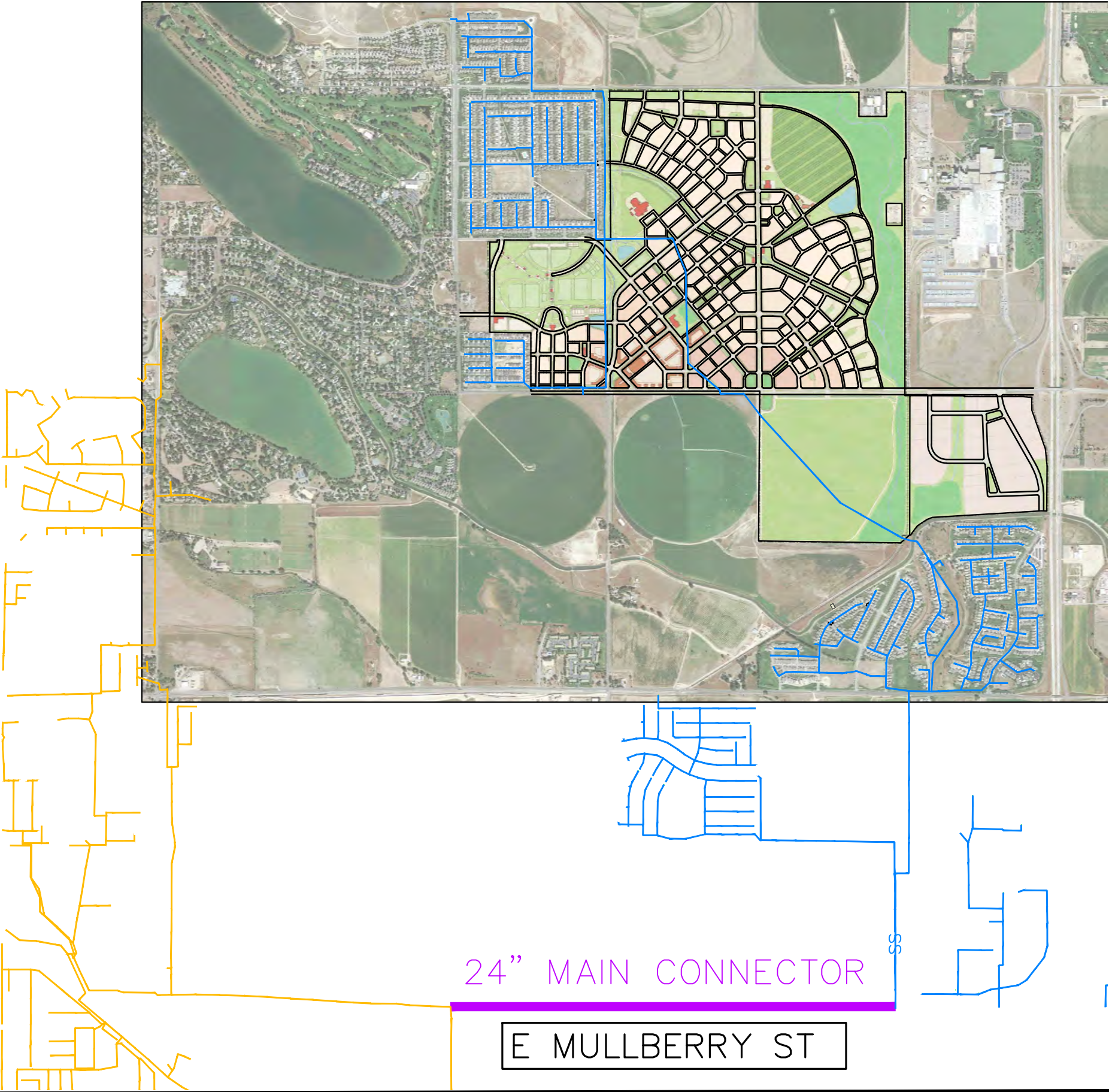


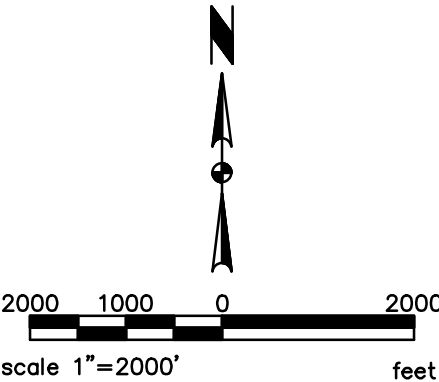
EXHIBIT SS-2

MAP OF DISTRICT OFFSITE SEWER SYSTEMS

MONTAVA METROPOLITAN DISTRICTS

LEGEND

- DISTRICT BOUNDARY
- SS EXISTING SEWER
- 24" SEWER



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Filename: Cobblestone Exhibits  
JUNE 21, 2018



MONTAVA METROPOLITAN DISTRICTS  
FORT COLLINS, COLORADO

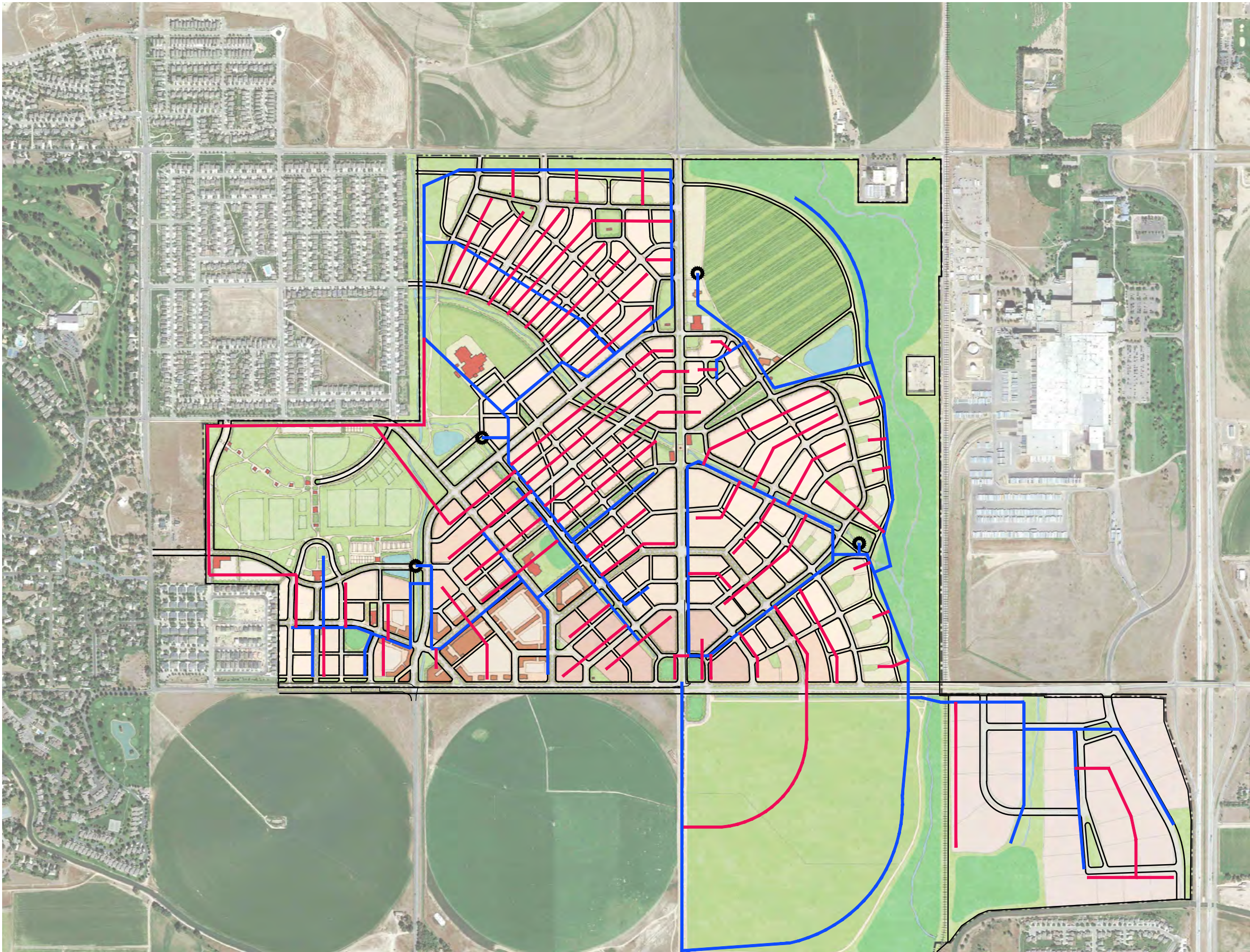


EXHIBIT N-1

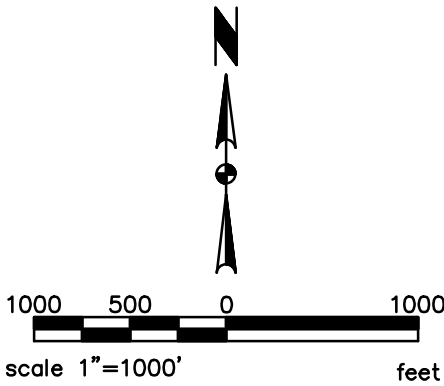
MAP OF DISTRICT NON-POT SYSTEMS

MONTAVA METROPOLITAN DISTRICT

LEGEND

- DISTRICT BOUNDARY
- IRRIGATION MAIN
- IRRIGATION LATERAL

PUMP STATION





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JUNE 21, 2018



MONTAVA METROPOLITAN DISTRICTS  
FORT COLLINS, COLORADO

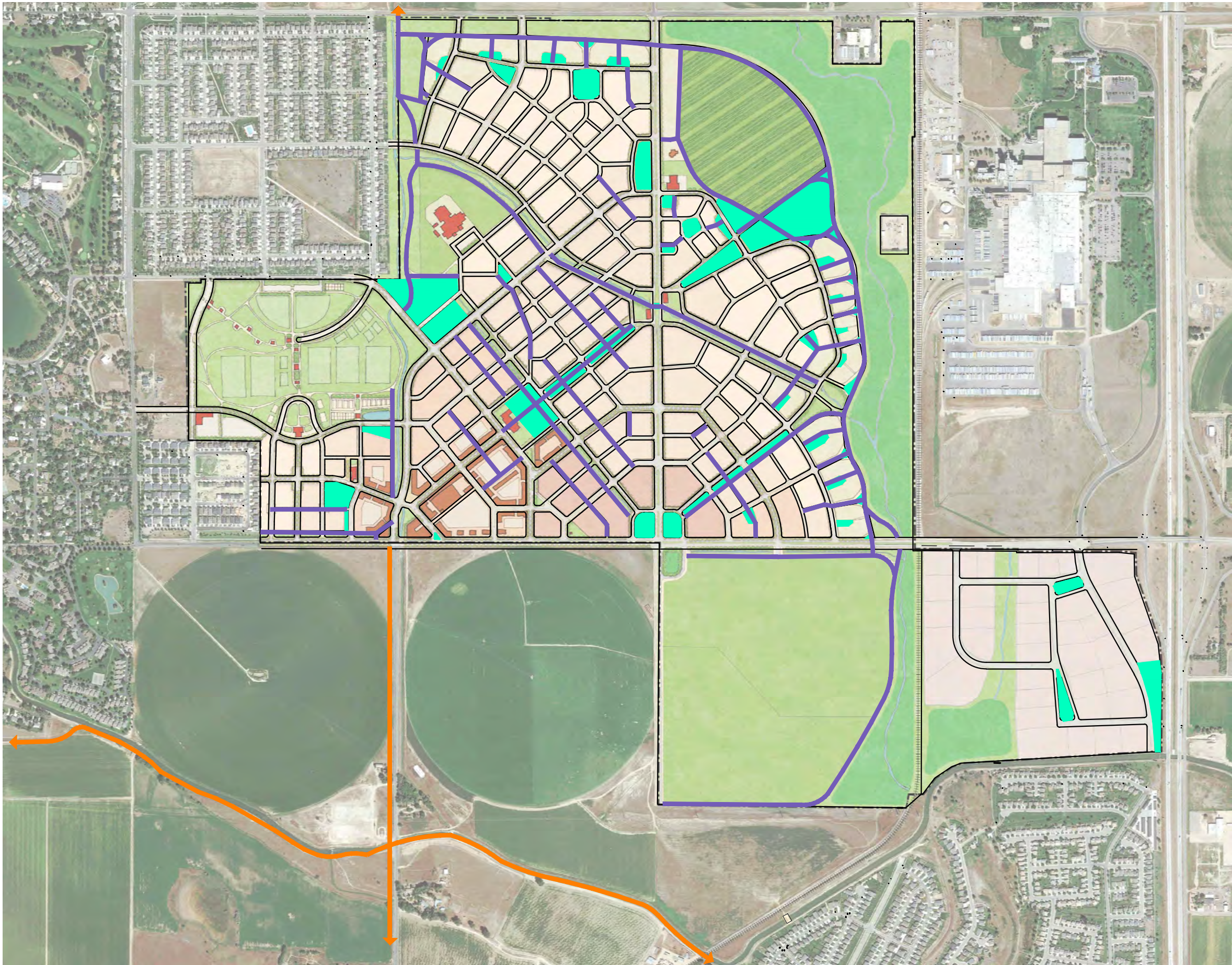


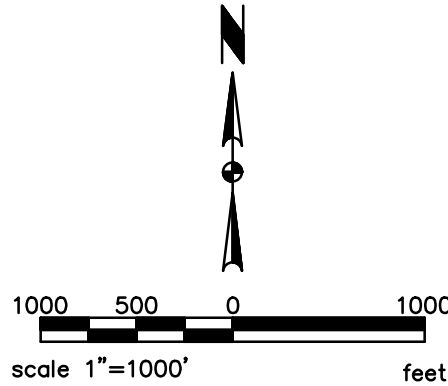
EXHIBIT T-1

MAP OF DISTRICT TRAILS

MONTAVA METROPOLITAN DISTRICT

LEGEND

- OFF SITE TRAILS
- ON SITE TRAILS



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Job no. 1230.0001.00  
Filename: Metro District Exhibits  
JUNE 29, 2018



MONTAVA METROPOLITAN DISTRICTS  
FORT COLLINS, COLORADO

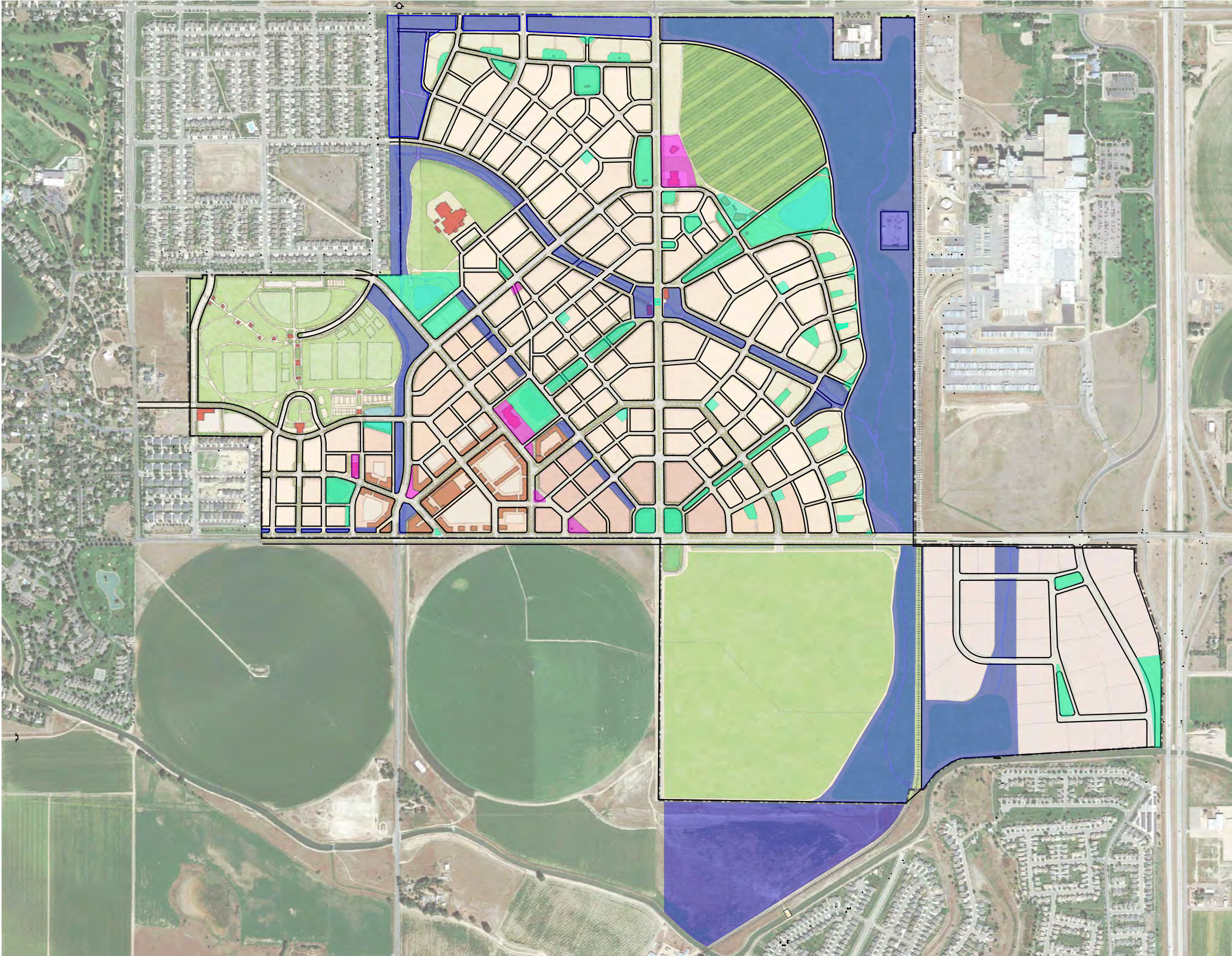


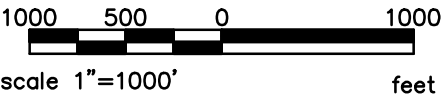
EXHIBIT OS-1

MAP OF DISTRICT OPEN SPACE

MONTAVA METROPOLITAN DISTRICT

LEGEND

- OPEN SPACE
- PARKS
- PUBLIC SPACE



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Filename: Metro District Exhibits  
JUNE 29, 2018



**EXHIBIT J**  
**Financial Plan**



**MONTAVA METROPOLITAN DISTRICT**

Development Projection -- Total Available Revenues -- Service Plan

Series 2023, 2027, 2031, 2035, 2039 &amp; 2044 Senior Bonds Plus 2019B Cash-Flow Bonds

YEAR	SP#1 Total Available Revenue	SP#2 Total Available Revenue	SP#3 Total Available Revenue	SP#4 Total Available Revenue	SP#5 Total Available Revenue	SP#6 Total Available Revenue	[All Plans] Total Available Revenue
2017	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0
2020	230,000	0	0	0	0	0	230,000
2021	504,915	0	0	0	0	0	504,915
2022	904,411	0	0	0	0	0	904,411
2023	1,421,428	0	0	0	0	0	1,421,428
2024	1,674,813	205,000	0	0	0	0	1,879,813
2025	2,078,593	542,656	0	0	0	0	2,621,249
2026	2,203,309	889,802	0	0	0	0	3,093,111
2027	2,203,309	1,522,869	0	0	0	0	3,726,178
2028	2,335,507	1,783,146	365,000	0	0	0	4,483,653
2029	2,335,507	2,163,700	486,881	0	0	0	4,986,088
2030	2,475,638	2,293,522	905,929	0	0	0	5,675,089
2031	2,475,638	2,293,522	1,527,124	0	0	0	6,296,284
2032	2,624,176	2,431,134	1,740,041	160,000	0	0	6,955,350
2033	2,624,176	2,431,134	2,108,769	429,413	0	0	7,593,492
2034	2,781,627	2,577,002	2,235,295	842,626	0	0	8,436,549
2035	2,781,627	2,577,002	2,235,295	1,341,070	0	0	8,934,993
2036	2,948,524	2,731,622	2,369,413	1,810,499	110,000	0	9,970,058
2037	2,948,524	2,731,622	2,369,413	1,969,969	197,280	0	10,216,808
2038	3,125,436	2,895,519	2,511,578	2,088,167	295,876	0	10,916,576
2039	3,125,436	2,895,519	2,511,578	2,088,167	537,699	0	11,158,398
2040	3,312,962	3,069,250	2,662,272	2,213,458	632,734	95,000	11,985,676
2041	3,312,962	3,069,250	2,662,272	2,213,458	756,274	41,443	12,055,659
2042	3,511,739	3,253,405	2,822,009	2,346,265	801,651	297,214	13,032,283
2043	3,511,739	3,253,405	2,822,009	2,346,265	801,651	258,163	12,993,232
2044	3,722,444	3,448,610	2,991,329	2,487,041	849,750	475,094	13,974,267
2045	3,722,444	3,448,610	2,991,329	2,487,041	849,750	514,518	14,013,691
2046	3,945,790	3,655,526	3,170,809	2,636,263	900,735	592,608	14,901,731
2047	3,945,790	3,655,526	3,170,809	2,636,263	900,735	592,608	14,901,731
2048	4,182,538	3,874,858	3,361,057	2,794,439	954,779	628,164	15,795,835
2049	4,182,538	3,874,858	3,361,057	2,794,439	954,779	628,164	15,795,835
2050	4,433,490	4,107,349	3,562,721	2,962,106	1,012,065	665,854	16,743,585
2051	4,433,490	4,107,349	3,562,721	2,962,106	1,012,065	665,854	16,743,585
2052	4,699,500	4,353,790	3,776,484	3,139,832	1,072,789	705,805	17,748,200
2053	4,699,500	4,353,790	3,776,484	3,139,832	1,072,789	705,805	17,748,200
2054	0	4,615,017	4,003,073	3,328,222	1,137,157	748,153	13,831,622
2055	0	4,615,017	4,003,073	3,328,222	1,137,157	748,153	13,831,622
2056	0	4,891,919	4,243,257	3,527,915	1,205,386	793,043	14,661,520
2057	0	4,891,919	4,243,257	3,527,915	1,205,386	793,043	14,661,520
2058	0	0	4,497,853	3,739,590	1,277,709	840,625	10,355,777
2059	0	0	4,497,853	3,739,590	1,277,709	840,625	10,355,777
2060	0	0	4,767,724	3,963,965	1,354,372	891,063	10,977,124
2061	0	0	4,767,724	3,963,965	1,354,372	891,063	10,977,124
2062	0	0	0	4,201,803	1,435,634	944,527	6,581,964
2063	0	0	0	4,201,803	1,435,634	944,527	6,581,964
2064	0	0	0	4,453,911	1,521,772	1,001,198	6,976,882
2065	0	0	0	4,453,911	1,521,772	1,001,198	6,976,882
2066	0	0	0	0	1,613,078	1,061,270	2,674,348
2067	0	0	0	0	1,613,078	1,061,270	2,674,348
2068	0	0	0	0	1,613,078	1,124,946	2,738,025
2069	0	0	0	0	1,613,078	1,124,946	2,738,025
2070	0	0	0	0	0	1,192,443	1,192,443
2071						1,192,443	1,192,443
2072						1,263,990	1,263,990
2073						1,263,990	1,263,990
2074						1,339,829	1,339,829
	99,419,519	103,504,218	101,083,490	94,319,532	36,029,773	27,928,639	462,285,171



**MONTAVA METROPOLITAN DISTRICT**

Development Projection -- Total Available Revenues -- Service Plan

Series 2023, 2027, 2031, 2035, 2039 &amp; 2044 Senior Bonds Plus 2019B Cash-Flow Bonds

Total Par: \$187,590,000  
Total Project: \$165,075,850

YEAR	Net Available for Debt Svc	Ser. 2023 \$40,425,000 Par [Net \$35.573 MM] Net Debt Service	Ser. 2027 \$42,075,000 Par [Net \$37.025 MM] Net Debt Service	Ser. 2031 \$40,995,000 Par [Net \$36.074 MM] Net Debt Service	Ser. 2035 \$38,300,000 Par [Net \$33.703 MM] Net Debt Service	Ser. 2039 \$14,635,000 Par [Net \$12.881 MM] Net Debt Service	Ser. 2044 \$11,160,000 Par [Net \$9.820 MM] Net Debt Service	Total Net Debt Service	Annual Surplus	Surplus Release to \$18,759,000	Cumulative Surplus \$18,759,000 Target	Cov. of Net DS:
2017	\$0											0.0%
2018	0										0	0.0%
2019	0								\$0	0	0	0.0%
2020	230,000							0	230,000	0	230,000	0.0%
2021	504,915							0	504,915	0	734,915	0.0%
2022	904,411							0	904,411	0	1,639,326	0.0%
2023	1,421,428	\$0						0	1,421,428	0	3,060,754	0.0%
2024	1,879,813	1,617,000						1,617,000	262,813	0	3,323,568	116.3%
2025	2,621,249	1,617,000						1,617,000	1,004,249	0	4,327,816	162.1%
2026	3,093,111	1,692,000						1,692,000	1,401,111	0	5,728,927	182.8%
2027	3,726,178	1,694,000	\$0					1,694,000	2,032,178	0	7,761,105	220.0%
2028	4,483,653	1,795,800	1,683,000					3,478,800	1,004,853	0	8,765,959	128.9%
2029	4,986,088	1,793,400	1,683,000					3,476,400	1,509,688	0	10,275,647	143.4%
2030	5,675,089	1,900,800	1,763,000					3,663,800	2,011,289	0	12,286,936	154.9%
2031	6,296,284	1,903,600	1,759,800	\$0				3,663,400	2,632,884	0	14,919,821	171.9%
2032	6,955,350	2,015,800	1,866,600	1,639,800				5,522,200	1,433,150	0	16,352,971	126.0%
2033	7,593,492	2,018,000	1,869,000	1,639,800				5,526,800	2,066,692	0	18,419,663	137.4%
2034	8,436,549	2,139,400	1,981,000	1,714,800				5,835,200	2,601,349	2,262,012	18,759,000	144.6%
2035	8,934,993	2,135,200	1,978,200	1,716,800	\$0			5,830,200	3,104,793	3,104,793	18,759,000	153.3%
2036	9,970,058	2,265,200	2,100,000	1,818,600	1,532,000			7,715,800	2,254,258	2,254,258	18,759,000	129.2%
2037	10,216,808	2,264,000	2,096,400	1,821,200	1,532,000			7,713,600	2,503,208	2,503,208	18,759,000	132.5%
2038	10,916,576	2,401,600	2,222,200	1,928,400	1,602,000			8,154,200	2,762,376	2,762,376	18,759,000	133.9%
2039	11,158,398	2,402,400	2,227,200	1,931,000	1,604,200	\$0		8,164,800	2,993,598	2,993,598	18,759,000	136.7%
2040	11,985,676	2,546,600	2,356,000	2,043,000	1,701,200	585,400		9,232,200	2,753,476	2,753,476	18,759,000	129.8%
2041	12,055,659	2,548,400	2,358,600	2,045,000	1,699,200	585,400		9,236,600	2,819,059	2,819,059	18,759,000	130.5%
2042	13,032,283	2,698,200	2,499,800	2,166,200	1,802,000	615,400		9,781,600	3,250,683	3,250,683	18,759,000	133.2%
2043	12,993,232	2,700,000	2,499,000	2,166,800	1,800,400	\$614,200		9,780,400	3,212,832	3,212,832	18,759,000	132.8%
2044	13,974,267	2,859,400	2,651,600	2,296,400	1,908,400	653,000	\$0	10,368,800	3,605,467	3,605,467	18,759,000	134.8%
2045	14,013,691	2,860,000	2,651,400	2,299,800	1,911,600	650,200	446,400	10,819,400	3,194,291	3,194,291	18,759,000	129.5%
2046	14,901,731	3,032,800	2,809,200	2,436,800	2,024,000	692,400	451,400	11,446,600	3,455,131	3,455,131	18,759,000	130.2%
2047	14,901,731	3,030,800	2,808,600	2,437,000	2,026,200	692,800	451,200	11,446,600	3,455,131	3,455,131	18,759,000	130.2%
2048	15,795,835	3,215,600	2,975,600	2,580,600	2,147,400	733,000	481,000	12,133,200	3,662,635	3,662,635	18,759,000	130.2%
2049	15,795,835	3,214,600	2,978,400	2,581,800	2,147,800	731,400	479,600	12,133,600	3,662,235	3,662,235	18,759,000	130.2%
2050	16,743,585	3,409,800	3,158,200	2,736,000	2,277,000	774,600	508,200	12,863,800	3,879,785	3,879,785	18,759,000	130.2%
2051	16,743,585	3,408,200	3,157,800	2,737,000	2,274,800	775,800	510,600	12,864,200	3,879,385	3,879,385	18,759,000	130.2%
2052	17,748,200	3,612,200	3,349,000	2,900,600	2,411,200	821,600	542,800	13,637,400	4,110,800	4,110,800	18,759,000	130.1%
2053	17,748,200	3,613,392	3,349,000	2,900,200	2,410,600	825,200	538,600	13,636,992	4,111,208	4,111,208	18,759,000	130.1%
2054	13,831,622	0	3,545,000	3,077,000	2,558,200	873,200	574,400	10,627,800	3,203,822	3,203,822	18,759,000	130.1%
2055	13,831,622	0	3,549,000	3,078,800	2,558,000	873,800	573,600	10,633,200	3,198,422	3,198,422	18,759,000	130.1%
2056	14,661,520	0	3,758,200	3,262,200	2,710,600	923,800	607,600	11,262,400	3,399,120	3,399,120	18,759,000	130.2%
2057	14,661,520	0	3,761,992	3,259,800	2,709,800	926,200	610,000	11,267,792	3,393,728	3,393,728	18,759,000	130.1%
2058	10,355,777	0	0	3,458,600	2,876,400	982,800	642,000	7,959,800	2,395,977	2,395,977	18,759,000	130.1%
2059	10,355,777	0	0	3,455,400	2,873,600	981,400	642,400	7,952,800	2,402,977	2,402,977	18,759,000	130.2%
2060	10,977,124	0	0	3,662,800	3,047,800	1,039,200	682,400	8,432,200	2,544,924	2,544,924	18,759,000	130.2%
2061	10,977,124	0	0	3,666,392	3,046,800	1,038,800	680,400	8,432,392	2,544,732	2,544,732	18,759,000	130.2%
2062	6,581,964	0	0	0	3,227,200	1,102,400	723,000	5,052,600	1,529,364	1,529,364	18,759,000	130.3%
2063	6,581,964	0	0	0	3,231,600	1,102,400	723,400	5,057,400	1,524,564	1,524,564	18,759,000	130.1%
2064	6,976,882	0	0	0	3,421,600	1,166,200	768,200	5,356,000	1,620,882	1,620,882	18,759,000	130.3%
2065	6,976,882	0	0	0	3,424,467	1,166,200	765,600	5,356,267	1,620,615	1,620,615	18,759,000	130.3%
2066	2,674,348	0	0	0	0	1,239,800	812,400	2,052,200	622,148	622,148	18,759,000	130.3%
2067	2,674,348	0	0	0	0	1,239,000	811,600	2,050,600	623,748	623,748	18,759,000	130.4%
2068	2,738,025	0	0	0	0	1,236,600	865,000	2,101,600	636,425	636,425	18,759,000	130.3%
2069	2,738,025	0	0	0	0	1,238,858	860,400	2,099,258	638,766	638,766	18,759,000	130.4%
2070	1,192,443	0	0	0	0	0	915,000	915,000	277,443	277,443	18,759,000	130.3%
2071	1,192,443						916,400	916,400	276,043	276,043	18,759,000	130.1%
2072	1,263,990						971,600	971,600	292,390	292,390	18,759,000	130.1%
2073	1,263,990						968,400	968,400	295,590	295,590	18,759,000	130.5%
2074	1,339,829						1,030,350	1,030,350	309,479	19,068,479	0	130.0%
	462,285,171	74,405,192	77,445,792	75,458,592	70,498,067	26,881,058	20,553,950	345,242,650	117,042,521	117,042,521		
		[DJun2018 23spBd]	[DJun2018 27spBd]	[DJun2018 31spBd]	[DJun2018 35spBd]	[DJun2018 39spBd]	[DJun2018 44spBd]					



**MONTAVA METROPOLITAN DISTRICT**

Development Projection -- Total Available Revenues -- Service Plan

Series 2023, 2027, 2031, 2035, 2039 & 2044 Senior Bonds Plus 2019B Cash-Flow Bonds

Cash-Flow Bonds >>>																
YEAR	Surplus Available for CF Bond Debt Service	Application of Prior Year Surplus	Total Available for CF Bond Debt Service	Date Bonds Issued	CF Bond Bond Interest on Balance 7.00%	Less Payments Toward Sub Bond Interest	Accrued Interest + Int. on Bal. @ 7.00%	Less Payments Toward Accrued Interest	Balance of Accrued Interest	Sub Bonds Principal Issued	Less Payments Toward Bond Principal	Balance of CF Bond Principal	Total CF Bond Pmts.	Surplus Cash Flow	Surplus Release	Cum. Surplus
2017																
2018																
2019	0			12/1/19	41,261	0	41,261	0	41,261	15,157,000	0	15,157,000	0	0		0
2020	0	0	0		1,060,990	0	1,063,878	0	1,105,139		0	15,157,000	0	0	0	0
2021	0	0	0		1,060,990	0	1,138,350	0	2,243,489		0	15,157,000	0	0	0	0
2022	0	0	0		1,060,990	0	1,218,034	0	3,461,523		0	15,157,000	0	0	0	0
2023	0	0	0		1,060,990	0	1,303,297	0	4,764,820		0	15,157,000	0	0	0	0
2024	0	0	0		1,060,990	0	1,394,527	0	6,159,347		0	15,157,000	0	0	0	0
2025	0	0	0		1,060,990	0	1,492,144	0	7,651,491		0	15,157,000	0	0	0	0
2026	0	0	0		1,060,990	0	1,596,594	0	9,248,086		0	15,157,000	0	0	0	0
2027	0	0	0		1,060,990	0	1,708,356	0	10,956,442		0	15,157,000	0	0	0	0
2028	0	0	0		1,060,990	0	1,827,941	0	12,784,382		0	15,157,000	0	0	0	0
2029	0	0	0		1,060,990	0	1,955,897	0	14,740,279		0	15,157,000	0	0	0	0
2030	0	0	0		1,060,990	0	2,092,810	0	16,833,089		0	15,157,000	0	0	0	0
2031	0	0	0		1,060,990	0	2,239,306	0	19,072,395		0	15,157,000	0	0	0	0
2032	0	0	0		1,060,990	0	2,396,058	0	21,468,453		0	15,157,000	0	0	0	0
2033	0	0	0		1,060,990	0	2,563,782	0	24,032,234		0	15,157,000	0	0	0	0
2034	2,262,012		2,262,012		1,060,990	1,060,990	1,682,256	1,201,022	24,513,469		0	15,157,000	2,262,012	0	0	0
2035	3,104,793		3,104,793		1,060,990	1,060,990	1,715,943	2,043,803	24,185,609		0	15,157,000	3,104,793	0	0	0
2036	2,254,258		2,254,258		1,060,990	1,060,990	1,692,993	1,193,268	24,685,334		0	15,157,000	2,254,258	0	0	0
2037	2,503,208		2,503,208		1,060,990	1,060,990	1,727,973	1,442,218	24,971,089		0	15,157,000	2,503,208	0	0	0
2038	2,762,376		2,762,376		1,060,990	1,060,990	1,747,976	1,701,386	25,017,680		0	15,157,000	2,762,376	0	0	0
2039	2,993,598		2,993,598		1,060,990	1,060,990	1,751,238	1,932,608	24,836,309		0	15,157,000	2,993,598	0	0	0
2040	2,753,476		2,753,476		1,060,990	1,060,990	1,738,542	1,692,486	24,882,365		0	15,157,000	2,753,476	0	0	0
2041	2,819,059		2,819,059		1,060,990	1,060,990	1,741,766	1,758,069	24,866,062		0	15,157,000	2,819,059	0	0	0
2042	3,250,683		3,250,683		1,060,990	1,060,990	1,740,624	2,189,693	24,416,993		0	15,157,000	3,250,683	0	0	0
2043	3,212,832		3,212,832		1,060,990	1,060,990	1,709,189	2,151,842	23,974,340		0	15,157,000	3,212,832	0	0	0
2044	3,605,467		3,605,467		1,060,990	1,060,990	1,678,204	2,544,477	23,108,067		0	15,157,000	3,605,467	0	0	0
2045	3,194,291		3,194,291		1,060,990	1,060,990	1,617,565	2,133,301	22,592,331		0	15,157,000	3,194,291	0	0	0
2046	3,455,131		3,455,131		1,060,990	1,060,990	1,581,463	2,394,141	21,779,654		0	15,157,000	3,455,131	0	0	0
2047	3,455,131		3,455,131		1,060,990	1,060,990	1,524,576	2,394,141	20,910,088		0	15,157,000	3,455,131	0	0	0
2048	3,662,635		3,662,635		1,060,990	1,060,990	1,463,706	2,601,645	19,772,150		0	15,157,000	3,662,635	0	0	0
2049	3,662,235		3,662,235		1,060,990	1,060,990	1,384,050	2,601,245	18,554,956		0	15,157,000	3,662,235	0	0	0
2050	3,879,785		3,879,785		1,060,990	1,060,990	1,298,847	2,818,795	17,035,008		0	15,157,000	3,879,785	0	0	0
2051	3,879,385		3,879,385		1,060,990	1,060,990	1,192,451	2,818,395	15,409,063		0	15,157,000	3,879,385	0	0	0
2052	4,110,800		4,110,800		1,060,990	1,060,990	1,078,634	3,049,810	13,437,888		0	15,157,000	4,110,800	0	0	0
2053	4,111,208		4,111,208		1,060,990	1,060,990	940,652	3,050,218	11,328,322		0	15,157,000	4,111,208	0	0	0
2054	3,203,822		3,203,822		1,060,990	1,060,990	792,983	2,142,832	9,978,472		0	15,157,000	3,203,822	0	0	0
2055	3,198,422		3,198,422		1,060,990	1,060,990	698,493	2,137,432	8,539,533		0	15,157,000	3,198,422	0	0	0
2056	3,399,120		3,399,120		1,060,990	1,060,990	597,767	2,338,130	6,799,170		0	15,157,000	3,399,120	0	0	0
2057	3,393,728		3,393,728		1,060,990	1,060,990	475,942	2,332,738	4,942,374		0	15,157,000	3,393,728	0	0	0
2058	2,395,977		2,395,977		1,060,990	1,060,990	345,966	1,334,987	3,953,353		0	15,157,000	2,395,977	0	0	0
2059	2,402,977		2,402,977		1,060,990	1,060,990	276,735	1,341,987	2,888,101		0	15,157,000	2,402,977	0	0	0
2060	2,544,924		2,544,924		1,060,990	1,060,990	202,167	1,483,934	1,606,334		0	15,157,000	2,544,924	0	0	0
2061	2,544,732		2,544,732		1,060,990	1,060,990	112,443	1,483,742	235,035		0	15,157,000	2,544,732	0	0	0
2062	1,529,364		1,529,364		1,060,990	1,060,990	16,452	251,487	0		216,887	14,940,113	1,529,364	0	0	0
2063	1,524,564		1,524,564		1,045,808	1,045,808	0	0	0		478,756	14,461,357	1,524,564	0	0	0
2064	1,620,882		1,620,882		1,012,295	1,012,295	0	0	0		608,587	13,852,771	1,620,882	0	0	0
2065	1,620,615		1,620,615		969,694	969,694	0	0	0		650,921	13,201,849	1,620,615	0	0	0
2066	622,148		622,148		924,129	622,148	301,981	0	301,981		0	13,201,849	622,148	0	0	0
2067	623,748		623,748		924,129	623,748	321,520	0	623,501		0	13,201,849	623,748	0	0	0
2068	636,425		636,425		924,129	636,425	331,350	0	954,850		0	13,201,849	636,425	0	0	0
2069	638,766		638,766		924,129	638,766	352,203	0	1,307,053		0	13,201,849	638,766	0	0	0
2070	277,443		277,443		924,129	277,443	738,180	0	2,045,233		0	13,201,849	277,443	0	0	0
2071	276,043		276,043		924,129	276,043	791,253	0	2,836,486		0	13,201,849	276,043	0	0	0
2072	292,390		292,390		924,129	292,390	830,294	0	3,666,780		0	13,201,849	292,390	0	0	0
2073	295,590		295,590		924,129	295,590	885,214	0	4,551,994		0	13,201,849	295,590	0	0	0
2074	19,068,479		19,068,479		924,129	924,129	318,640	4,870,634	0		13,201,849	0	18,996,613	71,866	71,866	0
	117,042,521	0	117,042,521		57,008,793	38,383,190	63,430,465	63,430,465		15,157,000	15,157,000		116,970,655	71,866	71,866	



**MONTAVA METROPOLITAN DISTRICT**  
**Development Summary (Aggregate)**  
Development Projection -- Buildout Plan (updated 6/20/18)



Product Type	Residential Development		Res'l Totals	Commercial Development			Comm'l SF Total*
	SFDs	MF		Retail	Office	Industrial	
Base \$ ('18)	\$450,000	\$225,000		\$150/sf	\$200/sf	\$100/sf	
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	160	50	210	20,000	-	-	20,000
2021	175	150	325	20,000	-	30,000	50,000
2022	170	125	295	20,000	-	40,000	60,000
2023	180	100	280	25,000	15,000	20,000	60,000
2024	180	-	180	25,000	-	-	25,000
2025	180	180	360	-	25,000	30,000	55,000
2026	180	90	270	10,000	10,000	-	20,000
2027	160	90	250	10,000	10,000	40,000	60,000
2028	175	180	355	10,000	-	-	10,000
2029	175	80	255	-	10,000	40,000	50,000
2030	160	100	260	10,000	10,000	-	20,000
2031	130	-	130	10,000	-	40,000	50,000
2032	140	-	140	20,000	-	-	20,000
2033	150	100	250	-	30,000	50,000	80,000
2034	140	100	240	10,000	20,000	50,000	80,000
2035	-	120	120	-	-	30,000	30,000
2036	-	110	110	-	-	-	-
2037	-	100	100	10,000	-	50,000	60,000
2038	-	110	110	-	10,000	-	10,000
2039	-	75	75	-	-	25,000	25,000
2040	-	-	-	-	20,000	-	20,000
2041	-	75	75	-	-	-	-
2042	-	75	75	10,000	20,000	-	30,000
2043	-	-	-	-	10,000	-	10,000
2044	-	-	-	-	10,000	-	10,000
2045	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-
	2,455	2,010	4,465	210,000	200,000	445,000	855,000
MV @ Full Buildout (base prices;un-infl.)	\$1,104,750,000	\$452,250,000	\$1,557,000,000	\$31,500,000	\$40,000,000	\$44,500,000	\$116,000,000
AV @ Full Buildout (base prices;un-infl.)			\$112,104,000 77% of AV				\$33,640,000 23% of AV

notes:

Platted/Dev Lots = 10% MV; one-yr prior  
Base MV \$ inflated 2% per annum



## SOURCES AND USES OF FUNDS

### MONTAVA METROPOLITAN DISTRICT Combined Results

#### ~~~~~ GENERAL OBLIGATION BONDS, SERIES 2023, 2027, 2031, 2035, 2039 & 2044 SUBORDINATE BONDS, SERIES 2019B

~~~  
[ Preliminary -- for discussion only ]

|                           | Dated Date<br>Delivery Date | 12/01/2023<br>12/01/2023 | 12/01/2027<br>12/01/2027 | 12/01/2031<br>12/01/2031 | 12/01/2035<br>12/01/2035 | 12/01/2039<br>12/01/2039 | 12/01/2044<br>12/01/2044 | 12/01/2019<br>12/01/2019 |                |
|---------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------|
| Sources:                  |                             | SERIES 2023A             | SERIES 2027A             | SERIES 2031A             | SERIES 2035A             | SERIES 2039A             | SERIES 2044A             | SERIES 2019B             | Total          |
| Bond Proceeds:            |                             |                          |                          |                          |                          |                          |                          |                          |                |
| Par Amount                |                             | 40,425,000.00            | 42,075,000.00            | 40,995,000.00            | 38,300,000.00            | 14,635,000.00            | 11,160,000.00            | 15,157,000.00            | 202,747,000.00 |
|                           |                             | 40,425,000.00            | 42,075,000.00            | 40,995,000.00            | 38,300,000.00            | 14,635,000.00            | 11,160,000.00            | 15,157,000.00            | 202,747,000.00 |
| Uses:                     |                             | SERIES 2023A             | SERIES 2027A             | SERIES 2031A             | SERIES 2035A             | SERIES 2039A             | SERIES 2044A             | SERIES 2019B             | Total          |
| Project Fund Deposits:    |                             |                          |                          |                          |                          |                          |                          |                          |                |
| Project Fund              |                             | 35,572,991.67            | 37,024,791.67            | 36,074,391.67            | 33,702,866.67            | 12,880,858.33            | 9,819,950.00             | 14,702,290.00            | 179,778,140.01 |
| Other Fund Deposits:      |                             |                          |                          |                          |                          |                          |                          |                          |                |
| Debt Service Reserve Fund |                             | 3,235,008.33             | 3,367,208.33             | 3,280,808.33             | 3,065,133.33             | 1,168,741.67             | 893,650.00               |                          | 15,010,549.99  |
| Delivery Date Expenses:   |                             |                          |                          |                          |                          |                          |                          |                          |                |
| Cost of Issuance          |                             | 1,617,000.00             | 1,683,000.00             | 1,639,800.00             | 1,532,000.00             | 585,400.00               | 446,400.00               | 454,710.00               | 7,958,310.00   |
|                           |                             | 40,425,000.00            | 42,075,000.00            | 40,995,000.00            | 38,300,000.00            | 14,635,000.00            | 11,160,000.00            | 15,157,000.00            | 202,747,000.00 |



## **EXHIBIT K**

### **Public Benefits**

**New Urbanism** is an urban design movement which promotes environmentally friendly habits by creating walkable neighborhoods containing a wide range of housing and job types. Montava has been designed by the industry leaders in New Urbanist design, DPZ, and it influences every aspect of the Project.

**Montava implements a new urbanist design by:**

Creating a mixed-use town center integrated with surrounding neighborhood fabric  
Developing the site as a series of neighborhoods with centers, based on a 5-minute walk shed  
Mixing housing types and intensities within each neighborhood  
Creating walkable streets and trails that connect meaningful destinations  
Distributing traffic through a network of connected streets  
Integrating market rate and affordable housing

1. Creating a mixed-use town center integrated with surrounding neighborhood fabric.

Montava includes a wide range of uses and housing, specifically on display in the town center and early development phases. The town center includes stand-alone commercial, incubator commercial, office, entertainment, mixed-use, multi-family, and high intensity single family. It is located along the southern edge of Montava to knit together both development in Montava and future development to the south. The town center is in a traditional town center format, with walkable streets that extend beyond the center, into the surrounding neighborhood fabric. While accessible by car, the town center is located at the convergence of major and minor streets, trails, and open space amenities. Within the core of the town center, more dense development is planned, including non-residential and multi-family residential at relatively high densities. Moving out from the town center towards the adjacent neighborhoods, the density steps down slightly and a variety of different housing types mix together. To achieve this intensity and connected network of streets and trails, careful planning, engineering, and financing are necessary to implement dense infrastructure, a tight grid of streets, on and off-street trails, and stormwater, including existing and future ditches.

2. Developing the site as a series of neighborhoods with centers, based on a 5-minute walk shed.

Montava is phased as a series of neighborhoods, varying in character and intensity. While the site appears to be a continual grid, natural topographic features, trails, streets, and stormwater facilities divide it into sub-areas that will develop their own identity within the whole of Montava. Each neighborhood is designed to include a mix of housing types and intensities. They are located to either address a series of amenities along its edge, such as parks, schools, and gardens, or a strong amenity within its boundaries. Each neighborhood is analyzed on the scale of a 5-minute walk, within which smaller amenities and playgrounds are planned, near to housing. The town center, the farm, and the City park serve as major amenities, drawing people together with the majority able to reach one or more easily by foot. Achieving this structure requires a connected grid of streets that move from one neighborhood to another, and the ability to vary density and use within each. Connections between and through neighborhoods are necessary for the success of Montava's major amenities, including the town center.

3. Mixing housing types and intensities within each neighborhood.



Each neighborhood includes at least 3 zones of intensity, which is a key new urban metric for achieving diverse and walkable communities. While some neighborhoods overall are lower in intensity and others higher, within each neighborhood housing types are mixed. This mixing allows for an overall higher intensity of housing by ensuring distribution of higher intensity housing which can be problematic when concentrated. In addition to density through mixed-use, Montava seeks to achieve density through smaller lots and houses, arranged in courts and clusters. These are mixed into each neighborhood, adding intensity while integrating into neighborhood character. A key to achieving intensity and a mix of housing is having a consistent system of alleys. Higher intensity housing does not work without a system of alleys, and the alley allows housing of different types and scales to coexist by removing the eyesores of parking and service from streets.

#### 4. Creating walkable and bike able streets and trails that connect meaningful destinations.

Walkability relies upon well designed streets, systems of trails, and distributed destinations to encourage walking and biking rather than driving. Creating a walkable place isn't only about travel mode either, it is about connecting neighbors with each other and promoting public health by encouraging residents to spend time out in the community. Walkability begins with a pattern of development that moves cars from the front to the back, behind homes and businesses usually accessed by alleys. The design of the street space makes pedestrians feel comfortable by reducing the amount of street space given to cars and providing quality street trees, lighting scaled and designed for pedestrians, and comfortable sidewalks. Sidewalks must also be scaled to the intensity of the area. In lower intensity areas, two people should be able to walk abreast. In higher intensity areas, room for 3 or 4 people next to each other is necessary. On-street parking is another key feature of walkability, shielding pedestrians from moving cars. Reducing pavement width and car speed makes most streets bike able, but key routes are also configured as bike boulevards and others with dedicated facilities. Combined with walkable streets, the regional trail network is connected into the core of Montava, and additional trails are provided through the center and along the edge. Destinations in Montava are distributed to encourage pedestrian and bike movement throughout the site, and to encourage neighborliness. The farm anchors the NE corner, along with farm-related retail and services in a small neighborhood center. The high school and middle school anchor the SE corner. The western edge is anchored by the City park and the elementary school. And the core of Montava is anchored by the town center, central square, and a grand avenue connecting the farm and town center to each other.

#### 5. Distributing traffic through a network of connected streets.

A connected grid of streets is a core new urbanist principle. Montava has a strong street grid that creates walkable blocks and distributes traffic throughout the site. The street network makes key connections to existing neighbors and along significant arterials. Within Montava the street network is primarily made up of low-speed, pedestrian-centric streets, meant to distribute and slow traffic while creating a significant amount of capacity. The grid integrates Timberline, Mountain Vista, Giddings, Country Club, and Richard's Lake, with numerous connections in-between.

#### 6. Integrating market rate and affordable housing.

Along with mixing housing types, Montava strives to include affordable housing throughout. Housing affordability is achieved within the market and through subsidy. On the market side, the range of housing will include large, expensive housing as well as small, inexpensive housing, and everything in-between. Market rate housing is made more affordable by limiting the lot size and building size, and arranging housing in courts and on pedestrian ways that reduce infrastructure cost per unit. Subsidized housing is also integrated into Montava, using a strategy of dispersion



rather than concentration. Historically areas of concentrated poverty create self-perpetuating cycles and are targets for community pushback. Distributing subsidized housing throughout Montava reduces any associated negative impacts while it also helps break the cycle of poverty by removing social barriers. Both market-based and subsidized housing benefit from reduced or deferred infrastructure costs, lowering the base cost of improved property.

**Agri-Urban Development** - Montava will have a 40 acre organic farm run by Native Hill Farms and owned by the Poudre Valley Community Farms Land Coop. The Native Hill Farm @ Montava will serve the entire community of the City with the highest quality, wide variety of locally grown organic vegetables. While there may be other uses on the farm in the long term, the primary business model is organic vegetables. Directly, The District will be able to provide to Public Infrastructure like irrigation infrastructure, irrigation water delivery, berms wind breaks and landscaping, interior roads, green houses, pack house facility, farm stand, and other items. By providing such Public Infrastructure through the Districts the developer will be able to place up to 40 acres of developable land into the Land Coop, which would otherwise not be able to afford to purchase it.

### **Energy and Water conservation.**

1. The developer is working with the City of Fort Collins Utility to create a community that is founded on renewable energy use, energy conservation, with community wide impact. An example we are working on could include every home having a battery which is charged at night by the city's wind turbine power generation, and used during the day by the Utility for solar smoothing. (We have a charrette with Siemens and the City on August 7<sup>th</sup> to define this)
2. Every home will be built to the DOE's Zero Energy Ready Home standard, and the EPA's WaterSense guidelines. We will be the largest ZERH community in the country.
3. 85% of the irrigation needs will be met by non-potable water sources, and the community overall will be managed from a "we conserve resources" perspective though the Districts.
4. The Districts are anticipated to manage a community wide "in home" water conservation effort by acting as the middle man between ELCO and individual home owners. By purchasing water with a master meter, the District can remove the excessive water dedication needed to account for individual variation in use. By implementing a community wide water conservation approach managed by the Districts, the developer expects to achieve a substantial savings in overall water use.
5. All of these items cost more money than building traditional code built homes, and this cost must be offset to whatever extent is possible by the District offsetting basic Public Infrastructure costs. Where there is Public Infrastructure like non-potable irrigation systems, the Districts may directly contribute to that effort. This system is being designed by Hines Irrigation and is estimated to cost \$8MM. It will also be maintained and supported with a billing system through the Districts.

**Community Services** in the town center will include things like community retail and commercial opportunities. The developer intends to partner with the City to develop a Community Rec Center, and with the Poudre Library District to develop a library for the next generation. The Districts may be used to help fund various aspects of public facilities like the Rec Center.

**Community Park** integration is at the heart of what Montava represents. The developer is working with the City's Parks department to create an 80+ acre community park that will be an activity and enjoyment hub for all NE Fort Collins. The intention is to activate this park from the beginning of Montava's life, not 20+ years in the future as the current plan dictates. This allows an entire generation of City residents to enjoy it. The Districts are anticipated to fund portions of this effort directly, and it's use for traditional



infrastructure offers flexibility for additional developer investment and flexible terms that can make this early development possible.

**Natural Areas** is working with Montava in several ways, including the naturalization of over 150 acres of storm water land that will become a beautiful natural amenity to the entire area, while protecting all of east Fort Collins from floods. The developer will also be incorporating Nature in the City throughout Montava. Both of these efforts can be activated and supported if necessary by Metro District Funds.

**Multi Modal Transportation** was a critical design concept from the very beginning. The developer has an incredible team lead by local and international experts including Ruth Rollins and Nelson Nygaard. This team has assured multi modal design and integration with the entire community of the City from the beginning from bicycle path to future transit integration. Immediately activating the community trail system and integrating that into the overall City trail network, is an area of direct impact the Districts will make. It can both build, and maintain the trail system that is internal to Montava. It can also be used to facilitate the construction of “off site” trail systems to integrate Montava with the rest of the City.

**Affordable Housing** is a national crisis, and is not new to the City real estate reality. Montava has been designed from the very beginning to incorporate substantial affordable housing options including both innovative single site multi family, and creative distributed ownership model affordable housing. We intend for at least 10% of the housing units in Montava to be affordable, distributed between both owned and “for rent” units. We will partner with the City, Housing Catalyst, Land Trusts like Elevations, and many other partners to attack this challenging problem. Every aspect of this costs additional money beyond traditional development costs. In this area, the Districts have a strong but indirect benefit. Having the Districts to help offset traditional infrastructure costs enables more flexible and aggressive approaches to integrating affordable housing into the community by enabling land sales below market, the offset of infrastructure costs in lot costs, and other areas.

**Housing Variety** is a critical element of building a Traditional Neighborhood Design community. DPZ specializes in designing communities with tremendous, and beautiful, integration of diverse and wide ranging housing options. When done intentionally, and with the best expertise which we have hired, creates an incredible living environment that is unlike 99% of what has been built in the past 50+ years in our country. This costs more money in all phases of planning, designing, and execution of development. The Districts have an indirect impact on our ability to close the gap on these additional costs. *(I have attached a housing type plan showing the overall plan for multiple housing types, and how they are embedded into the community plan.)*

**Innovation** is taking many forms in Montava. The developer is working with CSU in multiple areas including agriculture, waste water, energy and affordable housing. We are working with global leader Siemens in partnership with the city of Fort Collins Utility to create an incredibly innovative integration of technology around both energy and daily life. We intend to make the Fort Collins Broadband a foundational technology for every home owner from day 1. Some of these areas, should they come to pass, can be both paid for and managed by the Districts. Having our own waste water system which is fully reused on site is an example.

**Employment** opportunities exist where highly educated and innovative people live, and community services and amenities are offered to those employees. We are working to create a place where employers will want to open businesses, and their innovative employees will want to live. We have made room in the appropriate areas of our Master Plan for this type of use.



## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

**Staff:** Josh Birks and Patrick Rowe

**Date:** August 20, 2018

### **SUBJECT FOR DISCUSSION**

Proposed Metro District at Waterfield Development

### **EXECUTIVE SUMMARY**

Thrive Home Builders has submitted a Metro District Service Plan to support a proposed development of approximately 500 homes on property generally located at the northwest corner of Vine Drive and Timberline Road. The project will include 50 lots dedicated for affordable housing construction. In addition, the project will deliver all units as US Department of Energy Certified Zero Energy Ready and 10 percent of homes with rooftop solar. The presentation will provide a review of the proposed metro district, based on the current state of staff's analysis.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

1. What additional information does the committee recommend including for the Council evaluation of the proposed Waterfield Metro District Service Plan?

### **BACKGROUND/DISCUSSION**

Thrive Home Builders ("Thrive") is evaluating a significant project in Fort Collins, generally located at the northwest corner of Vine Drive and Timberline Road (see **Attachment 2 – Project Vicinity Map**). The project would construct approximately 500 homes in a new urbanist layout - alley loaded and walkable design. The project is evaluating the ability to deliver up to 50 affordable homes as well as constructing all 500 homes as U.S. Department of Energy Certified Zero Energy Ready homes.

Thrive is a Colorado grown company that has operated in the metro-Denver area for the past 20 years. Thrive is committed to building healthy, efficient, and local homes. They achieve this goal by:

- **Healthy** – All homes are constructed to the Environmental Protection Agency's Indoor airPLUS program standards, include active radon ventilation systems, using advanced moisture management practices to reduce the likelihood of mold, and use low Volatile Organic Compound ("VOC") products.



- **Efficient** – All homes are constructed to the U.S. Department of Energy Zero Energy Ready Home standard, achieve Energy Star Certified status, and include a RESNET HERS score – an independent energy rating that validates energy efficiency level.
- **Local** – Locally-sourced products are used when available – an example is blue-stained beetle kill pine.

Thrive also builds affordable homes. Thrive has been building affordable homes, meeting the Denver Inclusionary Housing guidelines including a deed restriction, for the past 12 years at the Stapleton Airport Redevelopment. Thrive has built over 380 affordable homes in the Stapleton project. In addition, they have constructed approximately 500 for-sale homes targeted at 80 percent of Area Median Income (“AMI”) at Belle Creek. In both projects, these homes deliver the same Zero Energy Ready features as Thrive uses in market rate housing, including trademark double walls, the ability to add solar panels, and other zero energy ready features.

## PROJECT OVERVIEW

Thrive is evaluating a project to construct approximately 498 homes on 71 acres (net of the school site; 93 acres total) at the northwest corner of Vine Drive and Timberline Road (see **Attachment 2 – Project Vicinity Map**). The project, called Waterfield, will follow Thrive’s commitment to healthy, efficient, and local home construction, including all their normal standards and include raw water irrigation, comply with watersense standards, and re-plot the project to provide urban design and density, alleys, and walkable features (see **Attachment 3 – Thrive & Waterfield Background Materials**).

## METRO DISTRICT

Thrive has submitted the Consolidated Service Plan for Waterfield Metropolitan District Nos. 1-3 (the “Service Plan”). The Metro District would be used to construct critical public infrastructure and other site costs reducing the overall development costs.

### *Service Plan Overview*

The Service Plan calls for the creation of three Metro Districts working collaboratively to deliver the proposed Waterfield Project. The phased development is anticipated to reach build out in 2026 with an estimated population of 1,145. A few highlights about the proposed Service Plan, include:

- **Assessed Value** – Estimated to be approximately \$19 million in 2028 (the first year of full value after build-out)
- **Aggregate Mill Levy** – 50 mills, subject to Gallagher Adjustments
- **Debt Mill Levy** – 40 mills, may not be levied until an approved development plan or intergovernmental agreement has been executed that delivers the pledged public benefits
- **Operating Mill Levy** – 10 Mills
- **Maximum Debt Authorization** – Anticipated to be \$22,429,750 to cover a total of \$43,981,050 in estimated costs



- **Regional Mill Levy** – 5 Mills, anticipated to be used to fund specific transportation and/or stormwater improvements

### *Public Improvements*

The Service Plans anticipate using the Debt Mill Levy to support the issuance of bonds in the maximum amount of \$22.4 million to fund all or a portion of the following \$37.3 million in public improvements (details available in *Exhibit D* of the Service Plan):

- **Site Preparation/Grading** – Up to approximately \$7.2 million in site preparation costs and grading associated with the proposed project
- **Roadway Improvements** – Up to approximately \$6.4 million to fund local residential streets, alleys, boulevards, and a major extension of Suniga a 4-lane arterial that bisects the project (estimated roadway costs of \$1.7 million)
- **Potable Waterline Improvements** – Up to \$1.7 million in costs to construct the 8-inch waterline infrastructure that will be the main potable water infrastructure for the project
- **Sanitary Sewer Improvements** – Up to \$3.2 million in costs associated with constructing the main sanitary sewer infrastructure for the project
- **Storm Drainage Improvements** – Up to \$1.9 million in costs to construct the main storm drainage system and infrastructure for the project (costs associated with grading ponds is included in the Site Preparation/Grading amount above)
- **Open Space, Parks and Trails** – Up to \$3.8 million in costs to construct primarily natural area open space and regional trails
- **Administrative, Design, Permitting and Contingency Costs** – Up to \$13 million in costs associated with administering, managing, surveying, engineering, inspecting, testing, planning, and permitting the construction of the public improvements along with approximately \$6.2 million in contingency

Of these \$37.3 million in potential public improvement costs, the applicant has estimated that approximately \$6.6 million of these costs are non-basic costs. Non-basic costs are assumed to be costs that are not typical for a development of the proposed project's type and/or size. These costs therefore, are considered extraordinary infrastructure costs. The estimated \$6.6 million in non-basic costs combined with the value of the indirect public benefits described below represents the City's enhanced value received from the proposed Service Plan.

### *Public Benefits*

As required by the proposed new policy, the Service Plan will deliver a number of extraordinary development outcomes that support deliver a number of public benefits. The benefits and their estimated value are described below (details available in *Exhibit H* of the Service Plan):

- **Zero Energy Ready** – The applicant has agreed to construct all 498 homes in the proposed project in compliance with the Department of Energy's Zero Energy Ready and Environmental Protection Agency's Indoor airPlus standards – the estimated cost of delivering homes at these standards is \$14 million
- **Net Zero Energy/Distributed Storage** – The applicant has agreed to construction either 10 percent of the homes as Net Zero Energy (with Rooftop Solar) or distributed power



storage equivalent to the consumption by 10 percent of homes at an estimated cost of \$2.8 million

- **Multimodal Transportation Improvements** – The applicant has agreed to deliver buffered bike lanes, wider than required sidewalks, and enhanced pedestrian crossings as part of the construction of the 4-lane arterial Suniga at an estimated cost of \$212,000
- **Smart Growth Management** – The applicant has agreed to design and construct the project at the upper-end of the zoned density by following new urbanist principles such as alley loading, smaller lot size, and increasing multi-family density at an estimated cost of \$6.1 million
- **Walkability/Pedestrian Friendliness** – The applicant has agreed to make trail enhancements along the wetlands and other portions of the project to facilitate connections to the regional trail system at an estimated cost of \$2.1 million
- **Public Spaces** – The applicant has agreed to construct a number of pocket parks as well as mixed use open spaces throughout the project at an estimated cost of \$1.7 million
- **Affordable Housing** – The applicant has agreed to make 10 percent of the homes (approximately 50 lots) available for the construction of affordable homes targeted at 80 percent of area median income – these homes will likely be constructed in partnership with either a land trust or similar entity – at an estimated cost of \$3.3 million

The applicant estimates that value of the above public benefits at approximately \$30.8 million. Some of the above costs overlap with public improvements costs – approximately \$3.7 million primarily in public spaces and regional trails. Therefore, the estimated value of the public benefits is conservatively \$27.1 million. Combining the estimate of public benefit costs along with the non-basic public improvements costs the total anticipated benefit to the community is estimated at \$33.7 million.

### *Policy Comparison*

A comparison of the proposed use of Metro District revenues the currently adopted and proposed policy is provided below in **Table 1**.



**Table 1**  
**Metro District Policy Comparison**

|                                          | <b>Project</b>          | <b>Current</b>                    | <b>Proposed</b>                         |
|------------------------------------------|-------------------------|-----------------------------------|-----------------------------------------|
| <b>Mill Levy Caps</b>                    | <b><u>50 Mills</u></b>  | 40 Mills                          | 50 Mills                                |
| <b>Basic Infrastructure</b>              | <b>Partially</b>        | Not favored                       | To enable public benefit                |
| <b>Eminent Domain</b>                    | Will Comply             | Prohibited                        | Prohibited                              |
| <b>Debt Limitation</b>                   | Will Comply             | 100% of Capacity                  | 100% of Capacity                        |
| <b>Dissolution Limit</b>                 | Will Comply             | 40 years                          | 40 years (end user refunding exception) |
| <b>Citizen Control</b>                   | Will Comply             | As early as possible              | As early as possible                    |
| <b>Multiple Districts</b>                | <b>Yes</b>              | Projected over an extended period | Projected over an extended period       |
| <b>Commercial/<br/>Residential Ratio</b> | <b>100% Residential</b> | 90% to 10%                        | N/A                                     |

The conceptual use of a Metro District at Waterfield does not comply with the City's existing policy. However, it represents an example of the type of project that would comply with the proposed policy revisions to be considered by City Council on August 21, 2018.

#### POLICY EVALUATION & PUBLIC BENEFIT ASSESSMENT

The proposed update to the policy supports the formation of a Metro District regardless of development type when a District delivers extraordinary public benefits. The public benefits should be: (1) aligned with the goals and objectives of the City whether such extraordinary public benefits are provided by the Metro District or by the entity developing the Metro District because Metro Districts exist to provide public improvements; and (2) not be practically provided by the City or an existing public entity, within a reasonable time and on a comparable basis. The Service Plan for the Waterfield Project delivers several proposed policy outcomes, as described in the attached matrix (see **Attachment 4**).

#### *Public Benefits Value vs. Maximum Debt Authorization*

Based on the applicant analysis, the proposed Service Plan would deliver approximately \$6.7 million in net benefit to the community. This estimate is calculated by subtracting the net costs (difference between basic public improvements costs and direct public benefits) from the net total benefits (the sum of the non-basic public improvements and indirect public benefits). This analysis provides an estimate only of the quantitative net value of the public benefits delivered



by proposed service plan. The analysis does not account for the qualitative benefits that may also be delivered by authorizing the Metro District through the Service Plan.

**Table 3**  
**Public Benefit Assessment – Estimated Net Benefits**

|                                  | Costs   | Benefits  |         |
|----------------------------------|---------|-----------|---------|
| (In Millions)                    | Basic   | Non-Basic | Total   |
| Public Improvements              | \$ 30.7 | \$ 6.6    | \$ 37.3 |
|                                  | Direct  | Indirect  | Total   |
| Public Benefits                  | \$ 3.7  | \$ 27.1   | \$ 30.8 |
| Estimated Total Costs & Benefits | \$ 27.0 | \$ 33.7   | \$ 6.7  |

Staff is continuing to evaluate the above estimates supplied by the applicant and will present a revised version, if necessary, at the time the Service Plan is presented to the entire Council for consideration.

#### *Triple Bottom Line – Scan*

An interdisciplinary staff team met to prepare a Triple Bottom Line Scan of the proposed Service Plan. The scan compared the proposed development enabled by the Service Plan against the existing Preliminary Development Plan for the property. This baseline was chosen because the likelihood of residential development occurring on the site is consistent with underlying zoning and likely given market forces. Therefore, the effect of the proposed Service Plan relates to how the residential development will differ because of the Metro District involvement.

The net analysis is generally neutral to slightly positive (details are included in **Attachment 5**). The highlights are provided below:

- **Economic** – Generally considered to have a neutral impact on economic conditions in the community with potential positive impacts on talent retention due to increased housing supply and cost of living because of affordable units
- **Environmental** – Generally considered to have a neutral impact on environmental conditions compared to the baseline condition with the potential to have positive impacts on Climate Action Goals due to energy and water conservation and renewables
- **Social** – Largely consider to have a neutral impact on social health conditions with some potential positive impact on affordable housing opportunities



## FINANCIAL ASSESSMENT

The proposed policy requires all District proposals submit a Financial Plan to the City for review. Utilizing the District's Financial Plan, and other supporting information which may be necessary, the City will evaluate a District's debt capacity and servicing ability. This analysis is still being prepared by Economic & Planning Systems and will be include in the materials presented to City Council on September 4, 2018.

## ATTACHMENTS

1. Staff Presentation
2. Project Vicinity Map
3. Thrive & Waterfield Background Materials (*Applicant Supplied*)
4. Policy Evaluation Matrix
5. Triple Bottom Line – Scan Summary
6. Consolidated Service Plan for Waterfield Metropolitan District Nos. 1-3





Waterfield Metro District Request

*Josh Birks*



- What additional information does the committee recommend including for the Council evaluation of the proposed Waterfield Metro District Service Plan?



# Project Description



- New Urbanist Alley Load project
- Increased density
- 498 units vs. 190 units + 9.9 ac MMN
- 50 affordable units



# Policy Comparison – Key Provisions

|                                  | Project                 | Current                           | Proposed                                |
|----------------------------------|-------------------------|-----------------------------------|-----------------------------------------|
| Mill Levy Caps                   | <b><u>50 Mills</u></b>  | 40 Mills                          | 50 Mills                                |
| Basic Infrastructure             | <b>Partially</b>        | Not favored                       | To enable public benefit                |
| Eminent Domain                   | Will Comply             | Prohibited                        | Prohibited                              |
| Debt Limitation                  | Will Comply             | 100% of Capacity                  | 100% of Capacity                        |
| Dissolution Limit                | Will Comply             | 40 years                          | 40 years (end user refunding exception) |
| Citizen Control                  | Will Comply             | As early as possible              | As early as possible                    |
| Multiple Districts               | <b>Yes</b>              | Projected over an extended period | Projected over an extended period       |
| Commercial/<br>Residential Ratio | <b>100% Residential</b> | 90% to 10%                        | N/A                                     |



# Public Improvements

| Improvement                           | Description                               | Estimated Cost        |
|---------------------------------------|-------------------------------------------|-----------------------|
| Site Prep/Grading                     | Primarily grading                         | \$7.2 Million         |
| Roadway Improvements                  | Local streets, alleys, boulevards, Suniga | \$6.4 Million         |
| Potable Water                         | 8" Water mains                            | \$1.7 Million         |
| Sanitary Sewer                        | 8" Sewer mains                            | \$3.2 Million         |
| Storm Drainage                        | Backbone System                           | \$1.9 Million         |
| Open Space, Parks, Trails             | Natural Area, Regional Trail              | \$3.8 Million         |
| Admin/Design/Permitting & Contingency |                                           | \$13 Million          |
| <b>Total</b>                          |                                           | <b>\$37.3 Million</b> |



# Policy Evaluation & Public Benefits

## Environmental Sustainability

GHG Reduction

Water/Energy Conservation

Multimodal Transportation

Enhance Resiliency

Increase Renewable Capacity

## Critical Public Infrastructure

Existing significant infrastructure challenges

On-site

Off-site

## Smart Growth Management

Increase density

Walkability/Pedestrian Infrastructure

Availability of Transit

Public Spaces

Mixed-Use

## Strategic Priorities

Affordable Housing

Infill/Redevelopment

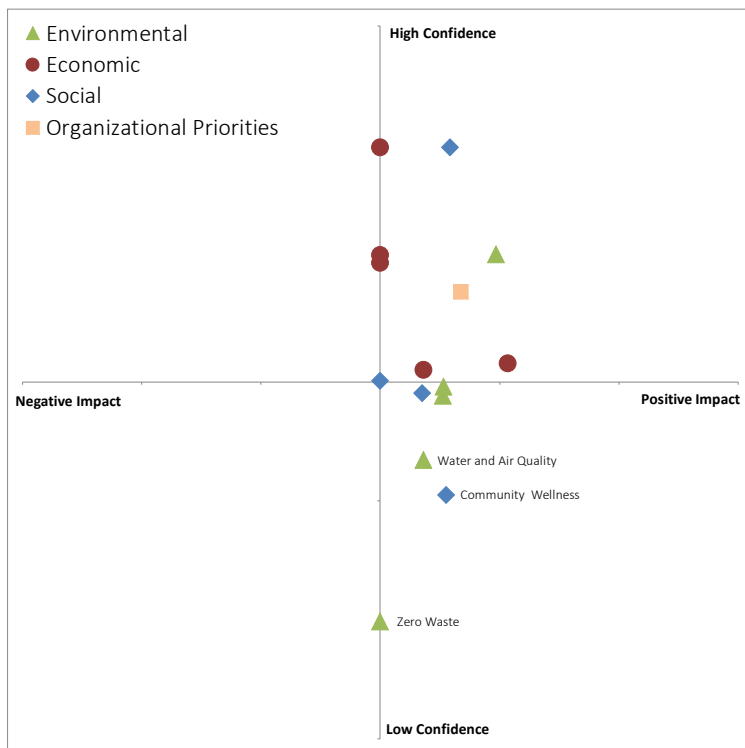
Economic Health Outcomes



# Estimated Net Public Benefits

|                                  | Costs   | Benefits  |         |
|----------------------------------|---------|-----------|---------|
| (In Millions)                    | Basic   | Non-Basic | Total   |
| Public Improvements              | \$ 30.7 | \$ 6.6    | \$ 37.3 |
|                                  | Direct  | Indirect  | Total   |
| Public Benefits                  | \$ 3.7  | \$ 27.1   | \$ 30.8 |
| Estimated Total Costs & Benefits | \$ 27.0 | \$ 33.7   | \$ 6.7  |







- What additional information does the committee recommend including for the Council evaluation of the proposed Waterfield Metro District Service Plan?



## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

### **Staff:**

Jennifer Poznanovic, Revenue and Project Manager  
Lance Smith, Utility Strategic Finance Director  
Randy Reuscher, Utility Rate Analyst

**Date:** August 20<sup>th</sup>, 2018

### **SUBJECT FOR DISCUSSION**

Fee Review: Wet Utility Plant Investment Fees, Step II Capital Expansion Fees (CEFs) and Transportation Capital Expansion Fees (TCEFs)

### **EXECUTIVE SUMMARY**

As of October 2016, staff has worked to coordinate the process for updating impact fees that require Council approval. Brining fees forward for review together provides a more holistic view of the impact.

Phase I included CEFs, TCEFs and Electric Capacity Fees was approved by Council in June of 2017. Increases were significant, and Council directed a stepped implementation for CEFs and TCEFs. Along with approval, Council asked for a commitment to create a working group of citizens, industry and staff to foster a better understanding of fees. Phase II fees are Wet Utility PIFs and Development Review Fees.

Staff proposes the following fee changes:

- 90% of proposed CEFs (Step II)
- Option A for TCEFs (Step II)
- Wet Utility PIFs as proposed

Development Review Fees were initially planned for Phase II updates but have been decoupled and will come forward at a later date.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

#### **1. Proposed Next Steps:**

- September 17<sup>th</sup>: Council Finance Committee
  - Working Group Position Paper
  - Outreach plan
- September/October: Public Outreach
- November 13<sup>th</sup>: Council Work Session
- December 4<sup>th</sup> & 18<sup>th</sup>: Ordinance readings
- 2019:
  - Development Review Fees
  - Electric Capacity Fees



## 2. Questions from Council Finance Committee?

### BACKGROUND/DISCUSSION

As of October 2016, staff has worked to coordinate the process for updating all building related fees that require Council approval. Brining fees forward for review together provides a more holistic view of the impact.

| Type of Fee            | Approved by Council |
|------------------------|---------------------|
| Capital Expansion Fees | 6                   |
| Utility Fees           | 5                   |
| Bldg. Development Fees | 45                  |

Previously, fee updates were presented to Council on an individual basis but are now on a two and four-year cadence. Fee coordination includes a detailed fee study analysis for CEFs, TCEFs and Development Review Fees every four years. This requires an outside consultant through a request for proposal (RFP) process. Data is provided by City staff and findings are also verified by City staff. For Utility Fees, a detailed fee study is planned every two years. These are internal updates by City staff with periodic consultant verification. Fee study analysis should be targeted in the odd year before Budgeting for Outcomes (BFO).

In June of 2017, Council approved the following Phase I fee updates:

| Fee               | Status as of October 2017                    | Next Steps                         |
|-------------------|----------------------------------------------|------------------------------------|
| CEFs              | • 75% of fees implemented                    | • Phased in approach - three steps |
| TCEFs             | • 80% of fees implemented<br><i>Option B</i> | • Phased in approach - two steps   |
| Electric Capacity | • 100% of fees implemented                   | • Every two years                  |
| Raw Water / CIL   | • 100% of fees implemented                   | • TBD                              |

2017 Capital Expansion full fee proposals were significant. Fee changes reflected updated asset values that reflect higher construction costs, land values that reflect higher last cost and population and dwelling units per the latest census. These changes caused consternation in the community and Council directed a stepped implementation for CEFs and TCEFs.

Along with the fee approvals above, Council asked for commitment to create a working group of citizens, industry and staff to foster a better understanding of fees. The working group commenced in August of 2017 and has met 12 times to date. The working group's position paper findings will be presented next month in the September Council Finance Committee meeting.

Phase II fees are Wet Utility PIFs and Development Review Fees.



Staff proposes the following fee changes:

- 90% of proposed CEFs (Step II)
- Option A for TCEFs (Step II)
- Wet Utility PIFs as proposed

Development Review Fees were initially planned for Phase II updates but have been decoupled and will come forward at a later date.

The chart below shows the stepped implementation for CEFs and TCEFs:

**Fees Phasing**

| Land Use Type                    | Unit          | Previous Total | Current Total | Step II Total | Step III Total | % Change Full Fees | % Change Step I | % Change Step II | % Change Step III |
|----------------------------------|---------------|----------------|---------------|---------------|----------------|--------------------|-----------------|------------------|-------------------|
| Residential, up to 700 sq. ft.   | Dwelling      | \$5,059        | \$5,845       | \$7,049       | \$7,587        | 50%                | 16%             | 21%              | 8%                |
| Residential, 701-1,200 sq. ft.   | Dwelling      | \$6,182        | \$8,779       | \$10,593      | \$11,315       | 83%                | 42%             | 21%              | 7%                |
| Residential, 1,201-1,700 sq. ft. | Dwelling      | \$7,574        | \$10,283      | \$12,409      | \$13,197       | 74%                | 36%             | 21%              | 6%                |
| Residential, 1,701-2,200 sq. ft. | Dwelling      | \$7,762        | \$11,099      | \$13,391      | \$14,188       | 83%                | 43%             | 21%              | 6%                |
| Residential, over 2,200 sq. ft.  | Dwelling      | \$8,094        | \$12,147      | \$14,658      | \$15,546       | 92%                | 50%             | 21%              | 6%                |
| Commercial                       | 1,000 sq. ft. | \$13,241       | \$8,430       | \$10,164      | \$10,392       | -22%               | -36%            | 21%              | 2%                |
| Office and Other Services        |               | \$9,071        | \$6,660       | \$8,028       | \$8,256        | -9%                | -27%            | 21%              | 3%                |
| Industrial/Warehouse             | 1,000 sq. ft. | \$1,748        | \$2,000       | \$2,411       | \$2,464        | 41%                | 14%             | 21%              | 2%                |

Step I changes (current fee levels) adopted October 1, 2017 are 75% of full fee levels proposed for CEFs and Option B for TCEFs. Option B does not increase program revenue, it provides approximately 80% of necessary funding to mitigate proportional impacts of development. Whereas Option A includes the proportionate cost attributable for mitigation of the impacts of new development on the transportation system, including new streets, intersection improvements, and multi-modal improvements.

The chart below shows Step II fee changes with inflation:

**CEFs & TCEFs Totals with Inflation**

| Land Use Type                    | Unit          | Current Total | Step II Total | Step II Total w Inflation | % Increase | % Increase w Inflation |
|----------------------------------|---------------|---------------|---------------|---------------------------|------------|------------------------|
| Residential, up to 700 sq. ft.   | Dwelling      | \$5,845       | \$7,049       | \$7,473                   | 21%        | 28%                    |
| Residential, 701-1,200 sq. ft.   | Dwelling      | \$8,779       | \$10,593      | \$11,221                  | 21%        | 28%                    |
| Residential, 1,201-1,700 sq. ft. | Dwelling      | \$10,283      | \$12,409      | \$13,139                  | 21%        | 28%                    |
| Residential, 1,701-2,200 sq. ft. | Dwelling      | \$11,099      | \$13,391      | \$14,173                  | 21%        | 28%                    |
| Residential, over 2,200 sq. ft.  | Dwelling      | \$12,147      | \$14,658      | \$15,516                  | 21%        | 28%                    |
| Commercial                       | 1,000 sq. ft. | \$8,430       | \$10,164      | \$10,720                  | 21%        | 27%                    |
| Office and Other Services        |               | \$6,660       | \$8,028       | \$8,472                   | 21%        | 27%                    |
| Industrial/Warehouse             | 1,000 sq. ft. | \$2,000       | \$2,411       | \$2,542                   | 21%        | 27%                    |

CEF fee increases are 90% of full fee levels recommended in 2017 and reflects Option A for TCEFs. Including inflation, total Step II fee increases are a 27 to 28% increase from current fee levels (Step I). The CPI-U index for Denver-Aurora-Lakewood is used for CEF inflation (3.1% in 2017 and 3.2% in 2018). The Engineering News Record's Construction Cost Index Values for Denver is used for TCEFs (4.0% in 2017 and 1.2% in 2018).



The chart below shows the proposed Wet Utility PIFs changes:

| Utility    | Criteria                                  | Current Charge | 2019 Charge | \$ Change | % Change |
|------------|-------------------------------------------|----------------|-------------|-----------|----------|
| Water      | \$ / GPD                                  | \$ 4.66        | \$ 4.99     | \$ 0.33   | 7.1%     |
| Wastewater | \$ / GPD                                  | \$ 13.98       | \$ 15.31    | \$ 1.33   | 9.5%     |
| Stormwater | Per acre<br>(adjusted for run-off factor) | \$ 8,217       | \$ 9,142    | \$ 925    | 11.3%    |

Across the three Wet Utility Fees, staff is proposing 7 to 11% increases. Water PIFs are a 7.1% increase from current fee levels, Wastewater PIFs are a 9.5% increase from current fee levels and Stormwater PIFs are a 11.3% increase from current fee levels.

The drivers for the increases on PIFs is the same for all three funds:

- New capital projects increase the overall system value
- Annual increases in construction costs increases the replacement value of existing system
- One-time adjustment of 2.7% included to account for fee implementation being delayed in 2018

## **ATTACHMENTS**

Attachment 1: PPT slide deck - CFC Fee Update 2018-08-20







- **Impact Fee Scope & Timeline**
- **Preparation for Citizen Engagement**
  - **Step II CEFs and TCEFs**
  - **Wet Utility PIFs**
- **Next Steps**



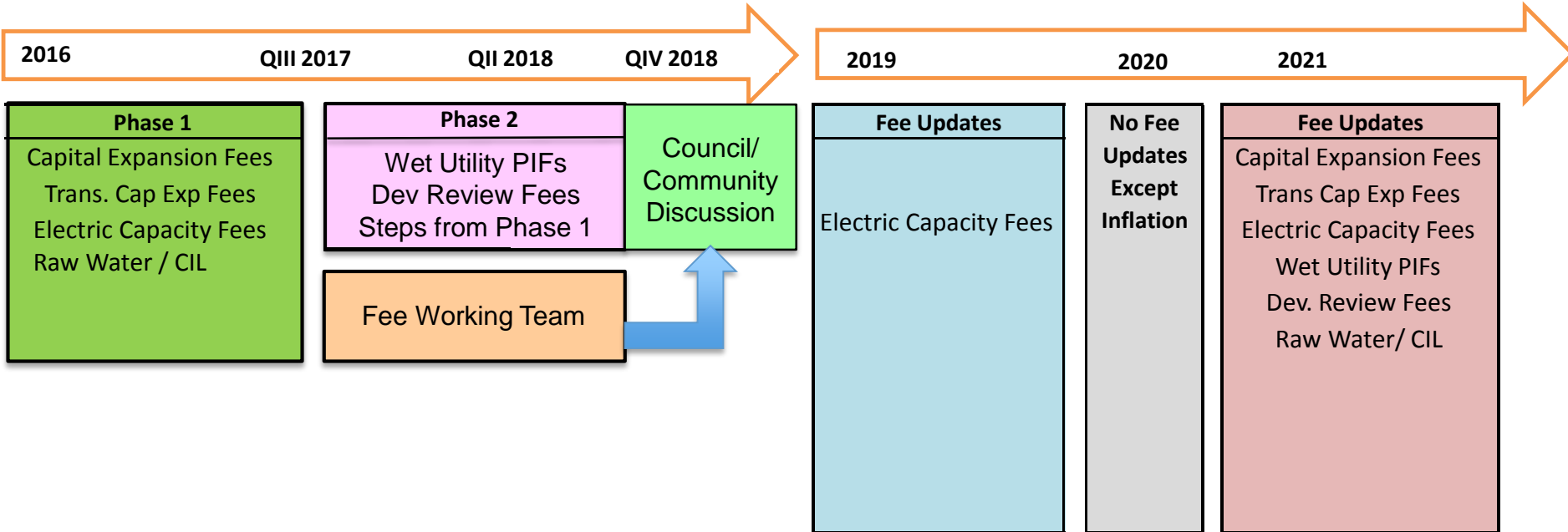
## Objective:

**Bring impact fees forward for review together to provide a holistic view of the impact**

| Type of Fee            | Approved by Council |
|------------------------|---------------------|
| Capital Expansion Fees | 6                   |
| Utility Fees           | 5                   |
| Bldg. Development Fees | 45                  |

- 1. Detailed fee study analysis every 4 years for CEF, TCEFs & Development fees**
  - Outside Consultant through RFP process
  - Data provided by City Staff
  - Findings verified by City Staff
- 2. Detailed fee study analysis every 2 years for Utility fees**
  - Internal Update by City Staff with periodic verification through Consultant
- 3. Conduct fee study analysis in the odd year before BFO**





Reflects Master Fee Data Updates, does not reflect annual inflation updates



# Fees Background

|          | Fee                                                           | Methodology             | Calculation                                    |
|----------|---------------------------------------------------------------|-------------------------|------------------------------------------------|
| Phase I  | Capital Expansion (CEFs)                                      | Level of Service        | Asset Value/ Who's Using                       |
|          | Transportation Capital Expansion (TCEFs)                      | Plan-based              | CIP & VMT, Type of Land Use                    |
|          | Utility Plant Investment:<br><i>Electric PIFs, Stormwater</i> | Level of Service        | Asset Value/ Who's Using                       |
|          | Raw Water/ Cash-in-Lieu                                       | Hybrid<br>(recommended) | Future water storage + Value of current assets |
| Phase II | Utility Plant Investment:<br><i>Water, Wastewater</i>         | Hybrid                  | CIP & Current Asset Values                     |
|          | Development Review                                            | Cost Recovery           | Cost Recovery at 80% per code                  |

## Fee Updates in 2017:

- Asset values reflect higher construction and land costs
- Population & dwelling units per latest census
- TCEF Option A reflected current transportation plan



### Council directed stepped implementation for CEF & TCEF

| Fee               | Status as of October 2017                                                  | Next Steps                                                                         |
|-------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| CEFs              | <ul style="list-style-type: none"><li>• 75% of fees implemented</li></ul>  | <ul style="list-style-type: none"><li>• Phased in approach - three steps</li></ul> |
| TCEFs             | <ul style="list-style-type: none"><li>• 80% of fees implemented</li></ul>  | <ul style="list-style-type: none"><li>• Phased in approach - two steps</li></ul>   |
| Electric Capacity | <ul style="list-style-type: none"><li>• 100% of fees implemented</li></ul> | <ul style="list-style-type: none"><li>• Every two years</li></ul>                  |
| Raw Water / CIL   | <ul style="list-style-type: none"><li>• 100% of fees implemented</li></ul> | <ul style="list-style-type: none"><li>• TBD</li></ul>                              |



# CEFs & TCEFs 2017 Recommendation

## Full Fees proposed in 2017

| Land Use Type                    | Unit          | N'hood Park | Comm. Park | Fire  | Police | Gen. Gov't | Transp. | Total    | Previous Total* | % Change Full Fees |
|----------------------------------|---------------|-------------|------------|-------|--------|------------|---------|----------|-----------------|--------------------|
| Residential, up to 700 sq. ft.   | Dwelling      | \$1,721     | \$2,430    | \$421 | \$236  | \$574      | \$2,205 | \$7,587  | \$5,059         | 50%                |
| Residential, 701-1,200 sq. ft.   | Dwelling      | \$2,304     | \$3,253    | \$570 | \$319  | \$774      | \$4,095 | \$11,315 | \$6,182         | 83%                |
| Residential, 1,201-1,700 sq. ft. | Dwelling      | \$2,516     | \$3,552    | \$620 | \$347  | \$845      | \$5,317 | \$13,197 | \$7,574         | 74%                |
| Residential, 1,701-2,200 sq. ft. | Dwelling      | \$2,542     | \$3,589    | \$630 | \$352  | \$858      | \$6,217 | \$14,188 | \$7,762         | 83%                |
| Residential, over 2,200 sq. ft.  | Dwelling      | \$2,833     | \$4,001    | \$701 | \$392  | \$955      | \$6,664 | \$15,546 | \$8,094         | 92%                |
| Commercial                       | 1,000 sq. ft. | 0           | 0          | \$531 | \$297  | \$1,451    | \$8,113 | \$10,392 | \$13,241        | -22%               |
| Office and Other Services        |               |             |            | \$531 | \$297  | \$1,451    | \$5,977 | \$8,256  | \$9,071         | -9%                |
| Industrial/Warehouse             | 1,000 sq. ft. | 0           | 0          | \$124 | \$69   | \$342      | \$1,929 | \$2,464  | \$1,748         | 41%                |

## 2017 Fee Recommendation:

- Asset values reflect higher construction costs
- Population & dwelling units per latest census
- Land values reflect higher land cost

\*Prior Fees January 1, 2017 – September 30, 2017

Fire fees updated July 2018 to reflect calculation error



- Step I changes adopted Oct. 1, 2017:
  - 75% of CEFs
  - Option B TCEFs
- Step II changes proposed:
  - 90% of CEFs
  - Option A TCEFs

## Fees Phasing

| Land Use Type                    | Unit          | Previous Total | Current Total | Step II Total | Step III Total | % Change Full Fees | % Change Step I | % Change Step II | % Change Step III |
|----------------------------------|---------------|----------------|---------------|---------------|----------------|--------------------|-----------------|------------------|-------------------|
| Residential, up to 700 sq. ft.   | Dwelling      | \$5,059        | \$5,845       | \$7,049       | \$7,587        | 50%                | 16%             | 21%              | 8%                |
| Residential, 701-1,200 sq. ft.   | Dwelling      | \$6,182        | \$8,779       | \$10,593      | \$11,315       | 83%                | 42%             | 21%              | 7%                |
| Residential, 1,201-1,700 sq. ft. | Dwelling      | \$7,574        | \$10,283      | \$12,409      | \$13,197       | 74%                | 36%             | 21%              | 6%                |
| Residential, 1,701-2,200 sq. ft. | Dwelling      | \$7,762        | \$11,099      | \$13,391      | \$14,188       | 83%                | 43%             | 21%              | 6%                |
| Residential, over 2,200 sq. ft.  | Dwelling      | \$8,094        | \$12,147      | \$14,658      | \$15,546       | 92%                | 50%             | 21%              | 6%                |
| Commercial                       | 1,000 sq. ft. | \$13,241       | \$8,430       | \$10,164      | \$10,392       | -22%               | -36%            | 21%              | 2%                |
| Office and Other Services        |               | \$9,071        | \$6,660       | \$8,028       | \$8,256        | -9%                | -27%            | 21%              | 3%                |
| Industrial/Warehouse             | 1,000 sq. ft. | \$1,748        | \$2,000       | \$2,411       | \$2,464        | 41%                | 14%             | 21%              | 2%                |

Fire fees updated July 2018 to reflect calculation error



# CEFs & TCEFs Step II with Inflation

- Step II fees are a 27 to 28% increases from current fee levels (Step I)
- CEF fee increases are 90% of full fee levels recommended in 2017
- Reflects Option A for TCEF fees

## CEFs & TCEFs Totals with Inflation

| Land Use Type                    | Unit          | Current Total | Step II Total | Step II Total w Inflation | % Increase | % Increase w Inflation |
|----------------------------------|---------------|---------------|---------------|---------------------------|------------|------------------------|
| Residential, up to 700 sq. ft.   | Dwelling      | \$5,845       | \$7,049       | \$7,473                   | 21%        | 28%                    |
| Residential, 701-1,200 sq. ft.   | Dwelling      | \$8,779       | \$10,593      | \$11,221                  | 21%        | 28%                    |
| Residential, 1,201-1,700 sq. ft. | Dwelling      | \$10,283      | \$12,409      | \$13,139                  | 21%        | 28%                    |
| Residential, 1,701-2,200 sq. ft. | Dwelling      | \$11,099      | \$13,391      | \$14,173                  | 21%        | 28%                    |
| Residential, over 2,200 sq. ft.  | Dwelling      | \$12,147      | \$14,658      | \$15,516                  | 21%        | 28%                    |
| Commercial                       | 1,000 sq. ft. | \$8,430       | \$10,164      | \$10,720                  | 21%        | 27%                    |
| Office and Other Services        |               | \$6,660       | \$8,028       | \$8,472                   | 21%        | 27%                    |
| Industrial/Warehouse             | 1,000 sq. ft. | \$2,000       | \$2,411       | \$2,542                   | 21%        | 27%                    |

## CEF Inflation:

- 2017 = 3.1%
- 2018 = 3.2%

CPI-U index for Denver-Aurora-Lakewood

## TCEF Inflation

- 2017 = 4.0%
- 2018 = 1.2%

Engineering News Record's Construction Cost Index Values for Denver

Fire fees updated July 2018 to reflect calculation error



The drivers for the increase on Wet PIFs is the same for all three funds:

- New capital projects increase the overall system value
- Annual increases in construction costs increases the replacement value of existing system
- One-time adjustment of 2.7% included to account for fee implementation being delayed in 2018

| Utility    | Criteria                                  | Current Charge | 2019 Charge | \$ Change | % Change |
|------------|-------------------------------------------|----------------|-------------|-----------|----------|
| Water      | \$ / GPD                                  | \$ 4.66        | \$ 4.99     | \$ 0.33   | 7.1%     |
| Wastewater | \$ / GPD                                  | \$ 13.98       | \$ 15.31    | \$ 1.33   | 9.5%     |
| Stormwater | Per acre<br>(adjusted for run-off factor) | \$ 8,217       | \$ 9,142    | \$ 925    | 11.3%    |



| Water                 |             |                |             |           |          |
|-----------------------|-------------|----------------|-------------|-----------|----------|
| Rate Class            | Criteria    | Current Charge | 2019 Charge | \$ Change | % Change |
| <u>Residential</u>    |             |                |             |           |          |
| Single Family         | 8600 sq ft  | \$3,558        | \$3,826     | \$268     | 7.5%     |
| Duplex & Multi-family | 3435 sq ft  | \$1,364        | \$1,423     | \$59      | 4.3%     |
| <u>Commercial</u>     |             |                |             |           |          |
| 3/4 Inch              | by tap size | \$7,180        | \$7,940     | \$760     | 10.6%    |
| 1 Inch                | by tap size | \$20,040       | \$20,960    | \$920     | 4.6%     |
| 1 1/2 Inch            | by tap size | \$43,760       | \$43,520    | (\$240)   | -0.5%    |
| 2 Inch                | by tap size | \$67,760       | \$72,470    | \$4,710   | 7.0%     |



| Wastewater                     |                       |                       |                            |                    |             |
|--------------------------------|-----------------------|-----------------------|----------------------------|--------------------|-------------|
| Customer Class                 | 2017<br>Volume<br>GPD | 2019<br>Volume<br>GPD | Change in<br>Volume<br>GPD | Proposed<br>Charge | %<br>Change |
| <b>Residential</b>             | 250                   | 231                   | -7.6%                      | \$ 3,537           | 1.2%        |
| <b>Duplex / Multi-family</b>   | 180                   | 169                   | -6.1%                      | \$ 2,588           | 2.8%        |
| <b>Commercial (meter size)</b> |                       |                       |                            |                    |             |
| 3/4                            | 510                   | 491                   | -3.7%                      | \$ 7,518           | 5.5%        |
| 1                              | 1,230                 | 1,081                 | -12.1%                     | \$ 16,553          | -3.7%       |
| 1.5                            | 2,390                 | 2,072                 | -13.3%                     | \$ 31,728          | -5.0%       |
| 2                              | 4,230                 | 4,298                 | 1.6%                       | \$ 65,813          | 11.3%       |



| Stormwater  |                                |         |         |           |          |
|-------------|--------------------------------|---------|---------|-----------|----------|
| Rate Class  |                                | Current | 2019    | \$ Change | % Change |
| Residential | Gross Area Developed (sq ft)   | 8,600   | 8,600   |           |          |
|             | Common Area Allocation (sq ft) | 6,156   | 6,156   |           |          |
|             | Base Rate (per acre*)          | \$8,217 | \$9,142 |           |          |
|             | Runoff Coefficient             | 0.5     | 0.5     |           |          |
|             | Total Fee                      | \$1,392 | \$1,548 | \$157     | 11.3%    |
|             |                                |         |         |           |          |
| Commercial  | Gross Area Developed (sq ft)   | 43,560  | 43,560  |           |          |
|             | Base Rate (per acre*)          | \$8,217 | \$9,142 |           |          |
|             | Runoff Coefficient             | 0.8     | 0.8     |           |          |
|             | Total Fee                      | \$6,574 | \$7,314 | \$740     | 11.3%    |



## CEF & TCEFs:

- 27 to 28% increases

## Utility PIFs:

- 7 to 11% increases

CEFs & TCEFs Totals with Inflation

| Land Use Type                    | Unit          | Current Total | Step II Total | Step II Total w Inflation | % Increase | % Increase w Inflation |
|----------------------------------|---------------|---------------|---------------|---------------------------|------------|------------------------|
| Residential, up to 700 sq. ft.   | Dwelling      | \$5,845       | \$7,049       | \$7,473                   | 21%        | 28%                    |
| Residential, 701-1,200 sq. ft.   | Dwelling      | \$8,779       | \$10,593      | \$11,221                  | 21%        | 28%                    |
| Residential, 1,201-1,700 sq. ft. | Dwelling      | \$10,283      | \$12,409      | \$13,139                  | 21%        | 28%                    |
| Residential, 1,701-2,200 sq. ft. | Dwelling      | \$11,099      | \$13,391      | \$14,173                  | 21%        | 28%                    |
| Residential, over 2,200 sq. ft.  | Dwelling      | \$12,147      | \$14,658      | \$15,516                  | 21%        | 28%                    |
| Commercial                       | 1,000 sq. ft. | \$8,430       | \$10,164      | \$10,720                  | 21%        | 27%                    |
| Office and Other Services        |               | \$6,660       | \$8,028       | \$8,472                   | 21%        | 27%                    |
| Industrial/Warehouse             | 1,000 sq. ft. | \$2,000       | \$2,411       | \$2,542                   | 21%        | 27%                    |

| Utility    | Criteria                                  | Current Charge | 2019 Charge | \$ Change | % Change |
|------------|-------------------------------------------|----------------|-------------|-----------|----------|
| Water      | \$ / GPD                                  | \$ 4.66        | \$ 4.99     | \$ 0.33   | 7.1%     |
| Wastewater | \$ / GPD                                  | \$ 13.98       | \$ 15.31    | \$ 1.33   | 9.5%     |
| Stormwater | Per acre<br>(adjusted for run-off factor) | \$ 8,217       | \$ 9,142    | \$ 925    | 11.3%    |

Fire fees updated July 2018 to reflect calculation error



| Organization                                | Date           |
|---------------------------------------------|----------------|
| South Fort Collins Business Association     | September 4th  |
| Super Issues Forum                          | September 6th  |
| Northern Colorado Homebuilder's Association | September 11th |
| Downtown Development Authority              | September 13th |
| North Fort Collins Business Association     | September 26th |
| Local Legislative Affairs Committee         | September 28th |
| Affordable Housing Board                    | October 11th   |
| Human Relations Board                       | TBD            |
| Economic Advisory Commission                | TBD            |
| Board of Relators                           | TBD            |
| Building Review Board                       | TBD            |
| Parks and Recreation Board                  | TBD            |
| Housing Catalyst                            | TBD            |



### 1. Next Steps:

- **September 17<sup>th</sup>: Council Finance Committee**
  - Working Group Position Paper
  - Outreach plan
- **September/October: Public Outreach**
- **November 13<sup>th</sup>: Council Work Session**
- **December 4<sup>th</sup> & 18<sup>th</sup>: Ordinance readings**
- **2019:**
  - Development Review Fees
  - Electric Capacity Fees

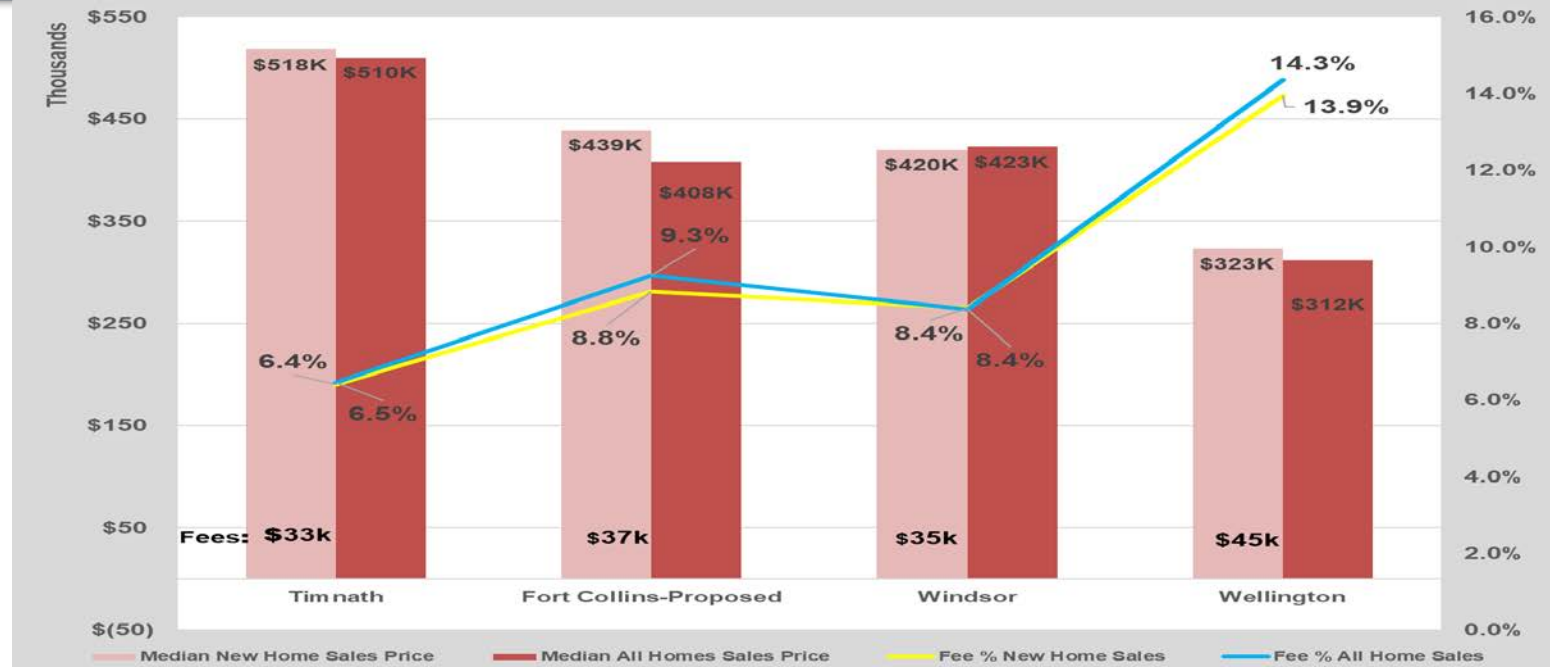
### 2. Questions from Council Finance Committee?



# Backup



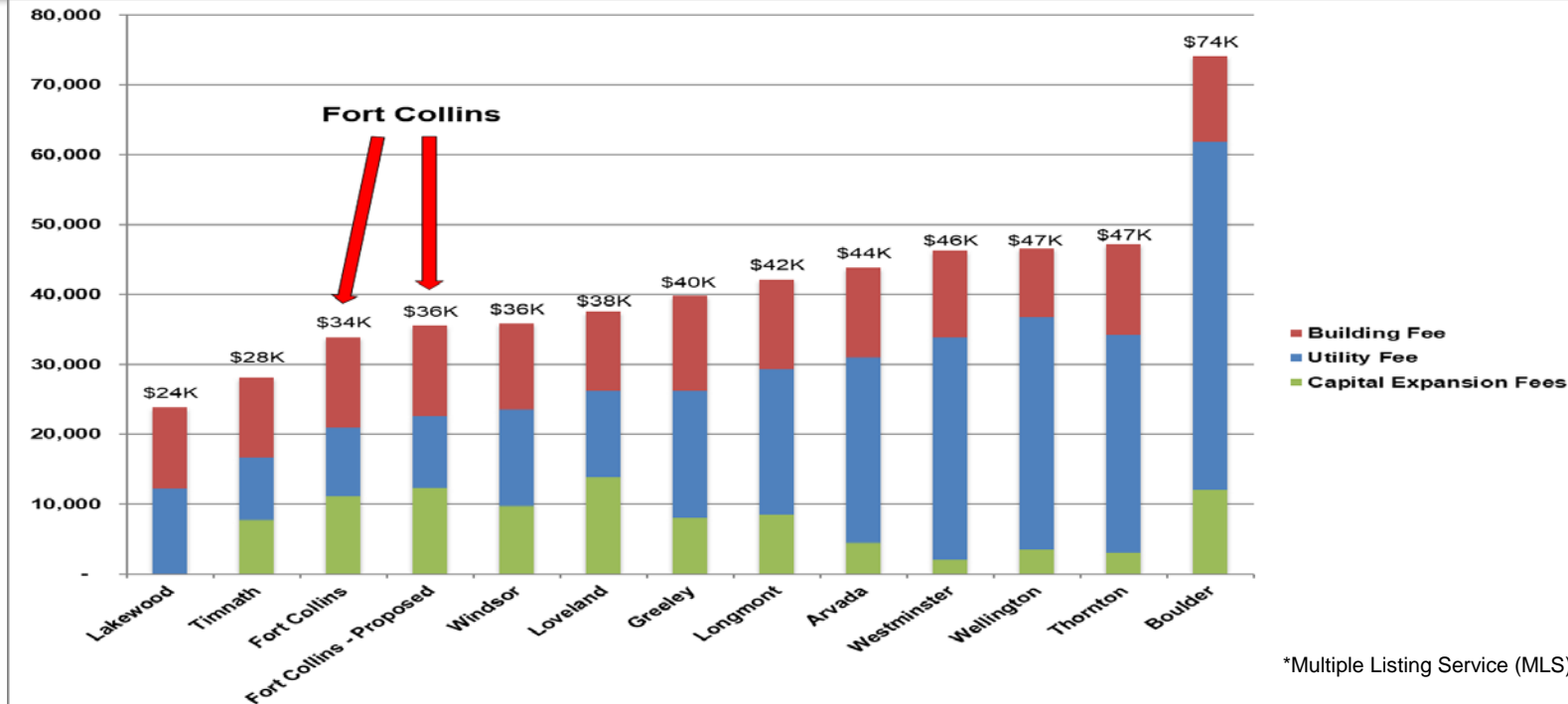
# Peer Cities Median Sales Comparison with Fees



**Of Median Home Sales Prices, Wellington Has Higher Fee Percentages...  
Timnath Has Lower Fee Percentages**



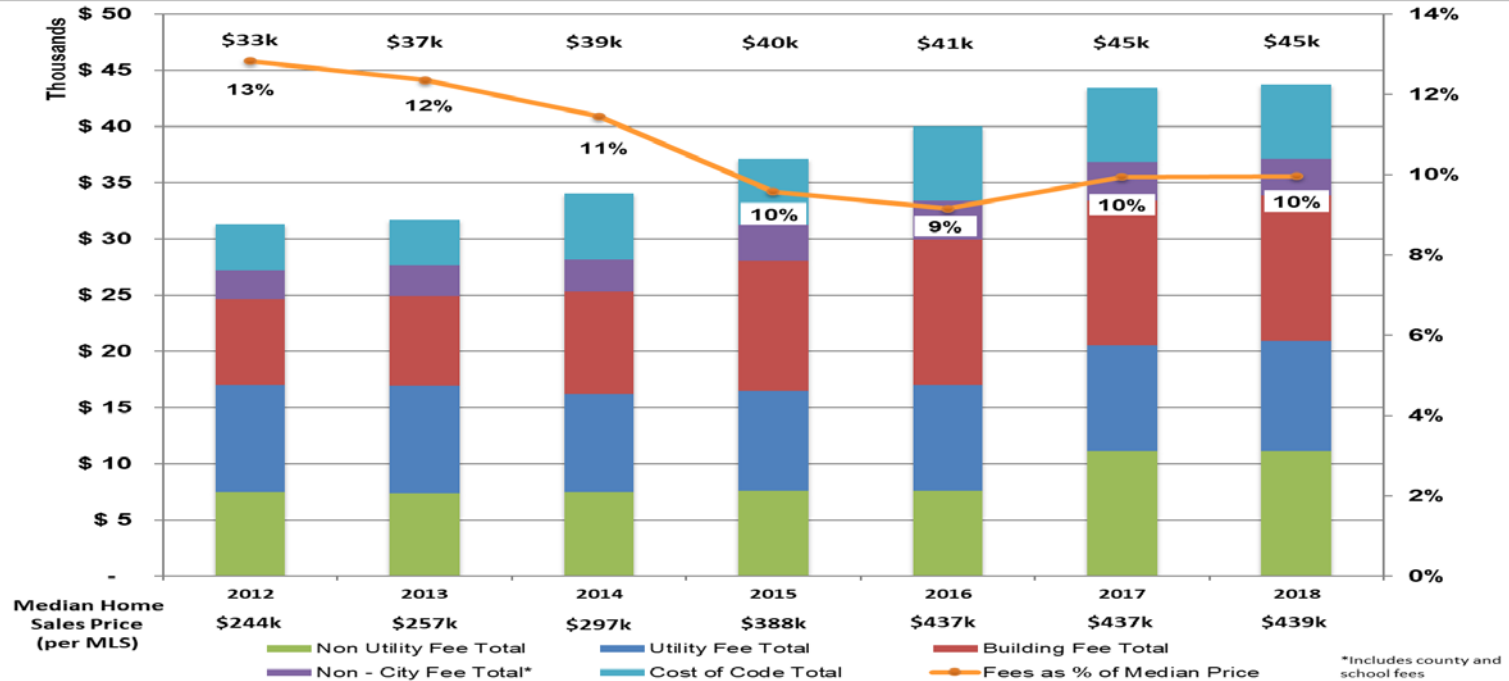
# Fee Comparison: For Median New Home Sales Price \$439K\*



**Fort Collins Fees in the Lower-Middle of the Pack**



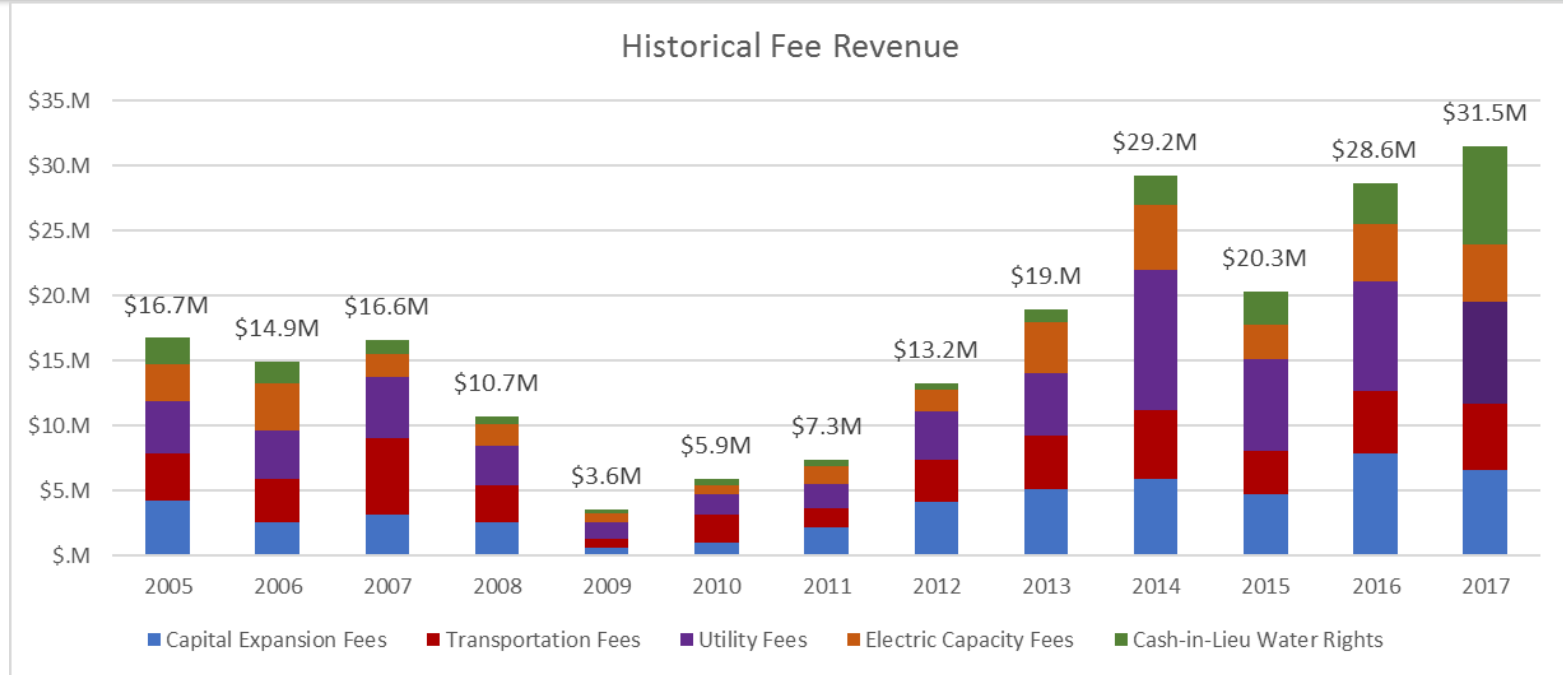
# Fort Collins Fee Stack Median New Home Sales



**Fort Collins Fees & Code Cost Impact is Leveling %  
of Median New Home Sales Price**



# Historical Impact Fee Revenue



**Fees Apply to Development Only**  
**Revenue Volatility Driven by Development Volatility**



# Historical Updates and Timing

|                         |                                        | Created | Last Updated                        | Code Requirements         | Inflation? |
|-------------------------|----------------------------------------|---------|-------------------------------------|---------------------------|------------|
| Capital Expansion Fees  | Police                                 | 1996    | 2017                                | Per code, every 3-5 years | Annually   |
|                         | Fire                                   |         |                                     |                           |            |
|                         | General Gov't                          |         |                                     |                           |            |
| Utilities PIFs          | Community Parks                        | 1986    | 2017                                | Per Code every 3 years    | Annually   |
|                         | Neighborhood Parks                     |         |                                     |                           |            |
|                         | Transportation Cap. Exp.               | 1986    |                                     |                           |            |
| Development Review Fees | Electric Capacity Fees                 | 1972    | 2017                                | Per code, every two years | No         |
|                         | Raw Water/Cash-in-Lieu                 | 1986    | 2001<br>Update in progress for 2017 | No guidance in Code       | No         |
|                         | Water Utility PIF                      | 1972    | 2015                                | Per code, every two years | No         |
|                         | Misc. Water Charges                    | 1972    | 2016                                | No guidance in Code       | No         |
|                         | Sewer PIF                              | 1986    | 2015                                | Per code, every two years | No         |
|                         | Stormwater Utility PIF                 | 1972    | 2015                                | Per code, every two years | No         |
|                         | Wastewater Strength Surcharge          | 1972    | 2016                                | No guidance in Code       | No         |
|                         | Misc. Utility Charges                  | 1986    | 2014                                | No guidance in Code       | No         |
|                         | Building Permit fees                   | 1997    | 2011                                | No guidance in Code       | No         |
| Development Review Fees | Development Review Fees                | 1997    | 1997/2010                           | No guidance in Code       | No         |
|                         | Transportation Development Review Fees | 1997    | 2006                                | No guidance in Code       | No         |



- Approximately 20% increase from current fee levels
- Proposed fee increases (Step II) are 90% of full fee levels recommend in 2017
- Current fees (Step I) are 75% of full fee levels recommended in 2017

## Step II - 90% of full fee levels

| Land Use Type                    | Unit          | N'hood Park | Comm. Park | Fire  | Police | Gen. Gov't | Step II Total | Current Total | % Increase |
|----------------------------------|---------------|-------------|------------|-------|--------|------------|---------------|---------------|------------|
| Residential, up to 700 sq. ft.   | Dwelling      | \$1,549     | \$2,187    | \$379 | \$212  | \$517      | \$4,844       | \$4,018       | 21%        |
| Residential, 701-1,200 sq. ft.   | Dwelling      | \$2,074     | \$2,928    | \$513 | \$287  | \$697      | \$6,498       | \$5,387       | 21%        |
| Residential, 1,201-1,700 sq. ft. | Dwelling      | \$2,264     | \$3,197    | \$558 | \$312  | \$761      | \$7,092       | \$5,879       | 21%        |
| Residential, 1,701-2,200 sq. ft. | Dwelling      | \$2,288     | \$3,230    | \$567 | \$317  | \$772      | \$7,174       | \$5,949       | 21%        |
| Residential, over 2,200 sq. ft.  | Dwelling      | \$2,550     | \$3,601    | \$631 | \$353  | \$860      | \$7,994       | \$6,627       | 21%        |
| Commercial                       | 1,000 sq. ft. | \$0         | \$0        | \$478 | \$267  | \$1,306    | \$2,051       | \$1,709       | 20%        |
| Industrial/Warehouse             | 1,000 sq. ft. | \$0         | \$0        | \$112 | \$62   | \$308      | \$482         | \$402         | 20%        |

Fire fees updated July 2018 to reflect calculation error



# Transportation Capital Expansion Fees Option A

## Based on the City's current Capital Improvement Plans:

- Option B does not increase program revenue, provides approximately 80% of necessary funding to mitigate proportional impacts of development
- Option A includes the proportionate cost attributable for mitigation of the impacts of new development on the transportation system, including new streets, intersection improvements, and multi-modal improvements

### Option A

| Land Use Type                    | Unit          | Option A | Option B | % Increase |
|----------------------------------|---------------|----------|----------|------------|
| Residential, up to 700 sq. ft.   | Dwelling      | \$2,205  | \$1,827  | 21%        |
| Residential, 701-1,200 sq. ft.   | Dwelling      | \$4,095  | \$3,392  | 21%        |
| Residential, 1,201-1,700 sq. ft. | Dwelling      | \$5,317  | \$4,404  | 21%        |
| Residential, 1,701-2,200 sq. ft. | Dwelling      | \$6,217  | \$5,150  | 21%        |
| Residential, over 2,200 sq. ft.  | Dwelling      | \$6,664  | \$5,520  | 21%        |
| Commercial                       | 1,000 sq. ft. | \$8,113  | \$6,721  | 21%        |
| Office and Other Services        |               | \$5,977  | \$4,951  | 21%        |
| Industrial/Warehouse             | 1,000 sq. ft. | \$1,929  | \$1,598  | 21%        |



**COUNCIL FINANCE COMMITTEE  
AGENDA ITEM SUMMARY**

**Staff:** Teresa Roche, Joaquin ‘Keen’ Garbiso

**Date:** August 20, 2018

**SUBJECT FOR DISCUSSION**

**2018 Benefit Review & 2019 Benefit Updates**

**EXECUTIVE SUMMARY** (a brief paragraph or two that succinctly summarizes important points that are covered in more detail in the body of the AIS.)

Will provide a plan performance overview for 2016 & 2017 related to claims and administrative costs associated with our reserve fund policy. In addition, the 2018 health plan updates will be shared based on utilization and data analysis with the City’s benefit consultant HUB International and their data analytic tool, Innovu, and employee feedback

We will go over health plan updates for 2019 and provide benefit plan opportunities into 2020.

**GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

(Work session questions should be designed to gather direction from Council without requiring Councilmembers to make a decision.)

1. What questions does CFC have about our market driven benefits?

**BACKGROUND/DISCUSSION** (details of item – History, current policy, previous Council actions, alternatives or options, costs or benefits, considerations leading to staff conclusions, data and statistics, next steps, etc.)

All background information is contained in the attachments and will be discussed in detail during the meeting.

**ATTACHMENTS** (numbered Attachment 1, 2, 3,...)

Attachment 1: CFC: Benefits Review







- 2016 & 2017 Medical/Rx Summary
- 2018 Changes
- 2019 Options
- On the Horizon



# Benefits' Philosophy

We attract and retain exceptional talent by offering attractive, competitive benefits as part of our overall culture of wellbeing.

As an employer of choice and industry leader, we educate and engage employees and their families, in their health and financial wellness as a component of the City's Total Rewards strategy.

We collaborate with colleagues, City Council, and strategic partners to continually evaluate and improve employee benefits while also responsibly stewarding City resources.





## TOTAL REWARDS

(It, We, I)



### Affiliation (It, We)

Employees who work for the City have the opportunity to serve the community as another dimension of their day to day work; fulfilling a higher purpose or legacy. The commitment to one another creates a sense of **belonging** and embeds the team culture.



### Benefits (I)

The non-cash rewards employees receive for their work. This includes **health, retirement and wellness benefits**, along with ample paid time off for vacation, excused days from work and medical leave.



### Compensation (I)

The cash rewards employees receive for their work and performance. This includes **base pay wages and salaries**, merit pay increases based on employee performance; along with other cash incentives such as **bonuses**, pay increases related to promotions or length of service.



### (It) Meaningful Work



Providing employees with meaningful and challenging work in a motivating environment. Creating clear roles and expectations to empower employees to be successful. Employees improve their skills over time through a **performance management process** where setting goals and continuous feedback enables personal and professional growth.

### (I) Career



Investing in employees with valuable opportunities to develop their knowledge, skills and talents through leadership and competency **skill-building programs**. A flexible organization allows employees the ability to migrate to new roles and opportunities across the City.

The "It"  
• Mission, Vision, Values  
• Strategic Outcomes

The "We"  
• The Leadership System  
• The Workforce

The "I"  
• Your Personal Connection





## 2016 - 2017 Medical & Rx Summary

- **2016 Total Plan Costs:** \$21.9M; Per Employee Per Month: \$1,076
- **2017 Total Plan Costs:** \$21.0M; Per Employee Per Month: \$1,006
  - **6.5% Decrease due to:**
    - Membership
    - Large Claimants Reduced
    - Rx Savings \$1.2M
    - Increase in Generic Utilization
    - Overall Good Year
- **Benefits' Fund Balance above Policy Minimum**



**Passive Open Enrollment:** 74% participation

## **UMR & RxBenefits**

- Deductible change: \$300/\$600 to \$400/\$800
- Rx Generic Copay: \$5 to \$10
- 2018 Rx Renewal: 12% decrease (~\$378K)
- Premium increase: 5%

## **Delta Dental**

- 100% Preventive Care for both networks
- Monthly premium increase, \$.54 - \$2.16

## **Vision Service Plan (VSP)**

- Increase plan allowance for frames and contacts
- Added KidsCare program
- Monthly premium increase, \$.76 - \$2.39

## **Aflac Implementation**

- Effective July 2018
- Accident Coverage (~700 enrolled)
- Critical Illness (~600 enrolled)
- Phase II rollout for non-benefit eligible 4<sup>th</sup> QTR



- **CBU Commitments**
  - Total Compensation Committee
  - RFP for pre-65 Retiree Health Coverage
    - Analysis shows a potential increase to the PPO self-funded plan by as much as 22%
    - Net impact of \$3 million in total funding
- **High Deductible Health Plan (HDHP) w/ Health Savings Account (HSA)**
  - Align with Total Rewards Philosophy - Choice
  - Same provider (UMR) & Self-funded
  - Funding rates would be 10%-15% below current PPO plan
  - Potential HSA employer contribution
- **Telemedicine**
- **Affordable Health Premium**
  - Provide a premium subsidy for low income employees <\$40K (n=70)
    - Amount TBD



- RFP: FSA and HSA Administration
- Leverage Benefit and Wellness strategies & programs
- Addition of Personalized Benefits





Thank you