

## Testimony—4/26/2022

My name is Fayre Rusczyk and I am a member of Coloradans for Metro district Reform. I have chosen to offer an example of what happens once a Metro District gets rubber stamp approval by local city or county officials and a district judge to address the abuses outlined in section 6 of Representative Weissman's bill, HB22-1363. The people who originally approve the service plans never see what happens after they approve them in the first and subsequent elections.

Dakota Ridge Townhomes 5081 S. Robb St—Meritage

Original service plan was instituted on 9/28/2021 for the purpose of doing infrastructure such as **street improvements, landscaping improvements, storm sewer improvements, safety protection improvements, mosquito control services, and covenant enforcement services**. There will be 72 homes. See map, **Exhibit 1**. Following completion, the district intends to own, operate and maintain all internal streets, including paving. At build out, the assessed valuation is expected to be \$2,188,735. The builder estimates the anticipated costs of the Public Improvements is \$5,036,948.52, far exceeding the expected assessed valuation after buildout. The anticipated proceeds from the issuance of bonds available to pay for the Public Improvements is \$1,675,411.00, which represents approximately 33.26% of the cost of the Public Improvements. The service plan states that a maximum of \$3.5 million be submitted to the electors in their first election with anticipated debt of \$2.608 million. **Exhibit 2** The District anticipates approval of election questions authorizing the District to collect, retain, and spend the full amount of all taxes, tap fees, facility fees, service charges, inspection charges, administrative charges, grants, or any other fee, rate, toll, penalty, or charge authorized by law to be imposed or collected by the District, and any other revenues or income lawfully received by the District during 2021 and each year thereafter, without limitation, by the revenue and spending limits of Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-I-30I, C.R.S., or any other law which purports to limit the District's revenues or expenditures. Page (See [Local Government Filings - Service Plan | Colorado Department of Local Affairs](#)) Open service plan.

The public improvements listed in the service plan pertain to streets, sanitation, water, park and rec facilities (a dog park), landscaping, transportation (for public transportation facilities which are non-existent in the site plan), television relay and transmission, security with authorization from Jeffco sheriff, fire protection (West Metro handles this), safety protection improvements (traffic control equipment and signage), mosquito control (Denver 43<sup>rd</sup> in nation). My metro district has never done anything with regards to mosquitos. My comment here is that this is a high price for infrastructure for a neighborhood of 72 townhomes. Based on the current prices (4/14/2022) the base prices are from a low of \$510,000 to a high of \$557,000. This is before purchasers add upgrades. The Board of Directors for this development are all employees of Meritage, Michelle Trujillo, Lisa Albers, Shannon Pachikara, Melanie Freeman, Chelsey Green. **Exhibit 3** In the first election, these five voted to authorize debt for the above mentioned "improvements" in the amount of \$3.5 million each + the same amount in annual increases with a max of \$20 million each totaling \$35 million total authorized debt **Exhibit 4** with a total of \$200 max debt repayment over thirty years. This is in addition to \$3.5 million md tax increase for each of the following: ad valorem property taxes, fees,

IGA agreements, regional improvements, refunding. Please note that all the above authorizations for tax increases are “without regard to any spending, revenue-raising or other limitation contained within Article 10, Section 20 of the Colorado Constitution”, aka TABOR. They also voted to organize the district in which they will never live and authorize themselves “to serve without limitation on their terms of office pursuant to the right granted to the voters of the District in Article XVIII, Section 11 of the Colorado Constitution to lengthen, shorten, or eliminate the limitations on the terms of office imposed by such section.” (See [Local Government Filings - Elections | Colorado Department of Local Affairs](#)) Open election material dated 11/24/2021)

In March of this year, a bond was issued for \$2.339 million at 6% over 30 years. See [Municipal Securities Rulemaking Board::Emma \(msrb.org\)](#) Open DAKOTA RIDGE MET DIST COLO (\$32,486 per home) No principal will be paid for the first 15 years. However, the builder shows on page 55 of the service plan that in the year 2031, a new bond will be issued to replace the first bond. **Exhibit 5** It will be for \$3.285,000 through the year 2062, totaling 40 years of bond debt for the neighborhood. The total on the repayment of the two bonds will be \$7,174,000 or \$99,639 per home. The mill levy has been set at 77 mills. **Exhibit 6,7** Based on the base prices of homes mentioned above, that will be a cost of between

Actual value of home	x .0715=	Assessed value	x.077 mills =	fees
\$510,000		36,465	\$2808 per year or \$234 per month	\$110=\$334/mo
\$557,000		39,825	\$3067 per year or \$256 per month	\$110=\$366/mo

If the \$32,486 per home to cover the cost of the bond were to be added to the above costs of homes the monthly payments based on \$542,486 and \$589,486 with a 20% down payment at the current going 30 year rate of 4.75%, the additional monthly cost on a mortgage would be \$136, \$100 to \$120 per month lower than the current MD taxes. Where is the evidence that MDs are necessary for the infrastructure and that they make housing more affordable when the cost could be added into the house if it hasn't been already, possibly already included in the lot price?

Also, please note that at the end of 10 years the builder indicates plans to refinance the \$2.608 million to \$3.285 million to add on the unpaid principal for the first years of the bond. **Exhibit 5 again** At that point in time, the builder will be long gone and the burden of this fact will fall on the shoulders of the homeowners.

On March 7, 2022, the District board passed a resolution regarding the imposition of operations and maintenance fees which will be for \$110 per month on each townhome unit. In addition, each initial purchaser must pay an administrative transfer fee of \$600 per lot, totaling \$43,200. Liens may be imposed for nonpayment or late fees. **Exhibit 8**

**Section 6 of the bill offers an opportunity through amendment to address one of the most serious abuses – taxation without representation.**

- In every metro district, within days after the city or county approves a service plan with limits on the amount of debt, the developer ignores that limit and “votes” to pass ballot issues which impose extraordinarily high debt authorizations many times great than the limits set by the city in the service plan. In a typical community, the Service Plan allows \$60 million in debt but the ballot issues voted on by the developer days later authorize \$4.9 billion dollars in debt.

- In the same ballot issue the developer “votes” to eliminate the right of future residents to vote on increasing taxes or issuing bond debt. Literally, taxation by someone who does not represent, and has and admitted conflict of interest with the residents.
- The city or country rarely if ever see these ballot issues. They are not posted on the DOLA site. They are not disclosed to the residents. In most cases they are only available to attorneys in the court record.
- The “voters” approving these ballot issues are all developer employees, affiliates or family members.
- We (Coloradans for Metro District Reform) have proposed an amendment to Section 6 that would require the city or county to review and approve the initial ballot issues proposed by the developer to
  1. Make sure the developers do not “vote” to impose debt authority greater than the debt limit set in the Service Plan and to
  2. Make sure the taxpayers’ right to vote on tax increases and issuing bond debt is not compromised by these initial ballot issues.

I ask that you adopt the above amendment to HB22-1363 and give tax payers in Metro Districts their rights to have taxation with representation and fair practices regarding who can impose taxes on them in the first place.

*Fayre L Ruszczyk*

Member of Coloradans for Metro District Reform



This map depiction is not an official site plan, may not be drawn to scale, and may not reflect all easements and other matters affecting the community. Rather, it is an artist's conceptual rendering intended to give buyer a general overview of the contemplated community. This map depiction does not constitute a guaranty that the community will be built out or developed as shown and Meritage has not made, does not make, and specifically negates and disclaims any representations, warranties, and guarantees with respect to the map depiction, including, but not limited to, any depiction or description of any physical characteristics of the community or any improvements pertaining thereto, and any depiction or description of the real estate comprising or contemplated to comprise the community or of the units or amenities (such as pools, gazebos, hike and bike trails, exercise facilities, etc.) contemplated to be a part of the community. The party developing the community may make changes in the design and plan of the community (including, without limitation, the number of homes and/or the sizes of lots in the Community), and in any currently contemplated timing of the development of the community, and Meritage reserves the right to make any and all such changes.

## Service Plan

It is proposed that a total maximum amount of \$3,500,000.00 of Debt that is secured by *ad valorem* property taxes and other legally available revenues for various purposes be submitted to the electors of the District for their approval at an election. Based upon construction cost estimates and financing cost estimates as computed during the preparation of this Service Plan using current market assumptions, it is anticipated that a total of \$2,608,000.00 of Debt will be issued. The amount to be voted exceeds the amount of Debt anticipated to be sold, as shown in the Financial Plan, to allow for unforeseen contingencies and increases in construction costs due to inflation, and to cover all issuance costs, including capitalized interest, reserve funds, discounts, legal fees, and other incidental costs of issuance; provided, however, in no event shall the aggregate amount of the Debt issued by the District exceed \$3,500,000.00 (“**Debt Limit**”). Such Debt Limit shall not be applicable to refundings of the Debt authorized to be issued hereunder.

All issuances of Debt shall be deemed to be in compliance with the Financial Plan so long as the Minimum Criteria, as hereinafter defined, have been met. Minimum Criteria shall mean that the Debt is: (1) subject to a limited mill levy, if required by this Service Plan; (2) together with other outstanding Debt, not in excess of the Debt Limit set forth in this Service Plan, as may be amended from time to time; and (3) together with other outstanding Debt, not in excess of the Debt authority approved by the District’s electorate.

Pursuant to Colorado law, and to provide for the greatest flexibility, the proposed maximum voted interest rate is estimated at twelve percent (12%) and the maximum underwriting discount is estimated at five percent (5%). The exact interest rates, terms, and discounts will be determined at the time the Debt is sold by the District and will reflect market conditions at the time of sale. Debt may be issued in one or more series by the District. The District may also enter into agreements to reimburse the Developer out of Debt proceeds for

**Governing Board**

The District is governed by a five-member Board, provided that State law permits the Board to have up to seven members, subject to certain conditions. The members must be eligible electors of the District as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. However, pursuant to State law, special districts are required to move their biennial elections from even years to odd years beginning in 2023. Accordingly, the terms commencing in 2020 and 2022 will be three-year terms and then will reset to four-year terms commencing in 2023 and 2025, respectively. Vacancies on the Board are filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. There are currently no vacancies on the Board. Pursuant to statute, with certain exceptions, no nonjudicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval. At the Election, the eligible voters in the District voted to waive the statutory term limits, and therefore the District's directors are not subject to such limitations.

The directors hold regular meetings and special meetings as needed. Each director is entitled to one vote on all questions before the Board when a quorum is present. Current directors may receive a maximum compensation of \$2,400 per year, not to exceed \$100 per meeting attended. With the exception of this compensation, directors may not receive compensation from the District as employees of the District. Members of the Board currently are not compensated for attending Board meetings. The present directors, their positions on the Board, principal occupations, and terms are as follows:

**Board of Directors <sup>1</sup>**

<b>Name</b>	<b>Office</b>	<b>Occupation</b>	<b>Years of Service</b>	<b>Term Expires (May)</b>
Lisa Albers	President	Vice President Land Development	<1	2022
Michele Trujillo	Treasurer	Vice President Finance	<1	2022
Chelsey Green	Secretary	Forward Planning Manager	<1	2023
Melanie Freeman	Assistant Secretary	Land Development Manager	<1	2023
Shannon Pachikara	Assistant Secretary	Area Sales Manager	<1	2023

<sup>1</sup> All Board members are employees of the Developer.

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. Additionally, no contract for work or material including a contract for services, regardless of the amount, is to be entered into between the District and a Board member, or between the District and the owner of 25% or more of the territory within the District, unless a notice has been published for bids and such Board member or owner submits the lowest responsible and responsive bid. According to disclosure statements filed with the Secretary of State and the District by Board members prior to taking any official action relating to the Bonds, all of the directors have potential or existing personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of the proceeds thereof. See "RISK FACTORS—Directors' Private Interests."

INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GRANTS, GIFTS OR ANY OTHER FEE, RATE, TOLL, PENALTY, OR CHARGE AUTHORIZED BY LAW, COVENANTS OR CONTRACT TO BE IMPOSED, COLLECTED OR RECEIVED BY THE DISTRICT DURING 2021 AND EACH FISCAL YEAR THEREAFTER, SUCH AMOUNTS TO CONSTITUTE A VOTER-APPROVED REVENUE CHANGE AND BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY SUBSEQUENT YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RECEIVED, RETAINED AND SPENT BY THE DISTRICT?

YES   
NO

**DAKOTA RIDGE METROPOLITAN DISTRICT BALLOT ISSUE 5F:**

SHALL DAKOTA RIDGE METROPOLITAN DISTRICT DEBT BE INCREASED ~~\$3,500,000~~ WITH A REPAYMENT COST OF ~~\$20,300,000~~ AND SHALL DAKOTA RIDGE METROPOLITAN DISTRICT TAXES BE INCREASED \$3,500,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO CURBS, GUTTERS, CULVERTS, AND OTHER DRAINAGE FACILITIES, UNDERGROUND CONDUITS, SIDEWALKS, TRAILS, PUBLIC PARKING LOTS, STRUCTURES AND FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, BIKE PATHS AND PEDESTRIAN WAYS, PEDESTRIAN OVERPASSES, RETAINING WALLS, FENCING, ENTRY MONUMENTATION, STREETSCAPING, BRIDGES, OVERPASSES, UNDERPASSES, INTERCHANGES, MEDIAN ISLANDS, IRRIGATION, AND A SAFETY PROTECTION SYSTEM THROUGH TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, SIGNALIZATION, SIGNING AND STRIPING, AREA IDENTIFICATION, DRIVER INFORMATION AND DIRECTIONAL ASSISTANCE SIGNS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION

X 10  
differs  
ballot  
issues

\$35 million auth. debt  
\$203 " " repayment

# Service Plan - digital page 55

DAKOTA RIDGE METROPOLITAN DISTRICT  
Senior Debt Service

D A DAY

	Total Revenue Available for Debt Service	Net Debt Service		Total	Funds on Hand as a Source	Senior Surplus Fund			Ratio Analysis	
		Series 2021	Series 2031			Annual Surplus	Cumulative Balance \$260,800 Max	Released Revenue	Senior Debt to Assessed Value	Debt Service Coverage
		Dated: 12/1/21 Par: \$2,808,000 Proj: \$1,675,411	Dated: 12/1/31 Par: \$3,285,000 Proj: \$892,000 Esc: \$2,555,000							
2017										
2018										
2019	0			0						
2020	0			0						
2021	0	0		0		0	0	0	n/a	n/a
2022	4,357	0		0		4,357	4,357	0	1629%	n/a
2023	50,032	0		0		50,032	54,389	0	252%	n/a
2024	110,263	0		0		110,263	164,652	0	119%	n/a
2025	123,343	130,400		130,400		(7,057)	157,595	0	107%	95%
2026	130,983	130,400		130,400		583	158,178	0	101%	100%
2027	130,983	130,400		130,400		583	158,761	0	101%	100%
2028	139,082	138,400		138,400		682	159,443	0	95%	100%
2029	139,082	139,000		139,000		82	159,525	0	95%	100%
2030	147,667	147,550		147,550		117	159,643	0	89%	100%
2031	147,667	146,650	0	146,650	\$156,000	(154,983)	4,660	0	89%	101%
2032	156,767	[ref'd by Ser. 2031]	131,400	131,400		25,367	30,027	0	190%	119%
2033	156,767		131,400	131,400		25,367	55,394	0	189%	119%
2034	166,413		141,400	141,400		25,013	80,407	0	177%	118%
2035	166,413		141,000	141,000		25,413	105,820	0	176%	118%
2036	176,638		150,600	150,600		26,038	131,858	0	164%	117%
2037	176,638		149,800	149,800		26,838	158,696	0	162%	118%
2038	187,476		159,000	159,000		28,476	187,172	0	151%	118%
2039	187,476		157,800	157,800		29,676	216,849	0	148%	119%
2040	198,965		166,600	166,600		32,365	249,213	0	137%	119%
2041	198,965		165,000	165,000		33,965	260,800	22,378	133%	121%
2042	211,143		178,400	178,400		32,743	260,800	32,743	123%	118%
2043	211,143		176,200	176,200		34,943	260,800	34,943	118%	120%
2044	224,051		189,000	189,000		35,051	260,800	35,051	108%	119%
2045	224,051		191,200	191,200		32,851	260,800	32,851	103%	117%
2046	237,734		198,200	198,200		39,534	260,800	39,534	92%	120%
2047	237,734		199,800	199,800		37,934	260,800	37,934	87%	119%
2048	252,238		211,200	211,200		41,038	260,800	41,038	77%	119%
2049	252,238		212,000	212,000		40,238	260,800	40,238	71%	119%
2050	267,613		227,600	227,600		40,013	260,800	40,013	61%	118%
2051	267,613		227,400	227,400		40,213	260,800	40,213	54%	118%
2052	283,909		237,000	237,000		46,909	260,800	46,909	39%	120%
2053	283,909		241,000	241,000		42,909	260,800	42,909	37%	118%
2054	301,184		254,600	254,600		46,584	260,800	46,584	32%	118%
2055	301,184		252,400	252,400		48,784	260,800	48,784	29%	119%
2056	319,495		270,000	270,000		49,495	260,800	49,495	24%	118%
2057	319,495		271,600	271,600		47,895	260,800	47,895	21%	118%
2058	338,905		287,800	287,800		51,105	260,800	51,105	16%	118%
2059	338,596		288,000	288,000		50,596	260,800	50,596	13%	118%
2060	359,152		302,800	302,800		56,352	260,800	56,352	8%	119%
2061	359,152		301,600	301,600		57,552	0	318,352	4%	119%
<b>Total</b>	<b>8,486,519</b>	<b>962,800</b>	<b>6,211,800</b>	<b>7,174,600</b>		<b>1,155,919</b>		<b>1,155,919</b>		

**Overlapping Mill Levies.** Numerous entities located wholly or partially within the District are authorized to levy taxes on property located within the District. According to the County Assessor’s office, there are currently seven taxing entities overlapping all or a portion of the District. According to the County Assessor, there is currently only one total mill levy being assessed against all property owners within the District, as set forth in the following table. Additional taxing entities may overlap the District in the future. See also “DEBT STRUCTURE—General Obligation Debt—*Estimated Overlapping General Obligation Debt.*”

**TABLE IV  
Total 2021 Mill Levy for District**

<b>Taxing Unit</b>	<b>2021 Mill Levy</b>
Foothills Park and Recreation District – Sub A	9.498
Jefferson County	26.241
Jefferson County Law Enforcement Authority <sup>1</sup>	2.460
Jefferson County School District R 1	45.808
Lakehurst Water and Sanitation District	0.000
Regional Transportation District	0.000
Urban Drainage and Flood Control District	0.900
Urban Drainage and Flood Control District – South Platte	0.100
West Metro Fire Protection District (Operations)	12.530
West Metro Fire Protection Sub District (Bond)	0.666
Overlapping Mill Levy	98.203
The District	77.000
Total Mill Levy	175.203

Source: County Assessor’s Office

<sup>1</sup> The Jefferson County Law Enforcement Authority is an agency of the County. The County Board serves as the Board of Directors of such entity.

**Fees**

On March 7, 2022, the District adopted a Resolution of the Board of the District Regarding the Imposition of District Fees (the “Fees Resolution”) to impose an operations and maintenance fee in the amount of \$330 per calendar quarter on each residential lot within the District commencing on the date in which a lot is sold to an initial homebuyer with a completed residence thereon (the “O&M Fee”) and an administrative transfer fee in the amount of \$600 per lot (the “Transfer Fee” and, together with the O&M Fee, the “Fees”).

The O&M Fee is due and payable quarterly with any partial quarters prorated and will be invoiced quarterly; however, property owners have the right to pay for a calendar year in one installment on or before January 15th, in which case such annual amount will reflect a 5% discount. Failure to timely make payment of any O&M Fee is to result in a late payment fee of \$15 per late payment. If all past due amounts, including late payment fees, are not paid in full within 60 days from the past due date, the District may deliver a lien notice to the property owner reflecting the District’s intention of recording a lien statement with the County Clerk and Recorder in the event the delinquent balance is not paid in full within 30 days after such lien notice is served.

**DAKOTA RIDGE METROPOLITAN DISTRICT**  
 Jefferson County, Colorado  
 ~~~~~  
 GENERAL OBLIGATION BONDS, SERIES 2021  
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031  
 ~~~~~

<b>Bond Assumptions</b>	<b>Series 2021</b>	<b>Series 2031</b>	<b>Total</b>
Closing Date	12/1/2021	12/1/2031	
First Call Date	12/1/2026	12/1/2036	
Final Maturity	12/1/2051	12/1/2061	
<b>Sources of Funds</b>			
Par Amount	2,608,000	3,285,000	5,893,000
Funds on Hand	0	395,229	395,229
<b>Total</b>	<b>2,608,000</b>	<b>3,680,229</b>	<b>6,288,229</b>
<b>Uses of Funds</b>			
Project Fund	<b>\$1,675,411</b>	<b>\$892,000</b>	<b>\$2,567,411</b>
Refunding Escrow	0	2,555,000	2,555,000
Debt Service Reserve	239,229	0	239,229
Capitalized Interest	391,200	0	391,200
Costs of Issuance	302,160	230,000	532,160
Rounding	0	3,229	3,229
<b>Total</b>	<b>2,608,000</b>	<b>3,680,229</b>	<b>6,288,229</b>
<b>Bond Features</b>			
Projected Coverage at Mill Levy Cap	100x	100x	
Tax Status	Tax-Exempt	Tax-Exempt	
Rating	Non-Rated	Inv. Grade	
Average Coupon	5.000%	4.000%	
Annual Trustee Fee	\$4,000	\$4,000	
<b>Biennial Reassessment</b>			
Residential	6.00%	6.00%	
<b>Taxing Authority Assumptions</b>			
<b>Metropolitan District Revenue</b>			
Residential Assessment Ratio			
<i>Service Plan Gallagherization Base</i>	7.15%		
<i>Current Assumption</i>	7.15%		
Debt Service Mills			
<i>Service Plan Mill Levy Cap</i>	50.000		
<i>Maximum Adjusted Cap</i>	50.000		
<i>Target Mill Levy</i>	50.000		
Specific Ownership Taxes	6.00%		
County Treasurer Fee	1.50%		
<b>Operations</b>			
Operations Mill Levy	27.000		
<b>Total Mill Levy</b>	<b>77.000</b>		

Budget for 2022

**DAKOTA RIDGE METRO DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

12/6/2021

	ESTIMATED 2021	ADOPTED 2022
<b>ASSESSED VALUATION - JEFFERSON</b>		
Vacant Land	\$ -	\$ 27,798
Certified Assessed Value	<u>\$ -</u>	<u>\$ 27,798</u>
<b>MILL LEVY</b>		
GENERAL FUND	-	77.000
Total Mill Levy	<u>-</u>	<u>77.000</u>
<b>PROPERTY TAXES</b>		
GENERAL FUND	\$ -	\$ 2,140
Budgeted Property Taxes	<u>\$ -</u>	<u>\$ 2,140</u>
<b>BUDGETED PROPERTY TAXES</b>		
GENERAL FUND	\$ -	\$ 2,140
	<u>\$ -</u>	<u>\$ 2,140</u>

No assurance provided. See summary of significant assumptions.

**Overlapping Mill Levies.** Numerous entities located wholly or partially within the District are authorized to levy taxes on property located within the District. According to the County Assessor’s office, there are currently seven taxing entities overlapping all or a portion of the District. According to the County Assessor, there is currently only one total mill levy being assessed against all property owners within the District, as set forth in the following table. Additional taxing entities may overlap the District in the future. See also “DEBT STRUCTURE—General Obligation Debt—*Estimated Overlapping General Obligation Debt.*”

**TABLE IV  
Total 2021 Mill Levy for District**

Taxing Unit	2021 Mill Levy
Foothills Park and Recreation District – Sub A	9.498
Jefferson County	26.241
Jefferson County Law Enforcement Authority <sup>1</sup>	2.460
Jefferson County School District R 1	45.808
Lakehurst Water and Sanitation District	0.000
Regional Transportation District	0.000
Urban Drainage and Flood Control District	0.900
Urban Drainage and Flood Control District – South Platte	0.100
West Metro Fire Protection District (Operations)	12.530
West Metro Fire Protection Sub District (Bond)	<u>0.666</u>
Overlapping Mill Levy	98.203
The District	<u>77.000</u>
Total Mill Levy	<u>175.203</u>

Source: County Assessor’s Office

<sup>1</sup> The Jefferson County Law Enforcement Authority is an agency of the County. The County Board serves as the Board of Directors of such entity.

**Fees**

On March 7, 2022, the District adopted a Resolution of the Board of the District Regarding the Imposition of District Fees (the “Fees Resolution”) to impose an operations and maintenance fee in the amount of \$330 per calendar quarter on each residential lot within the District commencing on the date in which a lot is sold to an initial homebuyer with a completed residence thereon (the “O&M Fee”) and an administrative transfer fee in the amount of \$600 per lot (the “Transfer Fee” and, together with the O&M Fee, the “Fees”).

The O&M Fee is due and payable quarterly with any partial quarters prorated and will be invoiced quarterly; however, property owners have the right to pay for a calendar year in one installment on or before January 15th, in which case such annual amount will reflect a 5% discount. Failure to timely make payment of any O&M Fee is to result in a late payment fee of \$15 per late payment. If all past due amounts, including late payment fees, are not paid in full within 60 days from the past due date, the District may deliver a lien notice to the property owner reflecting the District’s intention of recording a lien statement with the County Clerk and Recorder in the event the delinquent balance is not paid in full within 30 days after such lien notice is served.



RBC Capital Markets®

June 11, 2020

Board of Directors  
Interquest North Business Improvement District  
c/o Russell W. Dykstra  
Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, CO 80203

Re: Interquest North Business Improvement District  
Limited Tax General Obligation Bond, Series 2020

Board:

As it pertains to the issuance of the Series 2020 bond by the Interquest North Business Improvement District (the "District") and the requirements set forth in the current City of Colorado Springs policy applicable to business improvement districts as well as the District's current operating plan, we do hereby certify the following:

RBC Capital Markets, LLC ("RBCCM") hereby certifies that: (1) the interest rate to be borne by the District on the Limited Tax General Obligation Bond, Series 2020 does not exceed a reasonable current tax-exempt rate, using criteria deemed appropriate by RBCCM and based upon RBCCM's analysis of comparable high yield securities; and (2) the structure of the above described debt is reasonable considering the financial circumstances of the District.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas Wendelin', written over a horizontal line.

Thomas Wendelin  
Director



RBC Capital Markets®

January 25, 2016

Board of Directors  
Interquest North Business Improvement District  
c/o Russell W. Dykstra  
Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, CO 80203

Re: Interquest North Business Improvement District  
Revenue Bond6, Series 2016

Board:

As it pertains to the issuance of the Series 2016 bond by the Interquest North Business Improvement District (the "District") and the requirements set forth in the current City of Colorado Springs policy applicable to business improvement districts as well as the District's current operating plan, we do hereby certify the following:

RBC Capital Markets, LLC ("RBC") hereby certifies that: (1) the interest rate to be borne by the District on the Revenue Bond, Series 2016 does not exceed a reasonable current tax-exempt rate, using criteria deemed appropriate by RBC and based upon RBC's analysis of comparable high yield securities; and (2) the structure of the above described debt is reasonable considering the financial circumstances of the District.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas Wendelin'.

Thomas Wendelin  
Director

**BOND DEBT SERVICE**

Interquest North Business Improvement District  
 Property Tax & PIF Revenue Bond, Series 2016  
 30 Yr 50 Mill Limited Tax GO Revenues & 25 Yr 1.25% PIF Revenues  
 Non Rated Bond @ 6.50% - Annual Payments  
 Optional Call Date 12/1/2025 @ 100  
 01/25/2016 Preliminary Numbers

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
12/01/2016	40,000.00	6.500%	206,483.33	246,483.33	4,725,000.00	4,725,000.00
12/01/2017	20,000.00	6.500%	307,125.00	327,125.00	4,705,000.00	4,705,000.00
12/01/2018	20,000.00	6.500%	305,825.00	325,825.00	4,685,000.00	4,685,000.00
12/01/2019	25,000.00	6.500%	304,525.00	329,525.00	4,660,000.00	4,660,000.00
12/01/2020	30,000.00	6.500%	302,900.00	332,900.00	4,630,000.00	4,630,000.00
12/01/2021	30,000.00	6.500%	300,950.00	330,950.00	4,600,000.00	4,600,000.00
12/01/2022	35,000.00	6.500%	299,000.00	334,000.00	4,565,000.00	4,565,000.00
12/01/2023	35,000.00	6.500%	296,725.00	331,725.00	4,530,000.00	4,530,000.00
12/01/2024	40,000.00	6.500%	294,450.00	334,450.00	4,490,000.00	4,490,000.00
12/01/2025	40,000.00	6.500%	291,850.00	331,850.00	4,450,000.00	4,450,000.00
12/01/2026	45,000.00	6.500%	289,250.00	334,250.00	4,405,000.00	4,405,000.00
12/01/2027	45,000.00	6.500%	286,325.00	331,325.00	4,360,000.00	4,360,000.00
12/01/2028	50,000.00	6.500%	283,400.00	333,400.00	4,310,000.00	4,310,000.00
12/01/2029	50,000.00	6.500%	280,150.00	330,150.00	4,260,000.00	4,260,000.00
12/01/2030	55,000.00	6.500%	276,900.00	331,900.00	4,205,000.00	4,205,000.00
12/01/2031	60,000.00	6.500%	273,325.00	333,325.00	4,145,000.00	4,145,000.00
12/01/2032	60,000.00	6.500%	269,425.00	329,425.00	4,085,000.00	4,085,000.00
12/01/2033	70,000.00	6.500%	265,525.00	335,525.00	4,015,000.00	4,015,000.00
12/01/2034	70,000.00	6.500%	260,975.00	330,975.00	3,945,000.00	3,945,000.00
12/01/2035	70,000.00	6.500%	256,425.00	326,425.00	3,875,000.00	3,875,000.00
12/01/2036	165,000.00	6.500%	251,875.00	416,875.00	3,710,000.00	3,710,000.00
12/01/2037	180,000.00	6.500%	241,150.00	421,150.00	3,530,000.00	3,530,000.00
12/01/2038	185,000.00	6.500%	229,450.00	414,450.00	3,345,000.00	3,345,000.00
12/01/2039	200,000.00	6.500%	217,425.00	417,425.00	3,145,000.00	3,145,000.00
12/01/2040	210,000.00	6.500%	204,425.00	414,425.00	2,935,000.00	2,935,000.00
12/01/2041	515,000.00	6.500%	190,775.00	705,775.00	2,420,000.00	2,420,000.00
12/01/2042	550,000.00	6.500%	157,300.00	707,300.00	1,870,000.00	1,870,000.00
12/01/2043	585,000.00	6.500%	121,550.00	706,550.00	1,285,000.00	1,285,000.00
12/01/2044	620,000.00	6.500%	83,525.00	703,525.00	665,000.00	665,000.00
12/01/2045	665,000.00	6.500%	43,225.00	708,225.00		
	4,765,000.00		7,392,233.33	12,157,233.33		

FIGURE 4

# Amortization Calculator

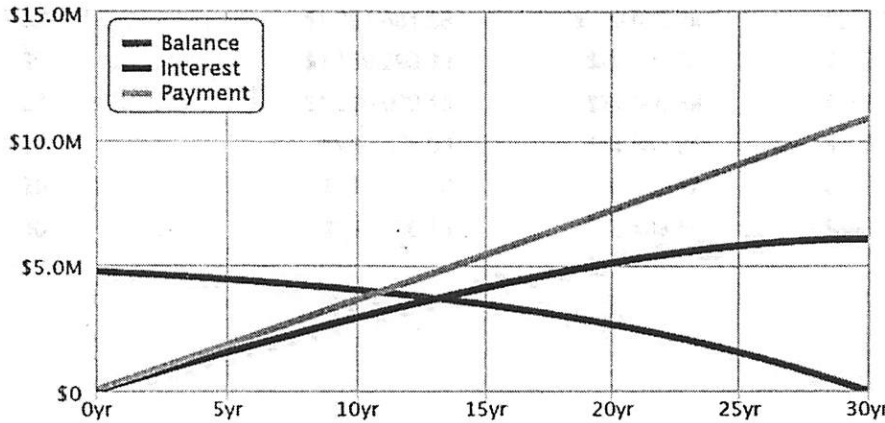
Loan Amount   
 Loan Term  years  
 Interest Rate (APR)

Monthly Pay: \$30,118.04

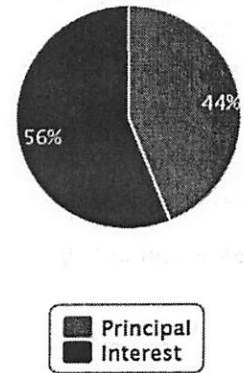
Total of 360 Loan Payments \$10,842,494.87

Total Interest **\$6,077,494.87**

### Loan Amortization Graph



### Payment Breakdown



## Annual Amortization Schedule

	Beginning Balance	Interest	Principal	Ending Balance
1	\$4,765,000.00	\$308,156.88	\$53,259.60	\$4,711,740.38
2	\$4,711,740.38	\$304,589.98	\$56,826.50	\$4,654,913.87
3	\$4,654,913.87	\$300,784.22	\$60,632.26	\$4,594,281.58
4	\$4,594,281.58	\$296,723.54	\$64,692.94	\$4,529,588.63
5	\$4,529,588.63	\$292,390.94	\$69,025.54	\$4,460,563.08
6	\$4,460,563.08	\$287,768.16	\$73,648.32	\$4,386,914.75
7	\$4,386,914.75	\$282,835.81	\$78,580.67	\$4,308,334.06
8	\$4,308,334.06	\$277,573.11	\$83,843.37	\$4,224,490.68
9	\$4,224,490.68	\$271,957.97	\$89,458.51	\$4,135,032.15
10	\$4,135,032.15	\$265,966.77	\$95,449.71	\$4,039,582.42
11	\$4,039,582.42	\$259,574.32	\$101,842.16	\$3,937,740.24
12	\$3,937,740.24	\$252,753.77	\$108,662.71	\$3,829,077.51

Mr. Chairman & Committee Members,

I am writing to you in my capacity as a registered voter in the State of Colorado, a taxpayer, homeowner, concerned citizen and an elected member to the Elbert County Board of County Commissioners, where I have served for over 5 years. In addition, I have served on the Board of the Elizabeth School District, and I am a retired US Army Colonel with over 23 years of active service.

I am writing to express my concern and frustration as it pertains to legislation proposed in HB22-1363 which addresses the legislation of Metro Districts in Colorado.

The Bill in its current form is absolutely unacceptable and needs to be killed.

I would point out the following issues:

- The language in Sections 1 & 2 of the Bill are in direct conflict with the language in Section 3. I see no reason why developers should be prohibited from purchasing their own debt provided that an unaffiliated, independent third-party consultant is retained to certify that the terms, conditions, and interest rate are consistent with then current market rates.
- This Bill, if approved, will significantly impair the ability of towns, cities, and counties to realize and manage their growth objectives. Specifically, it will limit the ability to build affordable/attainable homes which are so desperately needed in this state. It will also negatively affect fire, parks & rec, school, and library districts.
- If Developers lose the ability to fund early-stage debt at market rates, new development projects will die. In my time as a Commissioner, I have known at least one Developer that has purchased debt (loaned a metro district money) at under market rate when bond rates increased, in order to maintain a projected price point for lots.
- Denver is currently the 5<sup>th</sup> least affordable housing market in the Country – prohibiting developer owned debt will unnecessarily drive home prices even higher.
- Towns, Cities and Counties must approve a service plan for every metro district formed – these service plans include mill levy caps and numerous other restrictions designed to protect the local jurisdiction and the taxpayer. Increasing property tax bills do not result from capped mill levies in metro districts – they are a result of rapidly increasing housing prices and limited housing stock.

If there is work to be done in regards to improving how metro districts function in Colorado, I ask that you focus on transparency and not on current operational/financial matters without serious study of the potential impacts on future housing availability.

I urge you to leave the control of special districts in the hands of the presiding jurisdiction –  
Vote No on HB22-1363.

Respectfully,

Chris Richardson  
Commissioner/Chair  
Elbert County, CO  
303-622-3132