

**SERVICE PLAN**

**FOR**

**COLORADO INTERNATIONAL CENTER  
METROPOLITAN DISTRICT NO. 13**

**IN THE**

**CITY AND COUNTY OF DENVER, COLORADO**

Approved: March 13, 2006

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**SERVICE PLAN FOR THE  
COLORADO INTERNATIONAL CENTER  
METROPOLITAN DISTRICT NO. 13**

**I. INTRODUCTION**

This Service Plan for Colorado International Center Metropolitan District No. 13 (“District No. 13”) in the City and County of Denver (“City”), Colorado (“State”), is submitted by Colorado International Center, LLC (“Organizer”) pursuant to the requirements of the Special District Act, § 32-1-101, *et seq.*, C.R.S. (“Special District Act”), and more particularly § 32-1-204.5, C.R.S. This Service Plan also provides certain documentation required by the City’s Policy Statement Establishing Statutory Districts (“Policy Statement”) and is being submitted in connection with the planning and development of the project known as High Point (the “Project”) located generally north of 64<sup>th</sup> Avenue, south of 72<sup>nd</sup> Avenue, west of Dunkirk Street and east of Tower Road in the City, which may also include property in Denver that is contemplated to become part of the Project in the Joint Development Agreement between the City, the City of Aurora and the Organizer dated April 27, 2005. The Project is part of a larger master planned development (“Development”), which contains approximately 1,200 additional acres in the City of Aurora. References in this Service Plan to a “developer” apply to the Organizer, any affiliate or related person or entity, or any successor developer or an affiliate or related person or entity thereof undertaking any of the development of the Project, and with respect to any transaction involving advances (as described in Part VIII.D), any other person or entity funding or financing any of the public improvements as described herein.

## **II. PURPOSES OF DISTRICT NO. 13**

District No. 13 will be a metropolitan district organized pursuant to the Special District Act in conjunction with two other metropolitan districts, Denver High Point at DIA Metropolitan District (“Management District”) and Colorado International Center Metropolitan District No. 14 (“District No. 14”). District No. 13 is expected to contain the residential property within the Project, and District No. 14 is expected to contain the commercial property within the Project (the Management District, District No. 13 and District No. 14, collectively the “Districts”). Many of the structures in the Project will be built for mixed uses, and these buildings will be condominiumized so that the commercial portion of any building can be included in District No. 14 and the residential portion of any building can be included in District No. 13. Initially, all taxable property within the Project will be included within the boundaries of the Management District for purposes of assessing the Regional Mill Levy (as defined in Part VIII.B.4). No property in the Project will be included into more than one District, except that the initial boundaries of District Nos. 13 and 14 may overlap the Management District.

The Management District will be responsible for managing, implementing and coordinating the financing, acquisition, construction, completion, operation and maintenance of all public infrastructure and services within and without the Project, including without limitation all streets, safety protection, water, sewer and storm drainage, transportation, mosquito control, fire protection, and park and recreation facilities, and are more specifically described in Parts V and VI. The improvements will be acquired, constructed and completed for the collective use and benefit of the property owners within, and residents of all of the Districts, as well as for all citizens of the City, the metropolitan Denver area and the State. Upon completion, it is anticipated that the Management District will transfer certain improvements to the City or another governmental entity as appropriate. The Management District may operate and maintain

all other improvements within and without the Project (as discussed in Part VII) for the benefit of all property owners within, and residents of the Districts. Whether or not so specified herein, the Management District's responsibilities for the completion, operation, maintenance, repair and replacement of the improvements will be set forth in an intergovernmental agreement between the Management District and the City, as the same may be amended from time to time (the "City IGA"), to be drafted in accordance with, and address the issues set forth in the outline attached hereto as **Exhibit E**. The Districts shall not incur any obligations, spend any funds, certify any mill levy, collect any revenue from any source including, but not limited to, Facilities Fees or Regional Development Fees, or commence the construction of any District Improvements or Regional Improvements (as defined in Part VI), until all of the following have been completed: (i) the City IGA; (ii) the Inter-District IGA (as defined herein); (iii) an intergovernmental agreement with Gateway Regional Metropolitan District ("GRMD") regarding operation and maintenance costs; and (iv) an order for exclusion from GRMD has been recorded.

It is anticipated that the Organizer or other developers will make advances to the Management District as discussed in Part VIII.D necessary to fund the costs of acquisition, construction, operation and maintenance and completion of the improvements, until the Districts can issue bonds or enter into other obligations. Alternatively, the Districts may, if feasible, issue bonds immediately to fund the costs of acquisition or construction of the improvements and to pay back any developer advances. It is expected that District No. 13 and District No. 14 will pay over tax collections and/or bond proceeds and other revenue to District No. 13, which revenue will be applied to the payment of (i) acquisition, construction and financing of the improvements and (ii) the costs of administration, operation and maintenance of the improvements that are

owned and/or operated by the Districts or that the Management District maintains in accordance with the provisions of the City IGA.

The arrangements for financing, acquiring, constructing, completing, operating and maintaining the improvements will be set forth in an intergovernmental agreement among the Districts, as the same may be amended from time to time (the “Inter-District IGA”), which shall be entered into by each of the Districts after the organization of the Districts. Because of the lengthy build-out period of the Project, the use of the Management District in addition to the other two taxing Districts will ensure that the improvements are financed and completed in coordination with the various phases of the Project and not sooner, as may be more specifically limited in the City IGA. This phased financing approach will also ensure that property owners within the Districts are not taxed unnecessarily for improvements before they are needed and will reduce the costs of financing generally.

Although GRMD has provided, and will continue to provide, some regional improvements the Districts will be responsible for funding their proportionate share of the regional improvements GRMD has been previously obligated to provide and the Districts will be responsible for funding regional improvements that are beyond the scope of regional improvements currently being provided by GRMD. The Project is not presently served with the facilities or services to be provided by the Districts, nor does the City or any other special district have any plans to provide such facilities or services within a reasonable time and on a comparable basis.

The Project will have a long-lasting and positive impact on the character, property tax base, employment base, and public health and safety of the surrounding neighborhoods. The use of the Districts to finance, acquire, construct and complete the improvements will assure the



provision of requisite public infrastructure and other attractive public amenities within and without the Development. The Project will advance the development of the Gateway area and will generally promote the public welfare of the City. Thus, the organization of District No. 13 will promote the general interests of present and future property owners, residents and taxpayers within the Districts as well as the City.

### **III. PROPOSED DISTRICT NO. 13 BOUNDARIES/SERVICE AREA**

The Management District will be organized to manage, implement and coordinate the financing, acquisition, construction, completion, and operation and maintenance of the improvements for the Project. It is anticipated that there will be no residential or commercial buildings within the Management District, and no residential or commercial improved property will be included within the Management District. The boundaries of District No. 13 are located entirely within the Project, as more particularly described in the legal description of the initial boundaries of District No. 13 attached hereto and incorporated herein as **Exhibit A**, and are also shown on the boundary map attached hereto and incorporated herein as **Exhibit B**. All of the property in the Project will be included within the Management District upon its organization and will overlap the boundaries of the other Districts.

The boundaries of District No. 13 and District No. 14 are also located entirely within the City and will include only property as more particularly described in the legal descriptions and as depicted in the boundary maps attached hereto as **Exhibit C** and incorporated herein (the “Inclusion Area”), containing approximately 377 acres. Initially, all property within the Project will be included within the boundaries of the Management District for purposes, among others, of assessing the Regional Mill Levy. When any property initially included in the Management District is subsequently planned for either residential or commercial uses, it is anticipated that such property will then be excluded from the Management District and included into either

District No. 13 or No. 14, as appropriate, which shall also impose the Regional Mill Levy. The area to be served by the Management District will consist of all property within its boundaries and the boundaries of District No. 13 and District No. 14 (the "Service Area").

It may be necessary for the organizer to seek the City's approval for an additional district to serve the needs of the Development. The City acknowledges that there may be a request to consider the organization of an additional district.

#### **IV. PERMITTED LAND USES / POPULATION PROJECTIONS / ASSESSED VALUATION**

At present, the property within the Project is zoned CMU 10, 20, 30 and RMU 20. It is anticipated that the property within the Project will be utilized for commercial, office, hotel, retail, open space and multi-family residential and single-family residential in the southern portion of the Project. The peak population in the Project is estimated at 6,742 persons at build-out, calculated by applying an average amount of .002 persons per the square footage anticipated for each of the types of commercial development within the Project and assuming 2.5 persons per residential dwelling unit. No residential dwelling units will be constructed north of the Development Contour Line described in the Joint Development Agreement between the City, the City of Aurora and the Developer dated April 27, 2005 and in the General Development Plan between the City and the Developer ("GDP"), recorded at reception number 2005169315 in the records of the County Clerk for the City and County of Denver. Estimates of the assessed valuation within the Districts are set forth in the Financing Plan. At build-out, in the year 2012, District No. 13's expected residential assessed value will be \$11.2 million. District No. 14's expected commercial assessed value will be \$94.4 million at build-out in the year 2018. Projected market value of the Project in 2018 will be approximately \$463.2 million.

V. **DESCRIPTION OF DISTRICT NO. 13 POWERS, SERVICES AND IMPROVEMENTS**

The Management District will manage, implement and coordinate the financing, acquisition, construction, completion, operation and maintenance of the improvements and the provision of related services within and without the boundaries of the Districts, subject to all terms and limitations set forth in the City IGA. The Management District's responsibilities for the ownership, operation, maintenance, repair and replacement of certain of the improvements are set forth in the matrix attached as an exhibit to the City IGA. A general description of District No. 13's powers and authorities, the services that it will provide and the improvements that it will acquire or construct follows.

A. Services and Improvements.

1. Street Improvements. District No. 13 shall have the power and authority to provide for the acquisition, construction, relocation, installation, completion, and/or operation and maintenance of both on-site and off-site street improvements as authorized in the Special District Act, including without limitation streets, curbs, gutters, culverts and other drainage facilities, bridges, parking garages, sidewalks, tree lawns, alleys, lighting, grading, landscaping and irrigation systems, together with all necessary, incidental and appurtenant facilities, land and easements, and all extensions of and improvements to such facilities within and without the boundaries of the Districts subject to the City IGA. In accordance with the provisions of the City IGA, upon completion of the street improvements the Districts shall convey any necessary right-of-way for the streets and transfer certain of the street improvements to the City. The requirements for the acceptance, conveyance, operation and maintenance of all street improvements shall be as set forth in the City IGA. All street improvements shall be constructed in accordance with the plans and specifications approved by the City. The Districts shall not

transfer the street improvements or delegate the operation and maintenance thereof to a governmental entity other than the City, unless the Districts have received the prior written approval of the Manager of Public Works.

2. Traffic and Safety Controls. District No. 13 shall have the power and authority to provide for the acquisition, construction, installation and completion of a system of traffic and safety controls and devices on streets and highways as authorized in the Special District Act, including without limitation signalization, signing and striping, together with all necessary, incidental and appurtenant facilities, land and easements, and extensions of and improvements to such facilities within and without the boundaries of the Districts subject to the City IGA. All safety improvements shall be constructed in accordance with the plans and specifications approved by the City. In accordance with the provisions of the City IGA, upon completion some or all traffic and safety improvements shall be transferred to the City for ownership and maintenance. The requirements for the acceptance, conveyance, operation and maintenance of all traffic and safety controls shall be as set forth in the City IGA. The Districts shall not transfer the traffic and safety improvements or delegate the operation and maintenance thereof to a governmental entity other than the City, unless the Districts have received the prior written approval of the Manager of Public Works.

3. Water Improvements. District No. 13 shall have the power and authority to provide for the acquisition, construction, relocation, installation and completion of a potable and non-potable water distribution system as authorized in the Special District Act, including without limitation distribution mains and lines, pressure reducing stations, wells, irrigation systems, hydrants, tanks and other water facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all extensions of and improvements to such

facilities within and without the boundaries of the Districts subject to the City IGA. All water improvements shall be constructed in accordance with the Engineering Standards and Operating Rules of the City and County of Denver, acting by and through its Board of Water Commissioners (“Denver Water”), and the water improvements shall be subject to review and change as required periodically by Denver Water. Upon completion, inspection and acceptance of the water improvements, the Districts shall transfer to Denver Water all water improvements which are of the nature, scope and extent customarily conveyed to Denver Water for ownership, operation and maintenance. The Districts may own, operate and maintain the irrigation and other water improvements within the Project that are not transferred to Denver Water.

4. Sanitation Improvements. District No. 13 shall have the power and authority to provide for the acquisition, construction, relocation, installation and completion of a sanitary sewage collection and transmission system as authorized by the Special District Act, including without limitation collection mains and lines, lift stations and other sanitation facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all extensions of and improvements to such facilities within and without the boundaries of the Districts subject to the City IGA. All sanitation improvements shall be designed and constructed in accordance with the standards and specifications of the Wastewater Management Division of the Denver Department of Public Works (“Denver Wastewater”), Metro Wastewater Reclamation District, the Colorado Department of Public Health and Environment, and any other applicable local, State or federal rules and regulations. In accordance with the provisions of the City IGA, upon completion, sanitation improvements shall be transferred to the City, or other governmental entity, for ownership, operation and maintenance. The requirements for the acceptance, conveyance, operation and maintenance of all sanitation improvements shall be as

set forth in the City IGA. The Districts shall not transfer the sanitation improvements or delegate the operation and maintenance thereof to a governmental entity other than the City, unless the Districts have received the prior written approval of the Manager of Public Works.

5. Stormwater Drainage Improvements. District No. 13 shall have the power and authority to provide for the acquisition, construction, installation, completion, operation and maintenance of a stormwater system as authorized by the Special District Act, including without limitation stormwater sewer, flood and surface drainage facilities and systems, water quality detention/retention ponds and associated drainage facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all extensions of and improvements to such facilities within and without the boundaries of the Districts subject to the City IGA. All stormwater drainage improvements shall be designed and constructed in accordance with the standards and specifications of the City and any other applicable State or federal agencies. In accordance with the provisions of the City IGA, upon completion the stormwater drainage improvements will be transferred to the City, or other governmental entity, for ownership, operation and maintenance. The requirements for the acceptance, conveyance, operation and maintenance of all stormwater drainage improvements shall be as set forth in the City IGA. The Districts shall not transfer the stormwater drainage improvements or delegate the operation and maintenance thereof to a governmental entity other than the City, unless the Districts have received the prior written approval of the Manager of Public Works.

6. Parks and Recreation Improvements. District No. 13 shall have the power and authority to provide for the acquisition, construction, installation, completion, operation and maintenance of parks and recreation improvements and programs as authorized by the Special District Act, including without limitation pedestrian plazas, parks, multi-modal trails and

bridges, open space, landscaping, entry and architectural features, recreational facilities, irrigation, public art and cultural activities, together with all necessary, incidental and appurtenant facilities, land and easements, and all extensions of and improvements to such facilities within and without the boundaries of the Districts subject to the City IGA. All parks and recreation improvements shall be designed and constructed in accordance with the provisions of the City IGA and any applicable specifications of the City. Parks and recreation improvements may be transferred to the City, if approved by the Manager of Parks and Recreation. It is anticipated that the Management District will own, operate and maintain the parks and recreation improvements not transferred to the City. The requirements for the acceptance, conveyance, operation and maintenance of all parks and recreation improvements shall be as set forth in the City IGA. The Districts shall not transfer the parks and recreation improvements or delegate the operation and maintenance thereof to a governmental entity other than the City, unless the Districts have received the prior written approval of the Manager of Parks and Recreation.

7. Safety Protection. District No. 13 shall have the power and authority to provide for the acquisition, financing and construction of facilities for a system of traffic and safety controls and devices on streets and highways, including signalization, street lights, signing and striping, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the Districts subject to the City IGA. All safety protection improvements shall be designed and constructed in accordance with the standards and specifications of the City and any other applicable State or federal agencies. In accordance with the provisions of the City IGA, upon completion the safety protection improvements will be transferred to the City for

ownership, operation and maintenance. The requirements for the acceptance, conveyance, operation and maintenance of all safety protection improvements shall be as set forth in the City IGA. The Districts shall not transfer the safety protection improvements or delegate the operation and maintenance thereof to a governmental entity other than the City, unless the Districts have received the prior written approval of the Manager of Public Works.

8. Transportation. District No. 13 shall have the power and authority to provide for the acquisition, financing and construction of transportation system improvements and facilities, including transportation equipment, park and ride facilities and public parking lots, structures, roofs, covers and facilities, all the necessary incidental and appurtenant facilities, land and easements together with extensions of and improvements to said facilities within and without the boundaries of the Districts subject to the City IGA. District No. 13 may not dedicate the transportation improvements or delegate the operation and maintenance thereof to another governmental entity without the prior written approval of the Manager of Public Works. The City will not own or maintain park and ride facilities, parking structures or parking lots or other improvements typically owned by the Regional Transportation District.

9. Mosquito Control. District No. 13 shall have the power and authority to provide for the acquisition, financing, construction and/or operation and maintenance of facilities and equipment necessary for the eradication and control of mosquitoes, including, but not limited to, elimination or treatment of breeding grounds, and purchase, lease, contracting or other use of equipment or supplies for mosquito control within and without the boundaries of the Districts subject to the City IGA. All mosquito control improvements shall be designed and constructed in accordance with the standards and specifications of the City and any other applicable State or federal agencies. The Districts shall not transfer the mosquito control improvements or delegate



the operation and maintenance thereof to a governmental entity other than the City, unless the Districts have received the prior written approval of the Manager of Environmental Health.

10. Fire Protection. District No. 13 shall also have the following limited fire protection powers: the acquisition, construction, completion and/or installation of facilities for protection against fire, including fire stations, ambulance stations, emergency medical, rescue, and diving and grappling stations, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the Districts subject to the City IGA. District No. 13 shall not provide fire or emergency medical equipment, operations, maintenance, or emergency response services under this power.

11. General. The various activities of the Districts shall be subject to City zoning, subdivision, building codes, land use regulations, and other applicable City laws, rules, and regulations and all agreements relating thereto, so that the facility and service standards of the Districts will be compatible with those of the City. The location and installation of the improvements authorized in this Service Plan and constructed in accordance with plans and permits approved by the City shall be exempt from the provisions of Section 31-23-209, C.R.S. The Districts will not construct any improvements or provide any services other than the types described in the Service Plan without the prior written approval of the Manager of Revenue and the Manager of Public Works (or the Manager of Parks and Recreation, if such approval relates to parks and recreation improvements). The City shall not be responsible for assuming the costs of any of the District Improvements (as defined in Section VI.A).

B. Other Powers.

District No. 13 shall have all powers and authorities granted to metropolitan districts under the Special District Act, which may be exercised to provide for the acquisition, construction, completion, operation and maintenance of public improvements and the provision of services as authorized in and subject to the limitations set forth in the City IGA, the Inter-District IGA and this Service Plan. In addition to the enumerated powers and authorities and subject to the terms of the Inter-District IGA, the Board of Directors of District No. 13 shall also have the following authorities:

1. Service Plan Amendments. If any change of a basic or essential nature is not authorized in this Service Plan, the City IGA or any other agreement between the City and any of the Districts but is otherwise required pursuant to the Special District Act, District No. 13 may amend this Service Plan as needed, subject to compliance with appropriate statutory and City procedures as set forth in this Service Plan.

2. Construction Phasing. Without having to amend this Service Plan, except as otherwise expressly required herein and subject to all terms and limitations set forth in the City IGA, the Districts may defer, delay, reschedule, rephase, relocate or determine not to proceed with construction of the District Improvements in order to better accommodate the pace of growth within the Project and Development, resource availability, and funding capacity. A construction phasing plan is attached as **Exhibit D**. Nothing herein shall change or override the obligations of the developer under the GDP.

3. Additional Services / Services Districts Will Not Provide. Except as specifically prohibited herein and as set forth in the City IGA, the Districts may provide such additional services and exercise such powers and authorities as are expressly or impliedly

granted in the Special District Act or by State law. Before the Districts assume any obligations or undertake the acquisition, construction, operation or maintenance of any infrastructure improvements other than the types described in this Service Plan, or as otherwise authorized in the City IGA, the Districts shall obtain the prior written approval of the Manager of Revenue and the Manager of Public Works (or the Manager of Parks and Recreation, if such approval relates to park and recreation improvements) and such other approvals as may be required in accordance with the provisions of the City IGA. Ongoing services of the Districts shall be restricted to services not provided within the Districts by the City. The Districts shall not provide the following services: fire protection and other public safety services, operation of traffic control devices in City streets, or television relay and translation services.

4. Land Acquisition. District No. 13 shall not condemn property or easements without the prior approval of the City Council. The purchase price of any land acquired by the Districts from the developer shall be no more than its then-current fair market value as confirmed by an independent MAI appraisal. Land, easements and facilities conveyed to the City shall be free and clear of all liens, encumbrances and easements, unless otherwise approved by the City 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, and shall comply with any conveyance prerequisites, all as set forth in the City IGA.

C. Requirements for Construction and Maintenance.

The City currently has ordinances relating to the payment of prevailing wages and small business enterprise participation in City contracting for construction and certain maintenance activities. As a condition of the City's approval of this Service Plan, the Districts shall comply

with the following ordinances and programs with respect to all the Districts' contracts, except for any work contracted for prior to June 1, 2006, funded from (i) the Limited Mill Levies (as defined in Part VIII.B) or the Regional Mill Levy (as defined in Part VIII.B.4) of the Districts, (ii) proceeds of bonds or other obligations issued by the Districts, (iii) Regional Development Fees and other publicly funded sources including fees and assessments of the Districts, or (iv) Developer Advances:

1. Prevailing Wages. The Districts shall comply with the wage provisions of the City's ordinances applicable to City contracts relating to the payment of prevailing wages for any District contracts relating to the acquisition or construction, operation or maintenance of any District Improvements (as defined in Part VI.A) or Regional Improvements (defined in Part VI.B) owned by the Districts or owned by the City and maintained by the Districts, unless such contract is required to comply with Davis-Bacon or other federal wage requirements, as more specifically set forth in the City IGA.

2. Small or Disadvantaged Business Enterprises. The Districts shall comply with the City's ordinances relating to (a) small business enterprise participation as currently set forth in Sections 28-201 to 28-231 of the Denver Revised Municipal Code, as the same may be amended or recodified from time to time ("DRMC"), and (b) any disadvantaged business enterprise ordinances that may subsequently be adopted by the City Council with respect to construction work that is not under contract at the time of adoption of such ordinance.

3. First Source. The Districts shall comply with any City ordinance adopted in the future concerning First Source and/or a policy developed and administered by the City's Division of Workforce Development.

4. No 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, marital status, or physical or mental disability, and further shall insert the foregoing provision in any contracts or subcontracts let to accomplish the purposes of this Service Plan.

5. Public Art. The Districts shall initiate and implement a public art program as more particularly set forth in the City IGA and DRMC §§ 20-85 through 20-89.

## **VI. ESTIMATED COSTS OF IMPROVEMENTS**

### **A. District Improvements.**

The estimated cost of the District Improvements is \$52,598,265 (in 2005 dollars) as set forth in **Exhibit F** attached hereto and incorporated herein, which costs will be adjusted for inflation in accordance with the “Engineering News Record” or another recognized construction cost index approved by the Manager of Public Works (the “Costs”). **Exhibit F** summarizes the Costs by type of the improvements (the “District Improvements”), which over time may vary item by item with respect to both the cost and the scope of such District Improvements, subject to all terms and limitations as set forth in the City IGA. Maps of the anticipated location of the District Improvements are attached hereto as **Exhibit G** and incorporated herein.

The design, phasing of construction, location and completion of the District Improvements will be determined by the Management District to coincide with the phasing and development of the Project and the availability of funding sources, subject to all terms and limitations set forth in the City IGA. The Management District may, in its discretion, phase the construction, completion, operation and maintenance of the District Improvements or defer, delay, reschedule, rephase, relocate or determine not to proceed with the construction,

completion, operation and maintenance of the District Improvements, subject to any limitations in the City IGA, and such actions or determinations shall not constitute material modifications of this Service Plan.

B. Regional Improvements.

A list of regional improvements is set forth in **Exhibit I** consisting of “Original Regional Improvements,” “Additional Regional Improvements” and “Other GRMD Projects.” (collectively the “Regional Improvements”) **Exhibit I** also contains a revenue analysis of the Regional Mill Levy and the Regional Development Fee. The estimated cost for the Regional Improvements is approximately \$30,071,085 (in 2005 dollars). The costs and allocation of percentages shown in **Exhibit I** are initial estimates. The Additional Regional Improvements will be finalized in a study as described in the City IGA. The Districts will be responsible for paying the share of all Additional Regional Improvement costs which are attributable to the Development as set forth in the City IGA. The Regional Mill Levy will be applied to pay the costs of certain Regional Improvements or to pay debt service on the Districts’ bonds as set forth in the City IGA. The Districts acknowledge that certain of the Regional Improvements have been constructed. The Districts will pay for their share of the Regional Improvements and appropriate GRMD obligations as set for the in the City IGA. The Project will be subject to the GRMD mill levy attributable to payment of the GRMD’s bonds outstanding on the date of exclusion.

VII. ESTIMATED COSTS OF ORGANIZATION, OPERATIONS AND MAINTENANCE

A. Costs of Organization.

The estimated costs of organization of the Districts are \$200,000.

B. Costs of Operations and Maintenance.

The Districts' primary operation and maintenance obligations may include maintaining medians and all District Improvements located behind the curb for the street improvements, sidewalk system, snow removal from sidewalks, landscaping (including all plant material), parks and recreation facilities, irrigation systems, public art, signage and repair of the Districts' property, as shall be more fully set forth in the Inter-District IGA, the City IGA or any other agreements between the City and the Districts. Additional costs may include engineering (not accounted for in the design of improvements), legal, audit and administrative services, utilities, and other expenses related to the administration and operation of the Districts. See **Exhibit H** of this Service Plan for the estimated costs for the initial consolidated operations of the Districts.

The budget adopted by District No. 13 will authorize expenditures for the Districts' administration and the operation and maintenance of District Improvements as set forth in the City IGA and medians. The Districts shall not have the authority to provide maintenance of any improvement transferred to the City, except as otherwise specified in the City IGA, without the prior written approval of the Manager of Revenue and Manager of Public Works (and Manager of Parks and Recreation, if such approval relates to park and recreation improvements). Fees and charges may be imposed within the Service Area and collected by District No. 13 to the extent necessary to supplement other Management District revenues in accordance with the terms of the Inter-District IGA.

Owners' associations may be formed by the developer to assume some of the operation and maintenance functions for the Project. In the event that an owners' association is formed, the operation and maintenance obligations of the Districts may be reduced. The Districts shall obtain the prior written consent of the Manager of Revenue and Manager of Public Works (and

Manager of Park and Recreation, if such approval relates to park and recreation improvements) before delegating any operation and maintenance duties to an owners' association.

C. Fees to City.

Each District shall be responsible for paying (i) an annual fee to the City Treasurer for property taxes collected by the City for the benefit of the Districts in accordance with State statute; (ii) an annual fee for the costs that the City incurs for the annual review and monitoring of the Districts, which shall be reasonably related to the City's administrative costs associated with the Districts, invoices for which shall be submitted to the Management District on June 1 of the then current year, and shall be payable on January 31<sup>st</sup> of the following year; and (iii) fees relating to the issuance of the Districts' bonds, which shall be established in accordance with the Rules and Regulations of the City (currently adopted by the Manager of Revenue) for each financing transaction undertaken by the Districts. The bond issuance fee shall be reasonable and shall be determined by the Manager of Revenue prior to each bond issuance. In addition, all reasonable consulting, legal and other costs incurred by the City for the review and monitoring of the District and the review of the associated bond documents shall be paid within thirty (30) days of receipt of invoice, regardless of whether the transaction closes.

**VIII. FINANCING PLAN / PROPOSED INDEBTEDNESS**

This part of the Service Plan describes the nature, basis, method of funding and financing limitations associated with the acquisition, construction, completion, operation and maintenance of the District Improvements and the Regional Improvements. The Financing Plan will be coordinated and implemented by the Management District in accordance with the terms of the City IGA and the Inter-District IGA, subject to all limitations set forth herein. The Districts shall not incur any obligations, spend any funds, certify any mill levy, collect any revenue from any source including Facilities Fees or Regional Development Fees, or commence the construction of



any District Improvements or Regional Improvements, until all of the following have been completed: (i) the City IGA; (ii) the Inter-District IGA; (iii) an intergovernmental agreement with GRMD regarding operation and maintenance costs; and (iv) an order for exclusion from GRMD has been recorded.

A. Financing Plan.

The Financing Plan, which is attached as **Exhibit H** and incorporated herein, is the consolidated financing plan for the Districts and includes the estimated property tax revenue of the Districts, revenue available from specific ownership taxes, Facilities Fees and other sources, and amounts available for payment of debt service on bonds and for operations and maintenance expenses, but does not include the Regional Mill Levy. The Financing Plan projects the issuance of the Districts' bonds and anticipated debt repayment based on the development assumptions and absorptions for property within the Districts as prepared by the Organizer and its economic and planning consultants. The Financing Plan anticipates that in accordance with the terms of the Inter-District IGA, the Management District will acquire, construct and complete all District Improvements needed to serve the Service Area, including repaying any Developer Advances, while District No. 13 will tax all property within its boundaries, and District No. 14 will tax all property within its boundaries. All District No. 13 and District No. 14 tax collections not needed to repay their bonds will be remitted to the Management District in accordance with any terms to that effect in the City IGA and the Inter-District IGA. The actual bond financing plan of the Districts will be determined by the Management District, as required for the actual phasing and build-out of the Project and Development. It is anticipated that District No. 13 and District No. 14 will, at the direction of the Management District pursuant to the Inter-District IGA, issue bonds directly as discussed in subpart VIII.C below. The Financing Plan demonstrates that, at

the projected levels of development and absorptions prepared by the Organizer, the Districts have the ability to finance certain portions of the District Improvements and Regional Improvements and will have the financial ability to discharge all obligations set forth in the Financing Plan on a reasonable basis.

B. Regional Mill Levy and Limited Mill Levies.

The Management District shall impose the Regional Mill Levy on property within its boundaries, but not the Limited Mill Levies defined below, unless the prior written approval of the Manager of Revenue is first obtained. District No. 13 and District No. 14 will impose all of the Limited Mill Levies defined below (subject to the termination of such limitations as specified in subpart VIII.F.12 and certain adjustments as specified in subpart VIII.F.11 hereof) and the Regional Mill Levy on all taxable property within their boundaries respectively, which boundaries will include all taxable property within the Project and any other taxable property included within such Districts, as described below:

1. Debt Levy. The tax levy of District No. 13 for debt service purposes is projected to be forty (40) mills, and the tax levy of District No. 14 for debt service purposes is projected to be thirty (30) mills, which differential mill levy is intended to compensate for the difference in assessment rate between commercial and residential property. Until the conditions of VIII.F.12 have been satisfied, the Districts shall not impose a property tax levy for debt service purposes that is greater than fifty (50) mills (the “50-Mill Cap”). The 50-Mill Cap shall be subject to certain adjustments as authorized in subpart VIII.F.11 below. The 50-Mill Cap may terminate as set forth in subpart VIII.F.12 below. The property tax levy for debt service purposes, limited as described in this subpart, is referred to herein as the “Limited Debt Levy.”

The Regional Mill Levy shall not count against the 50-Mill Cap. If the Regional Improvements are being financed by the debt, the Regional Mill Levy may be added to the 50-Mill Cap.

2. Operating Levy. The tax levy of the Districts for operation and maintenance purposes is projected to be five (5) mills with the operating levy becoming lower as absorption occurs and the tax base of the Districts increases in value. The operating levy will be set by the Management District to meet budgetary needs on an annual basis in accordance with the Inter-District IGA. The Districts shall not impose a property tax levy for operations and maintenance purposes greater than ten (10) mills, subject to certain adjustments authorized in subpart VIII.F.11 (the “Limited Operating Levy,” and the Limited Debt Levy and Limited Operating Levy together, the “Limited Mill Levies”).

3. Facilities Fee. The Districts anticipate imposing and collecting facilities fees within their boundaries. The Financing Plan shows facilities fees of \$2,000 per single family unit, \$1,200 per multi-family unit and \$.25 per square foot of commercial development (“Facilities Fees”). The Facilities Fee may increase over time, which shall not constitute a material modification of the Service Plan. The Financing Plan assumes the Facilities Fee will be expended to repay debt.

4. Regional Mill Levy. In addition to the Limited Mill Levies, the Districts shall, pursuant to the provisions of the City IGA and the Inter-District IGA, impose a property tax levy of ten (10) mills (as may be increased as set forth below) beginning in the 2006 fiscal year through the 2056 fiscal year (the “Regional Mill Levy”), subject to certain adjustments authorized in subpart VIII.F.11 below, on all taxable property that is included within the Districts, for purposes of funding Regional Improvements as more fully set forth in the City

IGA. The Regional Mill Levy shall be administered and disbursed, and may be increased up to fifteen (15) mills, in accordance with terms and limitations set forth in the City IGA.

5. Regional Development Fee. The Districts will also impose and collect a one time fee that correlates with the Systems Development Fee imposed by GRMD (“Regional Development Fee”) on all land within their boundaries, which will be used for Regional Improvements in accordance with the City IGA, unless exempted from such fee. The Regional Development Fee may be adjusted periodically as set forth in the City IGA. The Regional Development Fee will be established, collected, retained, and expended all as set forth in the City IGA.

C. Bond Issuance.

The Financing Plan sets forth a bond issuance hypothetical in which the Districts may issue multiple series of bonds in the principal amounts of approximately \$48,000,000 to fund approximately \$41,500,000 of the Costs of the District Improvements and other costs of issuance and bond reserves, when adequate property tax revenue is available from District No. 13 and District No. 14 to pay debt service on such bonds. Alternate bond financing plans (i) that meet or improve the Financing Plan or (ii) that increase the principal amount of bonds to fund the Costs in order to complete the District Improvements and Regional Improvements, subject to all limitations set forth in subparts VIII.B and VIII.F and in the City IGA, may also be implemented by the Districts, without having to amend this Service Plan. If voter approval has been received, the Districts may enter into multiple-fiscal year financial obligations of any nature, including without limitation intergovernmental agreements and acquisition, reimbursement and funding agreements with the developer to accomplish any of the various purposes authorized in this Service Plan, subject to all terms and limitations set forth herein or in the City IGA, or any other

agreement related thereto to which any of the Districts is a party. Refunding bonds may be issued by the Districts to defease original issue bonds and other obligations in compliance with the terms of subpart VIII.F below and all applicable State and federal laws.

D. Developer Advances.

Currently, it is anticipated that the developer will make advances to the Management District as necessary to fund a portion of the costs of the acquisition, construction and completion of the District Improvements and Regional Improvements in accordance with the terms of acquisition, reimbursement or funding agreements, which may be entered into by the Management District and a developer. Obligations incurred by the Management District under such agreements are expected to be repaid by the Districts from bond proceeds or from other available funds, including without limitation the Limited Debt Levy or Facilities Fees. The Regional Mill Levy and the Regional Development Fees may be pledged to repay Developer Advances as stated in the City IGA. The developer may also advance funds to the Management District to pay operating and maintenance expenses, which advances may be repaid from bond proceeds or property tax collections from District No. 13 and District No. 14. All such advances are referred to herein as “Developer Advances.” Interest on Developer Advances shall not exceed an interest rate of eight percent (8%) per annum. Interest on Developer Advances shall be compounded no more than annually and added to principal of such obligations.

E. Debt Authorization.

At the organizational election, each of the Districts shall seek authority to issue revenue or general obligation indebtedness, including bonds and other multiple-fiscal year financial obligations such as intergovernmental agreements and acquisition, reimbursement and funding agreements, in the total principal amounts not to exceed (i) \$157,800,000 for the costs of all

District Improvements and (ii) \$90,200,000 for the Regional Improvements. Since each District must vote its own debt authorization for each of the categories of District Improvements and the Regional Improvements, each District must by law have the full debt authorization available to it in the event that any one of the other Districts finances, acquires, constructs and completes the District Improvements or the Regional Improvements and/or the other Districts enter into intergovernmental agreements to repay such costs. It is anticipated that the Districts will utilize their debt authorization to issue property tax supported bonds and/or notes to the developer, subject to the limitations in subpart VIII.F below, and to enter into the Inter-District IGA to pay over their property tax revenue in support of the repayment of such notes and bonds. Initially, each of the Districts will have the full \$157,800,000 in debt authorization for financing the District Improvements, together with debt authorization for the Regional Improvements, available to each of them. The aggregate debt of the Districts for funding the costs of the District Improvements shall not exceed \$157,800,000, and the aggregate debt of the Districts for funding the costs of the Regional Improvements shall not exceed \$90,200,000. When any of the Districts issues debt, the amount of that debt shall be subtracted from and reduce the amount of debt it, and the other Districts are permitted to issue under their service plans.

The total principal amount of debt authorization to be voted by each District exceeds the Costs of the District Improvements and the Regional Improvements (i.e., it is approximately three hundred percent (300%) of such costs) to allow for unforeseen contingencies and increases in construction costs due to inflation and to cover all organizational and bond issuance costs, including capitalized interest, reserve funds, discounts, legal and other consulting fees, and other incidental costs of issuance. A substantially final form of all ballot

questions to be submitted to the electors of District No. 13 is attached to this Service Plan as **Exhibit J** and incorporated herein.

F. Parameters for Debt Issuance.

Unless otherwise previously approved in writing by the Manager of Revenue, all debt issued or obligations incurred by any of the Districts, except for any debt or obligations payable from the Regional Mill Levy or Regional Development Fee pursuant to the provisions of the City IGA, shall be subject to the following restrictions:

1. General obligation or revenue bonds issued by any of the Districts shall mature in not more than thirty (30) years per series from the date of issuance with the first maturity being not later than five (5) years from the date of issuance.
2. For bonds other than those sold to developers, the maximum voted interest rate shall be fourteen percent (14%) and the maximum discount shall be four percent (4%). The exact interest rates and discounts will be determined at the time that bonds are sold. Such bonds will be structured to obtain competitive interest rates for comparable bonds.
3. The interest rate of any refunding bonds shall be no greater than three hundred (300) basis points higher than the interest rate of the refunded bonds.
4. The bonds generally will contain adequate call provisions to allow for the prior redemption or refinancing of such bonds. Bonds sold to developers (excluding any financial institution, mutual fund, investment trust or accredited investor that does not control, and is not controlled by the Organizer or any affiliate or related person or entity) shall be callable not later than five (5) years after their date of issuance.
5. No uninsured bonds shall be issued that contain provisions permitting acceleration of the bonds upon default.

6. Interest rates on bonds sold to developers shall be subject to an opinion as to the reasonableness of the interest rate and terms, which opinion shall be delivered by an underwriter, investment banker or individual entity listed as a public finance advisor in the Bond Buyer's Municipal Market Place and which advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, such as the pricing, sales and marketing of such securities, and delivered to the Manager of Revenue. Any interest rate on bonds sold to developers shall be no greater than eight percent (8%) per annum.

7. The Districts will comply with all applicable Securities and Exchange Commission and U.S. Treasury or Internal Revenue Service laws and regulations and the State Constitution and any State securities laws or regulations.

8. The Districts will inform the Manager of Revenue in writing within three (3) days after a debt service payment date if such payment is not made in full by the Districts. To the extent feasible, the Districts will also provide written notice to the Manager of Revenue of any likely event of nonpayment in advance of such debt service payment date.

9. Notwithstanding anything in the Service Plan to the contrary, no new money obligations (e.g., bonds and certificated leases) shall be incurred by any of the Districts in the event that such district has previously undertaken to do a refunding of outstanding obligations for the purpose of avoiding a default without obtaining the prior written approval of the Manager of Revenue after providing evidence satisfactory to the Manager of Revenue either that (i) such district is then capable of discharging its debts as they come due or (ii) such refunding obligations themselves are no longer outstanding.

10. Any bonds, notes or other multiple fiscal-year financial obligations issued or incurred by any of the Districts that are payable in whole or in part from ad valorem property



taxes (“Tax Supported Obligations”) shall be issued only as limited tax obligations subject to the Limited Debt Levy (plus the Regional Mill Levy if Regional Improvements are being financed) until terminated as provided in subpart VIII.F.12 below and subject to other applicable State law. Subject to the termination of the Limited Debt Levy as set forth in subpart VIII.F.12 below and certain adjustments authorized in subpart VIII.F.11, no District may levy or promise to levy an ad valorem property tax for repayment of outstanding Tax Supported Obligations in excess of the Limited Debt Levy (plus the Regional Mill Levy if Regional Improvements are being financed).

11. The Limited Mill Levies and the Regional Mill Levy may be adjusted by the Districts to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation (as of the date of this Service Plan), so that to the extent possible, the actual revenues generated by the Limited Mill Levies and the Regional Mill Levy are neither diminished nor enhanced as a result of such changes. Among other adjustments, a change in the ratio of actual valuation of assessable property shall be deemed a change in the method of calculating assessed valuation. On or before December 1 of the year before any fiscal year in which an adjustment is made to the Limited Mill Levies or the Regional Mill Levy pursuant to this paragraph, the Management District shall provide the calculation of any such adjustment to the mill levy of any of the Districts to the Manager of Revenue.

12. The Limited Debt Levy shall remain in effect for all series of general obligation bonds until such time as the assessed valuation of all taxable property within the boundaries of the District whose mill levy is pledged or obligated for that particular series of bonds is (i) at least eight million dollars (\$8,000,000) for District No. 13 and at least seventy million dollars (\$70,000,000) for District No. 14 and (ii) equal to or greater than two (2) times the outstanding general obligation debt of the District, together with any series of general

obligation bonds proposed for release from the Limited Debt Levy, or until a credit facility is secured as described in § 32-1-1101(6)(a)(III), C.R.S. Further, the total principal amount of outstanding bonds of the Districts shall not be materially greater than projected in the Financing Plan attached hereto as **Exhibit H**, unless approved in writing by the Manager of Revenue. The Regional Mill Levy will remain in effect for the term as more fully specified in Part VIII.B.4 and in the City IGA.

13. The Districts shall not pledge as security for any bonds or other obligations any land, District Improvements, Regional Improvements or funds to be transferred to the City.

14. The Districts shall notify and receive the prior written approval of the Manager of Revenue before participating in or approving the creation of any corporate authority or other entity to act on the Districts' behalf, or obtaining financing through such an entity. The Manager of Revenue may require documentation showing material compliance with all provisions of this Part VIII before the Districts participate in or creates such corporate authority or entity, or obtains financing through such corporate authority or entity.

15. The Districts shall provide the City with notification and substantially final bond documents fifteen (15) days prior to any bond sale date so that the City can determine whether such bonds are being issued in accordance with the Service Plan and any related intergovernmental agreement. The Districts will provide an opinion to the City from counsel opining that the final bond documents are in general conformance with the applicable provisions of the City IGA and this Service Plan and all applicable State laws.

G. Revenue Sources.

For so long as the Management District acts as the management and control district for all Districts within the Project, it is expected to rely primarily on Developer Advances, tax and other revenues received from District No. 13 and District No. 14 pursuant to the Inter-District IGA. Other sources of revenue available to the Districts may include without limitation earnings derived from the reinvestment of bond funds, capitalized interest, property and specific ownership tax revenues, and public improvement or Facilities Fees collected by District No. 13 or the other Districts and transferred to the Management District pursuant to the terms of the Inter-District IGA. The Districts are authorized to establish a system of rates, fees, charges and penalties in accordance with the Special District Act in order to generate additional revenue for the payment of debt service on any bonds or other obligations and operating costs as needed. The Districts will not apply for Conservation Trust Funds, Great Outdoors Colorado funds, or other funds available from or through governmental or nonprofit entities that the City is eligible to apply for without the prior written approval of the Mayor.

The anticipated revenue sources will be sufficient to retire the Districts' proposed indebtedness if growth occurs as projected. Variations in assessed valuation projections or in the phasing of private improvements may affect the mill levy and the level of fees, rates and charges upward or downward from those set forth in the Financing Plan. No funds or assets of the City will be pledged as security for the repayment of any obligation of the Districts.

Attached as **Exhibit K** and incorporated herein is a comparison of the anticipated mill levies of the Districts and the mill levies of similar taxing entities in the Denver metropolitan area, which comparison demonstrates that the anticipated mill levies of the Districts are comparable to those of other districts.

H. Operations, Maintenance and Administration.

The Management District will, pursuant to the Inter-District IGA, coordinate and manage all operations and maintenance functions for all improvements as set forth in the City IGA, the costs of which will increase as property within the Service Area is developed. The Districts will need sufficient funds to operate and maintain all improvements, until such time as they are transferred to the City or other appropriate entities, and ongoing operation and maintenance costs for other improvements not transferred to the City in accordance with the provisions of the City IGA. In addition, the Districts will incur costs for various administrative functions, including legal, engineering, accounting and compliance. At full build-out, a property tax of five (5) mills levied within the Districts is anticipated to be sufficient to operate the Districts and to maintain the District Improvements.

**IX. INCLUSIONS / EXCLUSIONS**

The Districts may include or exclude any property within the Inclusion Area as depicted in **Exhibit C** into or from another District without the prior consent of the City as long as all taxable property within the Project is included within one of the Districts. It is anticipated that only property to be developed for residential uses will be included into District No. 13, and only commercial property will be included into District No. 14. Initially, all taxable property in the Project will be included into the Management District so that the Regional Mill Levy may be imposed against such property as set forth in Part VIII.B. When any property is improved for residential or commercial uses, such property will be excluded from the Management District and included into District Nos. 13 or 14, as appropriate, once again ensuring that the Regional Mill Levy is imposed against all taxable property within the Project. No property in the Project will be included into more than one District, except as otherwise authorized herein.

Alternatively, the Districts' boundaries may be established based upon geographic lines or

phases of development, if authorized in accordance with the terms of the Inter-District IGA. The Districts' boundaries will be adjusted to accomplish the objectives set forth herein, and any inclusion or exclusion in compliance with the terms of this Part IX will not constitute a material modification of this Service Plan. The inclusion of any property into any of the Districts that is not located within the Inclusion Area as depicted in **Exhibit C** or into more than one District, except as otherwise authorized herein, or any exclusion of any property from any of the Districts, except as provided for in this Service Plan of the City IGA, shall require the prior written approval of the Manager of Public Works, the Manager of Revenue and the City Council, but such action will not constitute a material modification of this Service Plan. Inclusion and/or exclusion proceedings shall be conducted in accordance with § 32-1-401, *et seq.*, C.R.S., and § 32-1-501, *et seq.*, C.R.S., as applicable.

On January 18, 2006, the GRMD board of directors conditionally approved the exclusion of parcels A and C as described in Exhibit A ("GRMD Parcel") from its boundaries. Exclusion of the GRMD Parcel is conditioned upon approval of the Districts' service plans which must require the Management District to enter into the City IGA to construct their share of the Regional Improvements, to enter into an intergovernmental agreement with GRMD regarding operation and maintenance costs and inclusion of all of the property within the Project into one of the Districts. The Districts shall not incur any obligations, spend any funds, certify any mill levy, collect any revenue from any source including facilities fees or Regional Development Fees, or commence the construction of any District Improvements or Regional Improvements, until all of the following have been completed: (i) the City IGA; (ii) the Inter-District IGA; (iii) an intergovernmental agreement with GRMD regarding operation and maintenance costs; and (iv) an order for exclusion from GRMD has been recorded.

**X. DISSOLUTION / CONSOLIDATION**

The Districts may pursue consolidation of their boundaries or dissolution in accordance with Parts 6 or 7 respectively of the Special District Act. The approval of the City Council will be required prior to the consolidation of any one of the Districts with another special district other than a consolidation between or among the Districts.

In the event the GRMD Parcel has not been excluded from GRMD by May 1, 2007, the Districts shall begin the dissolution process. Otherwise, the Districts will dissolve the later of (i) thirty (30) years after the date of its organization, or (ii) when there are no operation or maintenance obligations, financial obligations, outstanding bonds or other obligations, or (iii) upon a determination of the City Council that all of the purposes for which the Districts were created have been accomplished and that all of its financial obligations have been defeased or secured by escrowed funds or securities meeting the investment requirements in Part 6 of Article 75 of Title 24, C.R.S. The Districts' dissolution prior to payment of all debt shall be subject to the approval of a plan of dissolution in the District Court for the City and County of Denver pursuant to § 32-1-704, C.R.S.

**XI. REQUIRED NOTICES, DOCUMENTATION AND COORDINATION WITH CITY**

At least annually following the year of its organization, each District shall provide notice by publication in a major Denver newspaper of its existence and of the next scheduled public meeting of its Board of Directors. Such meeting shall occur at least thirty (30) days and not more than sixty (60) days following the date of publication. Such notice shall include the address of Districts' office where the names and addresses of the Board of Directors and their officers and the address, telephone number, fax number, and email address of such District may be obtained and shall also include reference to the existence of a district file maintained by the

City as described below. Any of the requirements set forth in this Article XI may be performed by the Management District pursuant to the Inter-District IGA.

The Districts shall provide to the City the following information and documents on an annual basis, if such information differs from the information provided in any previous year: (i) annual budget of each of the Districts to both the Manager of Revenue and the Manager of Public Works; (ii) construction schedules for the current year and the work projected to be completed in the following two (2) years; (c) annual audited financial statements of each of the Districts, to the Manager of Revenue; (iv) total debt authorized, total debt issued, and remaining debt authorized and intended to be issued by each of the Districts to the Manager of Revenue; (v) names and terms of members of the Board of Directors and its officers of each of the Districts to both the Manager of Revenue and Manager of Public Works; (vi) any bylaws, rules and regulations of the Districts regarding bidding, conflict of interest, contracting and other governance matters to the Manager of Public Works; (vii) current intergovernmental agreements and amendments among the Districts to both the Manager of Revenue and Manager of Public Works; (viii) a summary of all current contracts for services of each of the Districts to the Manager of Public Works; (ix) official statements of current outstanding bonded indebtedness of any of the Districts, if not already received by the City, to the Manager of Revenue; (x) current approved Service Plan of each of the Districts and amendments thereto, to both the Manager of Revenue and Manager of Public Works; and (xi) District No. 13 office contact information to both the Manager of Revenue and Manager of Public Works.

The following events shall be reported to the Manager of Revenue within thirty (30) days of such occurrence, to the extent such information is known and available to the Management District: (i) a negative change in any bond rating or the failure of a credit facility; (ii) a change,

if known, in any development assumption that materially and negatively impacts the bond financing projections for any series of issued bonds; or (iii) a change in use of a particular property (i.e., from commercial to residential use) that materially and negatively impacts the ability of any of the Districts to discharge its indebtedness.

In order to provide additional notice to purchasers of residential units in the Project of the property taxes required to be paid to the Districts, beginning in January 2007 and by January 31 of each subsequent year, the Management District shall record a notice affecting all real property included in any of the Districts stating: (i) the current property tax mill levies of each of the Districts, (ii) the maximum property tax mill levies authorized by the Service Plan for each of the Districts, and (iii) the name and address of a contact person for the Districts.

## **XII. MATERIAL CHANGES AND OTHER APPROVAL REQUIREMENTS**

The failure of the Management District to approve and execute the City IGA shall constitute a material modification of this Service Plan under the Special District Act. The following actions or changes shall not constitute material modifications of this Service Plan under the Special District Act, as long as such actions or changes are preceded by the identified approvals: (i) inclusion of any property into any of the Districts that is not located within the Inclusion Area as depicted in **Exhibit C** shall require the prior written approval of the Manager of Revenue, the Manager of Public Works and the City Council; (ii) consolidation of District No. 13 with any special district other than a consolidation between or among the Districts shall require the prior written approval of the City Council; (iii) a material change in the type of revenue sources used for bonded indebtedness, other than as authorized in Part VIII, shall require the prior written approval of the Manager of Revenue and the Manager of Public Works; (iv) formation of separate corporations, authorities or other entities, other than a District No. 13 enterprise under TABOR, shall require the prior written approval of the Manager of Revenue as



provided in Part VIII.F.14; (v) incurrence of debt in any material amount or type or at any time not authorized by the Service Plan shall require the prior written approval of the Manager of Revenue; (vi) construction of any public improvements or the provision of any services other than the improvements described in this Service Plan shall require the prior written approval of the Manager of Revenue and the Manager of Public Works or as may otherwise be provided in the City IGA; (vii) acquisition of land or easements that would otherwise be dedicated to the City shall require the prior written approval of the Manager of Public Works; (viii) condemnation of property or easements shall require the prior written approval of the City Council; (ix) dissolution of District No. 13 prior to the repayment of all debt shall require the prior written approval of the City Council.

### **XIII. CONCLUSION**

This Service Plan establishes that:

- A. There is sufficient existing and projected need for organized service in the area to be served by District No. 13;
- B. The existing service in the area to be served by District No. 13 is inadequate for present and projected needs within the Project;
- C. District No. 13 (acting in cooperation with the other Districts) is capable of providing economical and sufficient service to the area within its proposed boundaries;
- D. The area to be included in District No. 13 (and the other Districts) does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
- E. Adequate service is not, and will not be, available to the area through the City or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

- F. The facility and service standards of District No. 13 are compatible with the facility and service standards of the City;
- G. The proposal is in substantial compliance with Blueprint Denver;
- H. The proposal is in compliance with any duly adopted City, regional, or state long-range water quality management plan for the area; and
- I. The organization of District No. 13 is in the best interests of the area proposed to be served.