



## AGENDA

### MANAGEMENT AND FINANCE POLICY COMMITTEE

May 25, 2021

1:00 pm

VIRTUAL MEETING

City of Aurora, Colorado

15151 E Alameda Parkway

#### **Public Participant Dialing Instructions**

**Dial Access Number: 1-408-418-9388**

**Enter Participant Code: 146-919-5639**

Council Member Gardner, Chair

Council Member Johnston, Vice Chair

Council Member Gruber

Deputy City Manager Roberto Venegas

Finance Director Terri Velasquez

The Management and Finance Committee oversees the following Council goal and objectives:

#### **PROVIDE A WELL-MANAGED AND FINANCIALLY STRONG CITY**

- Ensure the delivery of high-quality services to residents in an efficient and cost-effective manner.
- Maintain superior financial reporting, financial controls, appropriate reserves, budgeting financial management, and transparency, and invest in capital and infrastructure to support efficient and effective long-term provision of services.
- Maintain a high financial credit (bond) rating, maintain debt policies and debt practices that allow the assessment of appropriate debt levels, and periodically review debt and debt service to minimize costs.
- Provide appropriate stewardship of natural resources to ensure long-term sustainability for the city.

**Pages**

1. **Call to Order**
2. **Approval of Minutes** 1
3. **Consent Items**
  - 3.a. **April 2021 Sales Tax Chart** 10

Greg Hays, Budget Officer (5 minutes)

<b>4.</b>	<b>General Business</b>	
<b>4.a.</b>	<b>Windler Homestead, WH No. 1, and Velocity Nos. 1-9 Metropolitan Districts Amended and Restated Service Plans</b>	<b>13</b>
	Jacob Cox, Manager of Development Assistance (10 minutes)	
<b>4.b.</b>	<b>Renewal of Contract with Insight Investment for Investment Advisory Services</b>	<b>246</b>
	Teresa Sedmak, City Treasurer (10 minutes)	
<b>4.c.</b>	<b>Recommended Modifications to City Investment Policy</b>	<b>270</b>
	Teresa Sedmak, City Treasurer (10 minutes)	
<b>4.d.</b>	<b>Internal Audit 1st Quarter 2021 Progress Report Against Audit Plan</b>	<b>286</b>
	Wayne Sommer, Internal Audit Manager (15 minutes)	
<b>5.</b>	<b>Miscellaneous Matters for Consideration</b>	
	<ul style="list-style-type: none"><li>• Next meeting tentatively scheduled for June 23 at 1:00 pm, WebEx Meeting</li></ul>	
<b>6.</b>	<b>Adjournment</b>	
	<i>Total projected meeting time: 60 minutes</i>	

**MANAGEMENT AND FINANCE POLICY COMMITTEE  
WEBEX**

Members Present: Council Member Gardner – Chair, Council Member Johnston – Vice Chair

Absent: Council Member Gruber

Others Present: J. Marcano, R. Venegas, N. Freed, T. Velasquez, G. Hays, K. Claspell, N. Wishmeyer, W. Sommer, T. Sedmak, S. Newman, H. Hernandez, R. Allen, D. Brotzman, D. Wilson, F. Gray, M. Brown, J. Hancock, J. Giddings, G. Thrasher, J. Ehmann, D. Giordano, J. Schneebeck, J. Patterson, M. Wasserburger, B. Bell, B. Fillinger, G. Hansen, A. Jamison, D. Hudson, M. Redding, J. Prosser, E. Watson, M. Franks, W. Levine, B. Boswell, L. Dalton, M. Donovan, S. Barkman, and T. Hoyle

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**INTRODUCTIONS AND MINUTES**

February 23, 2021 minutes were approved.

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**CONSENT ITEMS**

February of 2021 was 0.2 percent lower than February of 2020. Market Place Facilitator was at around \$740,000. G. Hays noted that if it wasn't for the increase from the Market Place Facilitator. It would have been down almost 5%, since the worst times of COVID in May.

Outcome

The Committee thanked staff. Information only.

Follow-up Action

No follow-up needed.

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**2021 SPRING SUPPLEMENTAL**

Summary of Issue and Discussion

Kerstin Claspell, Lead Budget Analyst gave a brief overview. The 2021 Spring Supplemental Ordinance appropriates amounts for a number of operating expenditures and capital projects that require appropriations and inter-fund transfers in the funds listed in the attachment. This ordinance impacts the 2020 and 2021 budget years. Items for 2020 represent financial activities that have already occurred.

One of the first steps of the annual budget process is to prepare an updated projection of current year requirements. Some requirements that had been identified in the 2020 projection prepared for the 2021 Adopted Budget were reviewed and appropriated as part of the 2020 Fall Supplemental process. Others were deferred, as departments are often able to offset the impact, either partially or entirely. Most of the requests included for 2020 in this 2021 Spring Supplemental request were identified and included in the 2020 projection in the 2021 budget document.

Many of the requests included in this supplemental process are technical. Technical items are typically budget lapses (reductions) or reallocations, zero-dollar amendments with appropriation offset by revenue, or accounting and other adjustments. These items are indicated by including "technical" in the

title and may or may not have been reviewed by Council. Most items have been previously reviewed by Council or Council Committee. Council review includes items included in the 2020 projection and reviewed as part of the 2021 Adopted Budget process, as well as items reviewed at either a Council Committee meeting or City Council meeting. Council review details are included in the narrative for the supplemental request.

The attachments included for this agenda item reflect summary and detail information regarding the requested appropriation changes for each fund and department. Transfers result in a move of funding from one fund to another. The details of these appropriation amendments are found in:

- Attachment A: 2020 Appropriation Summaries by Fund;
- Attachment B: 2021 Appropriation Summaries by Fund;
- Attachment C: 2020 Appropriation Detail by Fund; and
- Attachment D: 2021 Appropriation Detail by Fund.

As noted, the spring process covers two budget years. The following discussion will identify and focus on significant changes included for each budget year by fund, rather than the list in its entirety. Please see attachments C and D for the details on each request.

### 2020 Supplemental Amendments

Significant one-time supplemental items in all funds include:

- The appropriation of **\$33.9 million** in CARES funds and **\$591,000** for the purchase of land to create additional buffer near Buckley AFB in the Gifts and Grants Fund. CARES Act funding was included in the 2020 projection whereas the Buckley buffer grant was not due to the timing of the project.
- The appropriation of **\$29.8 million** for water rights acquisitions in the Water Fund. This item was included in the 2020 projection, although the actual amount needed was higher.
- Appropriations totaling **\$1.7 million** for costs incurred to respond to an increased workload surrounding development activity in the Development Review Fund. This item was included in the 2020 projection.
- The appropriation of **\$596,900** for the Homelessness Program in the Marijuana Tax Revenue Fund to align the 2020 appropriation with final 2020 collections of the 2.0% marijuana sales tax set aside. This supplemental was included in the 2020 projection, although revenues came in higher than anticipated.
- The appropriation of **\$596,200** in federal funding for the design phase of the Nine Mile Bike and Pedestrian Bridge Project in the Capital Projects Fund. This item was not included in the 2020 projection due to the timing of the project.

### 2021 Supplemental Amendment Requests

Significant supplemental items include the addition of a net 11.0 FTE across various departments:

- 1.0 FTE Youth Violence Prevention Manager and 5.0 FTE Youth Violence Prevention Outreach Specialists to initiate the Youth Violence Prevention Program in Housing and Community Services.

- 1.0 FTE Business Solutions Architect to support remote work and 1.0 FTE Project Coordinator contingent conversion to address increased project demands in Information Technology.
- 1.0 FTE Water Conservation Specialist to continue to provide low-water-use landscapes at no cost to income-qualified homeowners, 1.0 FTE Water Resources Specialist to address the growing need for water acquisitions, and 2.0 FTE Treatment Technicians to address the need for entry-level operators in Aurora Water.
- The net elimination of 1.0 FTE associated with a reorganization in Communications.

Other significant supplemental items in all funds include:

- The appropriation of **\$1.8 million** for the developer-funded final design of Montview Boulevard within the Fitzsimons Campus in the Capital Projects Fund.
- The appropriation of **\$1.1 million** for the Youth Violence Prevention Program in the Marijuana Tax Revenue Fund, including 6.0 FTE.
- The re-appropriation of **\$1.0 million** for affordable housing seed funding that was budgeted but not spent in 2020 and the appropriation of **\$4.4 million** in CARES funds not spent in 2020 in the General Fund.
- The appropriation of **\$565,400** for the activation of 4.0 FTE in the Development Review Fund to meet the workload demands in the Engineering Development Review division.

Detail behind all supplemental items can be found in Attachments C and D.

Does the Committee recommend sending this item forward to Study Session?

#### Committee Discussion

There were no questions.

#### Outcome

The Committee recommended the item move forward to Study Session.

#### Follow-up Action

Staff will forward the item to Study Session.

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## **2020 EXTERNAL PRE-AUDIT LETTER**

### Summary of Issue and Discussion

Nancy Wishmeyer, Controller provided an overview. BKD, LLP, the city's external auditors, provide a pre-audit letter to communicate various matters related to the scope and timing of the 2020 financial statement audit, and compliance with requirements applicable to federal grant programs. BKD, LLP also provided an engagement letter dated September 21, 2020 that was presented at the October 27, 2020 Management & Finance Policy Committee meeting. The engagement letter is the contract for the upcoming audit and defines auditor and city management responsibilities as well as fees. The pre-audit letter communicates audit matters that are more appropriately communicated as the engagement begins.

The pre-audit letter is required auditor communication to the city's audit committee at the beginning of the engagement. The letter outlines audit risk areas and the corresponding audit approach to address

those risks. The pre-audit letter also outlines areas that governance should be particularly aware of as it oversees the financial reporting process. Finally, the pre-audit letter discusses how the auditors address the risk of fraud.

Does the Committee have any specific questions concerning the pre audit letter?

#### Committee Discussion

CM Gardner: I have one question and actually what you mentioned about the not previously discussed item on the purchasing card transactions. Is that separate than the engagement that we asked for related to Council's p-card transactions?

N. Wishmeyer: Yes, that's correct. So, this is something the auditors will still look at. Different things that could be high risk. Things that they don't discuss with us ahead of time, because they don't want us to prepare. They want us to give them whatever data we have. But yes, it will be completely separate from any other audits or engagements that we may do either with them or separately with others.

#### Outcome

The Committee thanked staff. Information only.

#### Follow-up Action

No follow-up needed.

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### **GFOA END THE ACRONYM POLICY STATEMENT**

#### Summary of Issue and Discussion

Nancy Wishmeyer, Controller communicated that effective immediately, the Government Finance Officers Association (GFOA) is asking all industry affiliates to stop using the four-letter acronym commonly associated with the Comprehensive Annual Financial Report. This recommendation is the result of increasing professional awareness that the acronym, when pronounced out loud, sounds the same as a derogatory term historically used in other parts of the world. Most concerning in South Africa, this term has ties to Apartheid and was used as a racial slur towards Black South Africans. GFOA takes its commitment to diversity, equity, and inclusion seriously. GFOA serves diverse communities across the county and supports strategic partners around the world and has determined that the continued use of this acronym conflicts with the organization's core professional values.

As members of GFOA, city staff agree with this policy and will begin the process to remove the four-letter acronym from the city website, internal share point, published documents, etc., and in day to day discussion. The term "Annual Report" will be used in its place going forward.

#### Committee Discussion

CM Johnston: I really appreciate you and staff supporting that request, so thank you.

#### Outcome

The Committee thanked staff. Information only.

#### Follow-up Action

No follow-up needed.

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**INVESTMENT PORTFOLIO AND INVESTMENT POLICY****Summary of Issue and Discussion**

At the suggestion of the Investment Advisory Committee, Mary Donovan, Insight Investments and Teresa Sedmak, City Treasurer, provided a high-level overview of the City's investment portfolio. In addition to a review of the general characteristics of the portfolio, the Committee was presented with a report on the credit quality of the holdings within the portfolio. The report summarized securities held as of February 28, 2021.

**Committee Discussion**

CM Gardner: So, I had maybe not as much of a question, but just something I would like to talk about for purposes of the minutes. At the last Investment Advisory Committee meeting, we had a pretty robust conversation about how we might go about making a decision to move out of an investment position. Mary can you talk a little bit about that and maybe Teresa too, on how our policy addresses it, obviously it's somewhat of an art and somewhat a science. But can you both talk a little bit more about this and how the decision-making process would go.

M. Donavan: Sure, how about I kick it off and then hand it over to Teresa. First, I would say that the investment policy has a couple of tidbits that are important to keep in mind. One, the City is described as an investor with primarily a buy and hold strategy. So, we are not trading the portfolio per se. We're typically buying securities that we want to hold to maturity, and are comfortable holding to maturity, from a credit perspective. Kind of reinforcing the buy and hold approach, is the fact that the investment policy also states that credit ratings and diversification guidelines are to be evaluated at the time of purchase. So that recognizes that in the event of a credit rating downgrade the city is not a forced seller. And that's a really important thing to keep in mind because being a forced seller in a marketplace where a whole bunch of people are sellers can lead to some pretty negative financial results. So, the investment policy has some guidelines that are very important and helpful with respect to this particular issue. As far as the decision to potentially sell a security, it requires us to keep the City informed of changes in rate outlooks and ratings. I'm going to use the General Electric (GE) phenomenon as an example. The City did own, and Insight recommended the purchase of GE bonds some years ago, and GE went through a number of rating downgrades. We looked at strategies, at various points in time while we held the security, to see what the impact would be from selling the bonds. And, in this case, it would have been a loss that would have been realized. We came up with strategies that would have allowed us to repay the loss within the period of time when the security would have matured. So, we worked to develop alternatives to holding the security and we presented those ideas to Finance staff. Ours is ultimately a non-discretionary relationship, so the ultimate decision for anything that goes in or out of the portfolio is made by City staff. But we presented alternatives and gave our recommendation, fundamentally from a credit perspective with the GE investment. We were very comfortable holding it but recognizing that some of our clients don't want to hold something that doesn't meet policy guidelines. We do work to develop strategies to exit a position that has been downgraded. So that opportunity is available to the client.

T. Sedmak: I'd like to chime in a little bit. The investment policy of the City of Aurora is fairly robust. It also has more credit exposure more than certain other investment policies do. We're comfortable with that and that we have an investment advisor that has a credit staff evaluating those credits all the time. So, I would not necessarily be as comfortable with the credit exposure that we have in the portfolio, if we were managing internally, because we don't have the staff to do that credit analysis. Sometimes, if

you're paying a lot of attention to the rating agencies, and that's all you're paying attention to, it's not enough. I feel very confident that Insight is looking at those investments. They're keeping us aware of any changes in credit profiles of the corporates that we own. And again, we're in compliance with the policy at this point. If there's something that we are particularly concerned with, we will discuss that and bring it forward to the Investment Advisory Committee which, ultimately, could direct us to either sell or hold the security. That decision is really based on several factors. One being the credit, another being how long we have to hold that security until it matures, and what the market conditions are. So, it's not always cut and dry as to whether you're going to hold something or to hold that position. If we're in a position where we are concerned about it and we aren't quite sure what to do about the situation, we would bring it forward to the committee. But I think we're always letting the committee know about the current exposure and the portfolio. So, I don't know if that answers your question. But the policy definitely does not tell us when we need to exit a security. It does tell us when we could buy. It doesn't tell us that if certain parameters are broken that we have to sell that security. That's a decision that's made either at this level, or if it needs to be elevated, it will be brought forward to the Committee to discuss.

CM Gardner: I appreciate that explanation and like I said. I thought it was a good conversation and would be good for this group. Also, for the minutes if anybody in the public that reviews to know what that process is like. I don't have any other questions so thank you very much for the presentation.

#### Outcome

The Committee thanked staff. Information only.

#### Follow-up Action

No follow-up needed.

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### **2021 ACLC HEAVY FLEET FINANCING ORDINANCE**

#### Summary of Issue and Discussion

Andrew Jamison, Senior Debt Analyst provided a presentation. This is the continuation of a fleet financing program begun in 2012 through the use of the Aurora Capital Leasing Corporation. Due to COVID-related production delays and other issues, no financing was completed in 2020. The 2019 fleet financing closed with terms of \$3.9 million for 6.3 years at a rate of 1.97 %. In 2018, ACLC completed a 7.5-year fleet financing for \$1.75 million at a rate of 3.13%. In 2017, ACLC completed a 7.5-year fleet financing for \$1.22 million at a rate of 1.98%. In 2016, ACLC completed a 7.5-year fleet financing for \$2.0 million at a rate of 1.46%. In 2015 ACLC completed a seven-year fleet financing for \$3.2 million at a rate of 1.68%. Staff seeks to replicate this program in 2021.

Beginning in 2012, staff solicited third party financing for annual fleet acquisitions. The results were quite favorable to the City. Given this success and the continued interest among local banks to provide such financing, staff will again solicit financing proposals for 2021 fleet needs. The first step is to seek Council approval of a Lease Purchase and Financing Ordinance followed by a request for financing proposals later this year.

In the approved 2021 budget, Public Works will acquire up to seven vehicles (six Dump Trucks and an asphalt machine) and Fire will acquire eight vehicles (four Pumpers, Ladder, two Brush Trucks, & Tender) for a total cost not to exceed \$10,000,000, financed for a term not to exceed 130 months at a rate not to exceed 5.00%.



Staff recommends approval.

Does the Management & Finance Committee support soliciting third party financing for the 2021 fleet acquisition and moving this item forward to Study Session?

Committee Discussion

CM Gardner: The 2 Dump Trucks and the 2 Pumper & Equipment for Fire department. Have those been delivered just out of curiosity. I ask because they show delivery dates January 21 and then March 21.

A. Jamison: So, the 3 Dump Trucks listed have been delivered. Part of this ordinance and with most of the financing we do. We have a reimbursement parameter in there. We create a reimbursement memorandum so that effectively it doesn't handcuff us as far as when we exactly execute the transaction. Because these kinds of orders sort of span over two years so we didn't want to do it too early. But the dump trucks did end up arriving. The pumpers I would actually have to check with our folks in Fleet. They haven't sent me the invoice to actually pay the bill. But I believe those are on scheduled to be delivered here fairly soon. There is an acceptance and approval process they go through before they okay the money going out the door. But the best of my knowledge those are on schedule. Possibly maybe not paying the bills in March but are still on schedule for springtime.

CM Gardner: I didn't write it down, but I think you said a rate of up to 5%. It seemed a little high in the context of what you said about the City being very low risk and the banks wanting this type of deal. So, what type of rate would you actually expect to get on something like this?

A. Jamison: Well that's always a tricky matter. Because of the approval process we probably will be completing this transaction by June or July at the rate of the ordinance approval process goes. But let's say I would go to the bank tomorrow looking at the interest rate environment. I would guess we would get a rate probably around 2% and maybe a bit below 2%. But that can all depend because it all scales off the market interest rates and what the Treasury interest rates are doing. And as we seen this year actually rates at 5-years and farther out the curve. So, 5, 10, 30 years have actually increased substantially. Although, they're still at record lows that were seeing that long interest rate curve increase. Smarter folks than I can explain it better, but it's usually a good outlook for the economy that things maybe are coming around the curve here. The only reason I'm pointing that out is the 5% it sounds like high parameter, but the problem is that you could ask 10 economists what interest rates will be in 6-months and you'll get 9 incorrect responses. So, we always like to pad it probably more than we ever would need. But we wouldn't like to be in a situation where interest rates increase substantially, and we're now locked out of going to the market based on the parameters and the resolution.

CM Gardner: Well, that's actually why I asked. Just because Treasury rates have gone up a little bit, therefore I was just curious. Can we lock in a rate now? Even though we'll have to go through the approval process for the ordinance or it doesn't work like that?

A. Jamison: We usually do this as a private placement versus for example the SEAM transaction that we're doing which will be a public debt issuance. So, sometimes the banks will give us the rate indication and it's good for 30-days or depending on when we get the RFP. We can pay certain amounts to lock in the rate and that's kind of a game time decision. Yet this far out, I don't think we would get a rate locked

for roughly 2 ½ months until this ordinance is effective. But we definitely will be jumping on this after the SEAM transaction prices are in, therefore early May or so.

CM Gardner: Okay, I appreciate you answering those questions. I'm okay with moving this forward. CM Johnston?

CM Johnston: Yes, I'm good with moving it forward.

#### Outcome

The Committee recommended the item move forward to Study Session.

#### Follow-up Action

Staff will forward the item to Council meeting.

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### **PROPOSED AUDIT OF MAYOR AND COUNCIL OPERATING EXPENSES**

#### Summary of Issue and Discussion

Wayne Sommer, Internal Audit Manager provided a brief overview. The Management and Finance Committee functions as the City's Audit Committee. The Audit Committee specifically requested this engagement. The Internal Audit is being asked to conduct an audit of Mayor and City Council operating expenses to ensure they comply with Council Rules and Procedures and City policies.

#### Committee Discussion

CM Gardner: CM Johnston any questions or comments.

CM Johnston: Just comments. Thank you, CM Gardner, for initially bringing this up. I love the format the process the extent of that, so when we're moving forward, we're even more clear and more transparent for the public so thank you.

CM Gardner: Yes. My only comment is just thanks to Wayne and his team for working with us on this. I just want to state that I think it's just important from a transparency standpoint that we are looking at these transactions. So glad that we have a process in place going forward. So, thanks again, Wayne. I'm okay with moving this forward and I assume you are as well CM Johnston.

CM Johnston: Yes sir.

#### Outcome

The Committee thanked staff. Information only.

#### Follow-up Action

No follow-up needed.

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**MISCELLANEOUS MATTERS FOR CONSIDERATION**

Summary of Issue and Discussion

- The next meeting is on Tuesday, April 27, 2021 at 1:00 PM (WebEx)  
(Please note, this meeting has been cancelled.)

THESE MINUTES WERE APPROVED AS SUBMITTED

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Curtis Gardner, Chair of the Management & Finance (M&F) Committee

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Date



# CITY OF AURORA

## Council Agenda Commentary

<b>Item Title:</b> April 2021 Sales Tax Chart
<b>Item Initiator:</b> Greg Hays
<b>Staff Source/Legal Source:</b> Greg Hays, Budget Officer
<b>Outside Speaker:</b> N/A
<b>Council Goal:</b> 2012: 6.0--Provide a well-managed and financially strong City

### COUNCIL MEETING DATES:

**Study Session:** N/A

**Regular Meeting:** N/A

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### ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session
- Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration  
Why is a waiver needed?n/a

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### PREVIOUS ACTIONS OR REVIEWS:

**Policy Committee Name:** N/A

**Policy Committee Date:** N/A

### Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval
  - Does Not Recommend Approval
  - Forwarded Without Recommendation
  - Recommendation Report Attached
  - Minutes Attached
  - Minutes Not Available
-

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**HISTORY** (Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)

Members of the M&F Committee have asked for the monthly sales tax performance chart.

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**ITEM SUMMARY** (Brief description of item, discussion, key points, recommendations, etc.)

Attached is the April sales tax performance chart. April of 2021 was 16.8 percent higher than April of 2020.

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**QUESTIONS FOR COUNCIL**

Info Only

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**LEGAL COMMENTS**

The city charter requires that the city manager shall keep the council advised of the financial condition and future needs of the city and make such recommendations to the council for adoption as he may deem necessary or expedient. This item is informational only. (See, Aurora City Charter Art. 7-4 (f)). (Hernandez).

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**PUBLIC FINANCIAL IMPACT**

YES       NO

**If yes, explain:** N/A

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**PRIVATE FISCAL IMPACT**

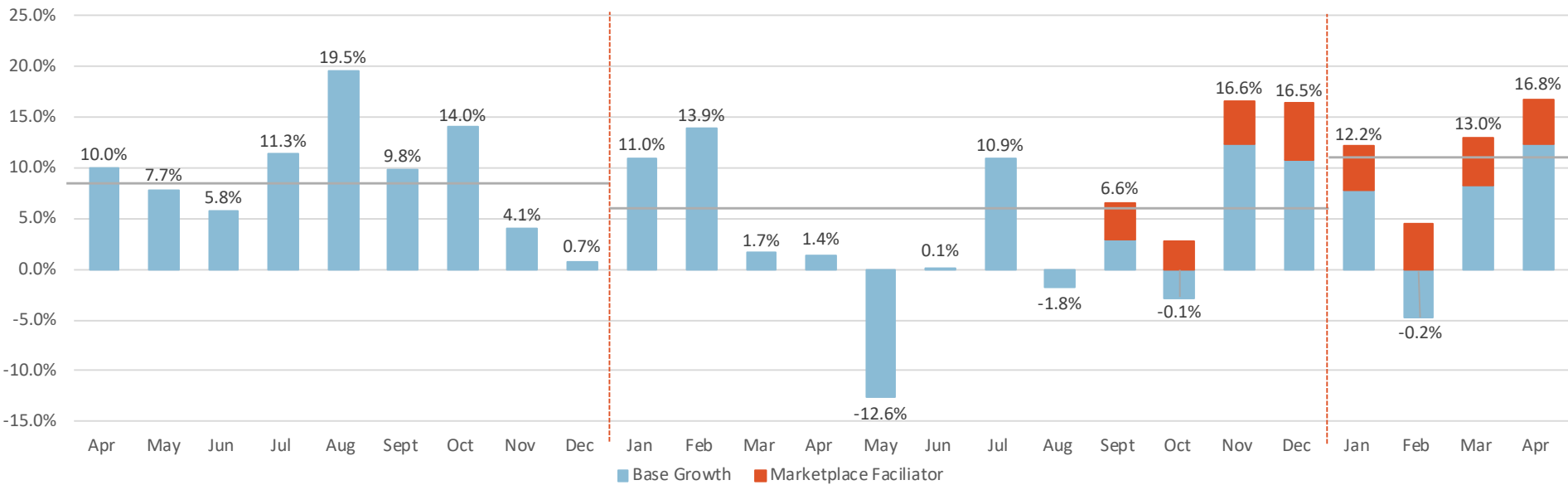
Not Applicable       Significant       Nominal

**If Significant or Nominal, explain:** N/A

# April 2021 Sales Tax Performance



## Percent Change from Prior Year By Month



**2019**  
8.7%

**2020**  
5.3%

**2021**  
10.7%



# CITY OF AURORA

## Council Agenda Commentary

<b>Item Title:</b> Windler Homestead, WH No. 1, and Velocity Nos. 1-9 Metropolitan Districts Amended and Restated Service Plans
<b>Item Initiator:</b> Cesarina Dancy, Development Project Manager, Office of Development Assistance
<b>Staff Source/Legal Source:</b> Jacob Cox, Interim Manager, Office of Development Assistance/ Brian Rulla, Assistant City Attorney
<b>Outside Speaker:</b>
<b>Council Goal:</b> 2012: 6.0--Provide a well-managed and financially strong City

### COUNCIL MEETING DATES:

**Study Session:** 6/7/2021

**Regular Meeting:** 6/14/2021

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### ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session
- Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration  
Why is a waiver needed?n/a

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### PREVIOUS ACTIONS OR REVIEWS:

**Policy Committee Name:** Management & Finance

**Policy Committee Date:** 5/25/2021

### Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval
  - Does Not Recommend Approval
  - Forwarded Without Recommendation
  - Recommendation Report Attached
  - Minutes Attached
  - Minutes Not Available
-

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**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

The Windler Homestead Metropolitan District (former name WH Metropolitan District No. 2), was approved by the City of Aurora in 2004. The district is located generally southeast of the intersection of E-470 and 56<sup>th</sup> Avenue. Windler Homestead is requesting that City Council approve the attached Amended and Restated Service plan.

The WH Metropolitan District No. 1 was approved by the City of Aurora in 2004. The district is located generally northwest of Harvest Road and 48<sup>th</sup> Avenue. WH Metropolitan District No. 1 is requesting that City Council approve the attached Amended and Restated Service Plan.

Both the Windler Homestead and the WH No. 1 Districts are part of the Windler Homestead FDP (Master Plan) area. This development is planned to be a mix of residential, commercial, retail and office uses.

The Velocity Metropolitan Districts Nos. 1-9 were approved by the City of Aurora in 2007. The district is located generally northeast of Harvest Road and 56<sup>th</sup> Avenue. Velocity Metropolitan Districts Nos. 1-9 are requesting that City Council approve the attached Amended and Restated Service Plan.

The Velocity Metropolitan Districts Nos. 1-9 are part of the Porteos Master Plan. The Porteos development is entirely commercial and industrial; no residential is proposed or currently part of this development.

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**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

**Windler Homestead Metropolitan District** is requesting approval of an Amended and Restated Service Plan (attached) that accomplishes the following: (1) changes the ARI Mill Levy from increasing the number of mills collected over time to 5 mills being collected starting year 1 through year 40; (2) changes the estimated costs of public improvements to reflect the plans of the new developer (from \$80,000,000 to \$667,882,434); changes the total debt limit to reflect the increased costs of public improvements (from \$112,000,000 to \$850,000,000); and changes the total debt limit for regional improvements (from \$32,000,000 to \$50,000,000). The Maximum Debt Mill Levy (50 mills) and the Maximum Debt Mill Levy Imposition Term (40 years) are not being altered by the Amended and Restated Service Plan. The Preliminary Engineering Survey has increased from \$80,000,000 to \$667,882,434. The District has provided preliminary cost estimates and a financial plan (attached). The request for changes to the ARI mill levy necessitates that this service plan be approved by ordinance.

**WH Metropolitan District No. 1** is requesting approval of an Amended and Restated Service Plan (attached) that accomplishes the following: (1) changes the ARI Mill Levy from increasing the number of mills collected over time to 5 mills being collected starting year 1 through year 40; (2) changes the estimated costs of public improvements to reflect the plans of the new developer (from \$77,000,000 to \$667,882,434); and changes the total debt limit to reflect the increased costs of public improvements (from \$127,000,000 to \$950,000,000). The Maximum Debt Mill Levy (50 mills) and the Maximum Debt Mill Levy Imposition Term (40 years) are not being altered by the Amended and Restated Service Plan. The Preliminary Engineering Survey has increased from \$77,000,000 to \$667,882,434. The District has provided preliminary cost estimates and a financial plan (attached). The request for changes to the ARI mill levy necessitates that this service plan be approved by ordinance.

**Velocity Metropolitan Districts Nos. 1-9** are requesting approval of Amended and Restated Service Plans. In 2019, Districts 4, 5 and 6 were amended to allow for an increase in the ARI mill levy and subsequently established the 64<sup>th</sup> Avenue Authority together with other Districts in the area (attached is Velocity Metropolitan District No. 1; the service plans for Districts 2,3,7,8 and 9 are identical in substance; also attached is Velocity Metropolitan District No.4; service plans for Districts 5 and 6 are identical in substance). The Districts are requesting an increase in total debt issuance limitations from \$100,000,000 to \$195,000,000. The request is being made due to increasing costs and in anticipation of refinancing the Districts' outstanding bonds in the next 3-5 years to reduce long-term costs. The Service Plan Amendments are limited to this change and do not otherwise amend the Service Plans. The Districts have outlined their financial plan in the transmittal letter (attached). These service plans will be approved by resolution.



All of these Districts were on older versions of the City's model and these proposed amendments will be restating to the city's current adopted model service plan.

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## QUESTIONS FOR COUNCIL

Does the Committee wish to move these items forward to study session?

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## LEGAL COMMENTS

Title 32, Article 1, C.R.S., as amended, and Section 122-36(b) of the City Code each provide that material modifications to an approved metropolitan district service plan may be made by the board of directors of a district only by petition to and approval by the City Council in substantially the same manner as provided for in the approval for an original service plan.

Section 122-32 of the City Code requires that the City Council conduct a public hearing regarding approval of the proposed district and its service plan. Therefore, a public hearing is required prior to material modifications of the service plan pursuant to Section 122-36(b).

All legislative enactments must be in the form of ordinances pursuant to Section 5-1 of the Charter of the City of Aurora, Colorado and City Council Rule F.1 provides that an ordinance remains in effect until otherwise rescinded or amended by the City Council.

As the proposed Amendments to the Intergovernmental Agreements are with other governmental entities, and amends a portion of City Code, an ordinance is required to authorize its execution. (City Charter Section 10-12.) (Rulla).

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## PUBLIC FINANCIAL IMPACT

YES       NO

**If yes, explain:**

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## PRIVATE FISCAL IMPACT

Not Applicable       Significant       Nominal

**If Significant or Nominal, explain:**

The Windler Homestead, WH No.1 and Velocity Nos. 1-9 are Title 32 Districts which have the authority to levy a property tax within the boundaries of the District. Changes made to the service plan regarding debt limitation will have a private fiscal impact on the owners of such property. The proposed debt limit increase should benefit the owners of property within the District by allowing additional resources for infrastructure construction.

Engineer's Estimate of Probable Construction Cost

Streets

144' R/W	102' asphalt/ median	6 lane arterial		
	2 lf	10' walk	\$136.00 lf	
	2 lf	v.curb	\$49.00 lf	
	2 lf	median curb	\$42.50 lf	
	102 sf	3" sma	\$253.87 lf	
	102 sf	11" asph	\$619.93 lf	
	114 sf	13" base	\$320.18 lf	
	114 sf	fine grade	\$25.33 lf	
	114 sf	geogrid	\$67.13 lf	
	1 lf	undercut	\$12.11 lf	
	1 lf	sleeving	\$20.00 lf	
		street lights	\$138.46 \$/LF	
	1 lf	streetscape	\$462.18 \$/LF	
	1 ls	sign-stripe	\$18.62 lf	
			\$2,165.32 \$/LF of centerline	<b>18424 lf</b>
				<b>\$39,893,786.26</b>

96' R/W	40' asphalt	4 Lane Divided Collector		
	2 lf	6' walk	\$80.50 lf	
	2 lf	v.curb	\$49.00 lf	
	2 lf	median curb	\$42.50 lf	
	40 sf	3" sma	\$99.56 lf	
	40 sf	11" asph	\$243.11 lf	
	46 sf	13" base	\$357.78 lf	
	46 sf	fine grade	\$10.22 lf	
	46 sf	geogrid	\$27.09 lf	
	1 lf	undercut	\$4.89 lf	
	1 lf	sleeving	\$20.00 lf	
		street lights	\$138.46 \$/LF	
	1 lf	streetscape	\$420.16 \$/LF	
	1 ls	sign-stripe	\$9.32 lf	
			\$1,502.58 \$/LF of centerline	<b>6761 lf</b>
				<b>\$10,158,968.70</b>

96' R/W	58' asph	4 lane collector		
	2 lf	6'walk	\$80.50 lf	
	2 lf	v.curb	\$49.00 lf	
	2 lf	median curb	\$42.50 lf	
	58 sf	3" sma	\$144.36 lf	
	58 sf	7" asph	\$144.36 lf	
	64 sf	12" base	\$497.78 lf	
	64 sf	fine grade	\$14.22 lf	
	64 sf	geogrid	\$37.69 lf	
	1 lf	undercut	\$6.80 lf	
	1 lf	sleeving	\$20.00 lf	
	1 lf	street lights	\$138.46 \$/LF	
	1 lf	streetscape	\$220.17 \$/LF	
	1 ls	sign-stripe	\$9.32 lf	
			\$1,405.14 \$/LF of centerline	<b>14340 lf</b>
				<b>\$20,149,776.56</b>

Engineer's Estimate of Probable Construction Cost

70' R/W	36' asph	2 lane collector		
	2 lf	6'walk	\$80.50 lf	
	2 lf	v.curb	lf	
	2 lf	median curb	\$42.50 lf	
	0 sf	3" sma	\$0.00 lf	
	36 sf	7" asph	\$89.60 lf	
	42 sf	12" base	\$326.67 lf	
	42 sf	fine grade	\$9.33 lf	
	42 sf	geogrid	\$24.73 lf	
	1 lf	undercut	\$4.46 lf	
	1 lf	sleeving	\$20.00 lf	
	1 lf	street lights	\$138.46 \$/LF	
	1 lf	streetscape	\$65.00 \$/LF	
	1 ls	sign-stripe	\$9.32 lf	
			\$810.57 \$/LF of centerline	<b>44374 lf</b>
				<b>\$35,968,353.42</b>

64' r/w	30' asph	2 lane local		
	2 lf	5' walk	\$67.00 lf	
	2 lf	v.curb	\$49.00 lf	
	0 lf	median curb	\$0.00 lf	
	0 sf	3" sma	\$0.00 lf	
	30 sf	7" asph	\$74.67 lf	
	36 sf	12" base	\$93.33 lf	
	36 sf	fine grade	\$8.00 lf	
	36 sf	geogrid	\$21.20 lf	
	1 lf	undercut	\$3.83 lf	
	1 lf	sleeving	\$20.00 lf	
		street lights	\$138.46 \$/LF	
	1 lf	streetscape	\$65.00 lf	
	1 ls	sign-stripe	\$9.32 lf	
			\$549.80 \$/LF of centerline	<b>47940 lf</b>
				<b>\$26,357,501.95</b>

**SUBTOTAL STREETS 131,839 lf \$132,528,386.89**

Concrete Alley	sleeving	\$20.00	
	23' alley (standard width)	\$164.62	
		\$184.62 \$/LF of centerline	<b>274279 lf</b>
			<b>Concrete Alley</b>
			<b>\$50,637,490.56</b>

light poles	130 ft spacing	\$9,000.00 ea	
	per LF of centerline	\$138.46 \$/LF of centerline	

Parks	21.25 ac	large	\$308,000.00	\$6,545,000.00
	10.78 ac	small	\$365,000.00	\$3,934,700.00
	57.46 ac	landscape park	\$479,525.76	\$27,553,550.00
				<b>Parks</b>
				<b>\$38,033,250.00</b>

Engineer's Estimate of Probable Construction Cost

Storm Sewers

Allowance per LF of Street length =		\$225.00 /LF		
131,839 lf	Storm Sewer	\$225.00	\$29,663,775.00	
			<b>Storm Sewers</b>	<b>\$29,663,775.00</b>

Water

13010 LF	24" pvc	\$250.00	\$3,252,500.00	
41325 LF	12" pvc	\$200.00	\$8,265,000.00	
351,783 LF	8" pvc	\$150.00	\$52,767,450.00	
812 EA	Fire Hydrants	\$10,000.00	\$8,120,000.00	
5472 EA	3/4" Water Service	\$3,500.00	\$19,152,000.00	
			<u>\$91,556,950.00</u>	
			<b>Water</b>	<b>\$91,556,950.00</b>

Sanitary Sewer

Allowance per LF of Street length =		\$125.50 /LF		
406,118 lf	San. Sewer	\$125.50	\$50,967,809.00	
5472 ea	San. Service Connections	\$3,500.00	\$19,152,000.00	
			<u>\$70,119,809.00</u>	
			<b>Sanitary Sewer</b>	<b>\$70,119,809.00</b>

Site Grading

828.5 AC	excavation/fill	\$17,620.00	\$14,598,170.00	
828.5 AC	Erosion and sediment control	\$2,950.00	\$2,444,075.00	
828.5 ea	Detention ponds	\$2,430.00	\$2,013,255.00	
			<u>\$19,055,500.00</u>	
			<b>Site Grading</b>	<b>\$19,055,500.00</b>

NOTE:

When detailed information was not available, general development costs typical of the area were applied to develop the cost estimate.

<b>Subtotal</b>	<b>\$393,561,911.45</b>
<b>Mobilization</b>	<b>\$27,549,333.80</b>
<b>30% Contingency</b>	<b>\$126,333,373.58</b>

**Estimated Construction Cost \$547,444,618.83**

<b>Engineering/Surveying</b>	<b>6%</b>	<b>\$32,846,677.13</b>
<b>Testing</b>	<b>2%</b>	<b>\$10,948,892.38</b>
<b>Permits</b>	<b>4%</b>	<b>\$21,897,784.75</b>
<b>Constuction Management</b>	<b>6%</b>	<b>\$32,846,677.13</b>
<b>Legal &amp; Administation</b>	<b>4%</b>	<b>\$21,897,784.75</b>

**Total Estimated Project Cost \$667,882,434.97**

**Windler Homestead Metropolitan District  
Adams County, Colorado**

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**General Obligation Bonds, Series 2021  
General Obligation Refunding and Improvement Bonds, Series 2031**

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**Service Plan**

<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	12/1/2041	
Final Maturity	12/1/2051	12/1/2051	
Discharge Date	12/1/2061	12/1/2061	
<b>Sources of Funds</b>			
Par Amount	523,535,000	736,915,000	1,260,450,000
Funds on Hand	0	25,974,000	25,974,000
<b>Total</b>	<b>523,535,000</b>	<b>762,889,000</b>	<b>1,286,424,000</b>
<b>Uses of Funds</b>			
Project Fund	<b>388,956,050</b>	<b>211,463,500</b>	<b>600,419,550</b>
Refunding Escrow	0	491,095,000	491,095,000
Capitalized Interest	78,530,250	0	78,530,250
Reserve Fund	0	56,445,925	56,445,925
Surplus Deposit	45,328,000	0	45,328,000
Cost of Issuance	10,720,700	3,884,575	14,605,275
<b>Total</b>	<b>523,535,000</b>	<b>762,889,000</b>	<b>1,286,424,000</b>
<b>Debt Features</b>			
Projected Coverage at Mill Levy Cap	1.00x	1.00x	
Tax Status	Tax-Exempt	Tax-Exempt	
Rating	Non Rated	Non Rated	
Average Coupon	5.000%	4.000%	
Annual Trustee Fee	\$4,000	\$4,000	
<b>Biennial Reassessment</b>			
Residential	6.00%	6.00%	
<b>Tax Authority Assumptions</b>			
Metropolitan District Revenue			
Residential Assessment Ratio			
Service Plan Gallagherization Base	7.96%		
Current Assumption	7.15%		
Debt Service Mills			
Service Plan Mill Levy Cap	50.000		
Maximum Adjusted Cap	55.664		
Target Mill Levy	55.664		
Specific Ownership Tax	6.00%		
County Treasurer Fee	1.50%		
Sales Tax Revenue			
Add-on PIF	2.90%		
Lodging Tax Revenue			
Add-on PIF	5.90%		

**Windler Homestead Metropolitan District  
Development Summary**

	Residential - Phase 2							Total
	Single Family	Multi Family	Attainable	-	-	-	-	
<b>Statutory Actual Value (2021)</b>	\$600,000	\$350,000	\$350,000	-	-	-	-	
<b>Sales per Unit</b>	-	-	-	-	-	-	-	
<b>Lodging per Unit</b>	-	-	-	-	-	-	-	
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
2025	600	500	-	-	-	-	-	1,100
2026	400	500	-	-	-	-	-	900
2027	-	250	-	-	-	-	-	250
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
<b>Total Units</b>	<b>1,000</b>	<b>1,250</b>	-	-	-	-	-	<b>2,250</b>
<b>Total Statutory Actual Value</b>	<b>\$600,000,000</b>	<b>\$437,500,000</b>	-	-	-	-	-	<b>\$1,037,500,000</b>
<b>Annual Sales</b>	-	-	-	-	-	-	-	-
<b>Annual Lodging</b>	-	-	-	-	-	-	-	-

**Windler Homestead Metropolitan District  
Development Summary**

	Commercial							Total
	Distribution	Office	Retail - 2023	Retail - 2024	Retail - 2025	Retail - 2026	Retail - 2027	
<b>Statutory Actual Value (2021)</b>	\$225	\$400	\$400	\$400	\$400	\$400	\$400	
<b>Sales per Unit</b>	-	-	\$350	\$350	\$350	\$350	\$350	
<b>Lodging per Unit</b>	-	-	-	-	-	-	-	
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	800,000	-	-	-	-	-	-	800,000
2023	1,600,000	-	50,000	-	-	-	-	1,650,000
2024	800,000	50,000	-	100,000	-	-	-	950,000
2025	800,000	100,000	-	-	100,000	-	-	1,000,000
2026	800,000	50,000	-	-	-	50,000	-	900,000
2027	-	-	-	-	-	-	100,000	100,000
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
<b>Total Units</b>	<b>4,800,000</b>	<b>200,000</b>	<b>50,000</b>	<b>100,000</b>	<b>100,000</b>	<b>50,000</b>	<b>100,000</b>	<b>5,400,000</b>
<b>Total Statutory Actual Value</b>	<b>\$1,080,000,000</b>	<b>\$80,000,000</b>	<b>\$20,000,000</b>	<b>\$40,000,000</b>	<b>\$40,000,000</b>	<b>\$20,000,000</b>	<b>\$40,000,000</b>	<b>\$1,320,000,000</b>
<b>Annual Sales</b>	-	-	<b>\$17,500,000</b>	<b>\$35,000,000</b>	<b>\$35,000,000</b>	<b>\$17,500,000</b>	<b>\$35,000,000</b>	<b>\$140,000,000</b>
<b>Annual Lodging</b>	-	-	-	-	-	-	-	-

**Windler Homestead Metropolitan District  
Development Summary**

	Hotel							Total
	Hotel - 2023	Hotel - 2024	Hotel - 2025	Hotel - 2026	Hotel - 2027	-	-	
<b>Statutory Actual Value (2021)</b>	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	-	-	
<b>Sales per Unit</b>	-	-	-	-	-	-	-	
<b>Lodging per Unit</b>	\$125	\$125	\$125	\$125	\$125	-	-	
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-
2023	150	-	-	-	-	-	-	150
2024	-	150	-	-	-	-	-	150
2025	-	-	150	-	-	-	-	150
2026	-	-	-	150	-	-	-	150
2027	-	-	-	-	300	-	-	300
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
<b>Total Units</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>900</b>
<b>Total Statutory Actual Value</b>	<b>\$30,000,000</b>	<b>\$30,000,000</b>	<b>\$30,000,000</b>	<b>\$30,000,000</b>	<b>\$60,000,000</b>	<b>-</b>	<b>-</b>	<b>\$180,000,000</b>
<b>Annual Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Annual Lodging</b>	<b>\$4,790,625</b>	<b>\$4,790,625</b>	<b>\$4,790,625</b>	<b>\$4,790,625</b>	<b>\$9,581,250</b>	<b>-</b>	<b>-</b>	<b>\$28,743,750</b>



**Windler Homestead Metropolitan District  
Assessed Value**

	Vacant and Improved Land		Residential				Commercial					Total
	Cumulative Statory Actual Value	Assessed Value in Collection Year 2 Year Lag 29.00%	Residential Units Delivered	Biennial Reassessment 6.00%	Cumulative Statory Actual Value	Assessed Value in Collection Year 2 Year Lag 7.15%	Commercial SF Delivered	Hotel Rooms Delivered	Biennial Reassessment 2.00%	Cumulative Statory Actual Value	Assessed Value in Collection Year 2 Year Lag 29.00%	Assessed Value in Collection Year 2 Year Lag
2019	0		-	-	0		-	-	-	0		
2020	0		-	-	0		-	-	-	0		
2021	18,000,000	0	-	-	0	0	-	-	-	0	0	0
2022	38,000,000	0	-	-	0	0	800,000	-	-	183,600,000	0	0
2023	24,000,000	5,220,000	-	-	0	0	1,650,000	150	-	610,164,000	0	5,220,000
2024	79,500,000	11,020,000	-	-	0	0	950,000	150	12,203,280	908,893,440	53,244,000	64,264,000
2025	63,500,000	6,960,000	1,100	-	579,101,206	0	1,000,000	150	-	1,222,798,766	176,947,560	183,907,560
2026	12,750,000	23,055,000	900	34,746,072	1,072,040,811	0	900,000	150	24,455,975	1,523,274,943	263,579,098	286,634,098
2027	0	18,415,000	250	-	1,170,580,023	41,405,736	100,000	300	-	1,635,891,184	354,611,642	414,432,378
2028	0	3,697,500	-	70,234,801	1,240,814,824	76,650,918	-	-	32,717,824	1,668,609,008	441,749,733	522,098,151
2029	0	0	-	-	1,240,814,824	83,696,472	-	-	-	1,668,609,008	474,408,443	558,104,915
2030	0	0	-	74,448,889	1,315,263,714	88,718,260	-	-	33,372,180	1,701,981,188	483,896,612	572,614,872
2031	0	0	-	-	1,315,263,714	88,718,260	-	-	-	1,701,981,188	483,896,612	572,614,872
2032	0	0	-	-	1,394,179,537	94,041,356	-	-	34,039,624	1,736,020,812	493,574,545	587,615,900
2033	0	0	-	-	1,394,179,537	94,041,356	-	-	-	1,736,020,812	493,574,545	587,615,900
2034	0	0	-	83,650,772	1,477,830,309	99,683,837	-	-	34,720,416	1,770,741,228	503,446,036	603,129,872
2035	0	0	-	-	1,477,830,309	99,683,837	-	-	-	1,770,741,228	503,446,036	603,129,872
2036	0	0	-	88,669,819	1,566,500,127	105,664,867	-	-	35,414,825	1,806,156,053	513,514,956	619,179,823
2037	0	0	-	-	1,566,500,127	105,664,867	-	-	-	1,806,156,053	513,514,956	619,179,823
2038	0	0	-	93,990,008	1,660,490,135	112,004,759	-	-	36,123,121	1,842,279,174	523,785,255	635,790,014
2039	0	0	-	-	1,660,490,135	112,004,759	-	-	-	1,842,279,174	523,785,255	635,790,014
2040	0	0	-	99,629,408	1,760,119,543	118,725,045	-	-	36,845,583	1,879,124,757	534,260,960	652,986,005
2041	0	0	-	-	1,760,119,543	118,725,045	-	-	-	1,879,124,757	534,260,960	652,986,005
2042	0	0	-	105,607,173	1,865,726,716	125,848,547	-	-	37,582,495	1,916,707,253	544,946,180	670,794,727
2043	0	0	-	-	1,865,726,716	125,848,547	-	-	-	1,916,707,253	544,946,180	670,794,727
2044	0	0	-	111,943,603	1,977,670,319	133,399,460	-	-	38,334,145	1,955,041,398	555,845,103	689,244,563
2045	0	0	-	-	1,977,670,319	133,399,460	-	-	-	1,955,041,398	555,845,103	689,244,563
2046	0	0	-	118,660,219	2,096,330,538	141,403,428	-	-	39,100,828	1,994,142,226	566,962,005	708,365,433
2047	0	0	-	-	2,096,330,538	141,403,428	-	-	-	1,994,142,226	566,962,005	708,365,433
2048	0	0	-	125,779,832	2,222,110,370	149,887,633	-	-	39,882,845	2,034,025,070	578,301,245	728,188,879
2049	0	0	-	-	2,222,110,370	149,887,633	-	-	-	2,034,025,070	578,301,245	728,188,879
2050	0	0	-	133,326,622	2,355,436,992	158,880,891	-	-	40,680,501	2,074,705,571	589,867,270	748,748,162
2051	0	0	-	-	2,355,436,992	158,880,891	-	-	-	2,074,705,571	589,867,270	748,748,162
2052	0	0	-	141,326,220	2,496,763,212	168,413,745	-	-	41,494,111	2,116,199,683	601,664,616	770,078,361
2053	0	0	-	-	2,496,763,212	168,413,745	-	-	-	2,116,199,683	601,664,616	770,078,361
2054	0	0	-	149,805,793	2,646,569,004	178,518,570	-	-	42,323,994	2,158,523,677	613,697,908	792,216,478
2055	0	0	-	-	2,646,569,004	178,518,570	-	-	-	2,158,523,677	613,697,908	792,216,478
2056	0	0	-	158,794,140	2,805,363,145	189,229,684	-	-	43,170,474	2,201,694,150	625,971,866	815,201,550
2057	0	0	-	-	2,805,363,145	189,229,684	-	-	-	2,201,694,150	625,971,866	815,201,550
2058	0	0	-	168,321,789	2,973,684,933	200,583,465	-	-	44,033,883	2,245,728,033	638,491,304	839,074,768
2059	0	0	-	-	2,973,684,933	200,583,465	-	-	-	2,245,728,033	638,491,304	839,074,768
2060	0	0	-	-	2,973,684,933	212,618,473	-	-	-	2,245,728,033	651,261,130	863,879,602
2061	0	0	-	-	2,973,684,933	212,618,473	-	-	-	2,245,728,033	651,261,130	863,879,602
Total			2,250	1,837,850,983			5,400,000	900	646,496,104			

**Windler Homestead Metropolitan District  
Revenue**

	Total		District Mill Levy Revenue			Sales Tax Revenue		Lodging Tax Revenue		Expense		Total Revenue Available for Debt Service
	Assessed Value in Collection Year	% Residential	Debt Mill Levy 55.664 Cap 55.664 Target	Debt Mill Levy Collections 99.50%	Specific Ownership Taxes 6.00%	Taxable Retail Sales	Add-On PIF 2.90%	Taxable Lodging Sales	Add-On PIF 5.90%	County Treasurer Fee 1.50%	Annual Trustee Fee \$4,000	
2021	0	0%	0.000	0	0	0	0	0	0	0	0	0
2022	0	0%	50.000	0	0	0	0	0	0	0	(4,000)	(4,000)
2023	5,220,000	0%	50.000	259,695	15,582	8,925,875	258,850	3,490,655	205,949	(3,895)	(4,000)	526,232
2024	64,264,000	0%	50.000	3,197,134	191,828	31,552,968	915,036	4,230,673	249,610	(47,957)	(4,000)	4,252,041
2025	183,907,560	0%	50.000	9,149,401	548,964	63,736,996	1,848,373	4,985,144	294,123	(137,241)	(4,000)	11,405,497
2026	286,634,098	0%	50.000	14,260,046	855,603	91,963,379	2,666,938	5,034,995	297,065	(213,901)	(4,000)	17,564,686
2027	414,432,378	10%	50.566	20,851,360	1,251,082	125,392,068	3,636,370	5,085,345	300,035	(312,770)	(4,000)	25,422,041
2028	522,098,151	15%	50.832	26,406,363	1,584,382	140,717,765	4,080,815	5,136,198	303,036	(396,095)	(4,000)	31,671,465
2029	558,104,915	15%	50.849	28,237,406	1,694,244	151,599,939	4,396,398	5,187,560	306,066	(423,561)	(4,000)	33,900,488
2030	572,614,872	15%	50.878	28,987,578	1,739,255	153,115,938	4,440,362	5,239,436	309,127	(434,814)	(4,000)	34,728,381
2031	572,614,872	15%	50.878	28,987,578	1,739,255	154,647,098	4,484,766	5,291,830	312,218	(434,814)	(4,000)	34,772,784
2032	587,615,900	16%	50.906	29,763,878	1,785,833	156,193,569	4,529,613	5,344,749	315,340	(446,458)	(4,000)	35,628,866
2033	587,615,900	16%	50.906	29,763,878	1,785,833	157,755,504	4,574,910	5,398,196	318,494	(446,458)	(4,000)	35,674,162
2034	603,129,872	17%	50.936	30,567,497	1,834,050	159,333,059	4,620,659	5,452,178	321,679	(458,512)	(4,000)	36,559,693
2035	603,129,872	17%	50.936	30,567,497	1,834,050	160,926,390	4,666,865	5,506,700	324,895	(458,512)	(4,000)	36,605,900
2036	619,179,823	17%	50.967	31,399,690	1,883,981	162,535,654	4,713,534	5,561,767	328,144	(470,995)	(4,000)	37,522,210
2037	619,179,823	17%	50.967	31,399,690	1,883,981	164,161,010	4,760,669	5,617,385	331,426	(470,995)	(4,000)	37,569,345
2038	635,790,014	18%	50.998	32,261,776	1,935,707	165,802,620	4,808,276	5,673,558	334,740	(483,927)	(4,000)	38,517,832
2039	635,790,014	18%	50.998	32,261,776	1,935,707	167,460,647	4,856,359	5,730,294	338,087	(483,927)	(4,000)	38,565,915
2040	652,986,005	18%	51.030	33,155,150	1,989,309	169,135,253	4,904,922	5,787,597	341,468	(497,327)	(4,000)	39,548,054
2041	652,986,005	18%	51.030	33,155,150	1,989,309	170,826,606	4,953,972	5,845,473	344,883	(497,327)	(4,000)	39,597,103
2042	670,794,727	19%	51.063	34,081,280	2,044,877	172,534,872	5,003,511	5,903,928	348,332	(511,219)	(4,000)	40,614,449
2043	670,794,727	19%	51.063	34,081,280	2,044,877	174,260,220	5,053,546	5,962,967	351,815	(511,219)	(4,000)	40,664,484
2044	689,244,563	19%	51.096	35,041,714	2,102,503	176,002,823	5,104,082	6,022,597	355,333	(525,626)	(4,000)	41,718,673
2045	689,244,563	19%	51.096	35,041,714	2,102,503	177,762,851	5,155,123	6,082,823	358,887	(525,626)	(4,000)	41,769,713
2046	708,365,433	20%	51.131	36,038,085	2,162,285	179,540,479	5,206,674	6,143,651	362,475	(540,571)	(4,000)	42,862,472
2047	708,365,433	20%	51.131	36,038,085	2,162,285	181,335,884	5,258,741	6,205,087	366,100	(540,571)	(4,000)	42,914,539
2048	728,188,879	21%	51.166	37,072,115	2,224,327	183,149,243	5,311,328	6,267,138	369,761	(556,082)	(4,000)	44,047,689
2049	728,188,879	21%	51.166	37,072,115	2,224,327	184,980,735	5,364,441	6,329,810	373,459	(556,082)	(4,000)	44,100,802
2050	748,748,162	21%	51.202	38,145,623	2,288,737	186,830,543	5,418,086	6,393,108	377,193	(572,184)	(4,000)	45,276,262
2051	748,748,162	21%	51.202	38,145,623	2,288,737	188,698,848	5,472,267	6,457,039	380,965	(572,184)	(4,000)	45,330,443
2052	770,078,361	22%	51.239	39,260,524	2,355,631	190,585,837	5,526,989	6,521,609	384,775	(588,908)	(4,000)	46,550,237
2053	770,078,361	22%	51.239	39,260,524	2,355,631	192,491,695	5,582,259	6,586,825	388,623	(588,908)	(4,000)	46,605,507
2054	792,216,478	23%	51.276	40,418,843	2,425,131	194,416,612	5,638,082	6,652,693	392,509	(606,283)	(4,000)	47,871,773
2055	792,216,478	23%	51.276	40,418,843	2,425,131	196,360,778	5,694,463	6,719,220	396,434	(606,283)	(4,000)	47,928,154
2056	815,201,550	23%	51.315	41,622,715	2,497,363	198,324,386	5,751,407	6,786,413	400,398	(624,341)	(4,000)	49,243,144
2057	815,201,550	23%	51.315	41,622,715	2,497,363	200,307,630	5,808,921	6,854,277	404,402	(624,341)	(4,000)	49,300,658
2058	839,074,768	24%	51.354	42,874,394	2,572,464	202,310,706	5,867,010	6,922,819	408,446	(643,116)	(4,000)	50,666,752
2059	839,074,768	24%	51.354	42,874,394	2,572,464	204,333,813	5,925,681	6,992,048	412,531	(643,116)	(4,000)	50,725,422
2060	863,879,602	25%	51.394	44,176,260	2,650,576	206,377,151	5,984,937	7,061,968	416,656	(662,644)	(4,000)	52,145,129
2061	863,879,602	25%	51.394	44,176,260	2,650,576	208,440,923	6,044,787	7,132,588	420,823	(662,644)	(4,000)	52,204,978
<b>Total</b>				<b>1,252,095,650</b>	<b>75,125,739</b>		<b>184,290,023</b>		<b>13,546,302</b>	<b>(18,781,435)</b>	<b>(160,000)</b>	<b>1,492,569,977</b>

**Windler Homestead Metropolitan District  
Debt Service**

	Total Revenue Available for Debt Service	Net Debt Service		Total	Surplus Fund				Ratio Analysis	
		Series 2021	Series 2031		Annual Surplus	Funds on Hand Used as a Source	Cumulative Balance \$252,090,000	Released Revenue	Debt Service Coverage	Senior Debt to Assessed Value
		Dated: 12/1/2021 Par: \$523,535,000 Proj: \$388,956,050	Dated: 12/1/2031 Par: \$736,915,000 Proj: \$211,463,500							
2021	0	0	0	0	0		45,328,000	0	n/a	n/a
2022	(4,000)	0	0	0	(4,000)		45,324,000	0	n/a	39661742%
2023	526,232	0	0	0	526,232		45,850,232	0	n/a	39661742%
2024	4,252,041	0	0	0	4,252,041		50,102,273	0	n/a	10027%
2025	11,405,497	26,176,750	26,176,750	26,176,750	(14,771,253)		35,331,020	0	44%	804%
2026	17,564,686	26,176,750	26,176,750	26,176,750	(8,612,064)		26,718,956	0	67%	283%
2027	25,422,041	26,176,750	26,176,750	26,176,750	(754,709)		25,964,248	0	97%	182%
2028	31,671,465	31,666,750	31,666,750	31,666,750	4,715		25,968,962	0	100%	125%
2029	33,900,488	33,897,250	33,897,250	33,897,250	3,238		25,972,200	0	100%	97%
2030	34,728,381	34,727,500	34,727,500	34,727,500	881		25,973,081	0	100%	90%
2031	34,772,784	34,771,250	0	34,771,250	(25,972,466)	25,974,000	615	0	100%	214%
2032	35,628,866	Refunded	35,626,600	35,626,600	2,266		2,881	0	100%	128%
2033	35,674,162		35,670,600	35,670,600	3,562		6,443	0	100%	123%
2034	36,559,693		36,558,000	36,558,000	1,693		8,137	0	100%	122%
2035	36,605,900		36,604,600	36,604,600	1,300		9,437	0	100%	118%
2036	37,522,210		37,517,200	37,517,200	5,010		14,446	0	100%	116%
2037	37,569,345		37,565,600	37,565,600	3,745		18,191	0	100%	111%
2038	38,517,832		38,517,400	38,517,400	432		18,623	0	100%	110%
2039	38,565,915		38,560,800	38,560,800	5,115		23,738	0	100%	105%
2040	39,548,054		39,545,000	39,545,000	3,054		26,793	0	100%	103%
2041	39,597,103		39,596,600	39,596,600	503		27,296	0	100%	98%
2042	40,614,449		40,610,600	40,610,600	3,849		31,145	0	100%	96%
2043	40,664,484		40,662,600	40,662,600	1,884		33,028	0	100%	91%
2044	41,718,673		41,718,600	41,718,600	73		33,101	0	100%	89%
2045	41,769,713		41,767,400	41,767,400	2,313		35,415	0	100%	84%
2046	42,862,472		42,861,600	42,861,600	872		36,287	0	100%	81%
2047	42,914,539		42,913,200	42,913,200	1,339		37,626	0	100%	76%
2048	44,047,689		44,046,000	44,046,000	1,689		39,315	0	100%	72%
2049	44,100,802		44,100,400	44,100,400	402		39,717	0	100%	67%
2050	45,276,262		45,271,400	45,271,400	4,862		44,579	0	100%	64%
2051	45,330,443		45,327,800	45,327,800	2,643		47,221	0	100%	58%
2052	46,550,237		46,545,800	46,545,800	4,437		51,658	0	100%	54%
2053	46,605,507		46,602,200	46,602,200	3,307		54,966	0	100%	49%
2054	47,871,773		47,869,800	47,869,800	1,973		56,939	0	100%	45%
2055	47,928,154		47,923,200	47,923,200	4,954		61,892	0	100%	39%
2056	49,243,144		49,242,000	49,242,000	1,144		63,037	0	100%	34%
2057	49,300,658		49,298,400	49,298,400	2,258		65,295	0	100%	29%
2058	50,666,752		50,663,600	50,663,600	3,152		68,447	0	100%	24%
2059	50,725,422		50,722,800	50,722,800	2,622		71,070	0	100%	18%
2060	52,145,129		52,143,600	52,143,600	1,529		72,599	0	100%	12%
2061	52,204,978		52,202,875	52,202,875	2,103		0	74,702	100%	0%
<b>Total</b>	<b>1,492,569,977</b>	<b>213,593,000</b>	<b>1,298,256,275</b>	<b>1,511,849,275</b>	<b>(45,253,298)</b>			<b>74,702</b>		

1. Assumes \$45,328,000 Deposit to Surplus Fund at Closing

**Windler Homestead Metropolitan District  
Revenue**

	Operations Mill Levy Revenue			Expense	Total
	O&M Mill Levy	O&M Mill Levy Collections	Specific Ownership Taxes	County Treasurer Fee	Revenue Available for Operations
	10.000 Cap 10.000 Target		6.00%	1.50%	
2021	0.000	0	0	0	0
2022	10.000	0	0	0	0
2023	10.000	52,200	3,132	(783)	54,549
2024	10.000	642,640	38,558	(9,640)	671,559
2025	10.000	1,839,076	110,345	(27,586)	1,921,834
2026	10.000	2,866,341	171,980	(42,995)	2,995,326
2027	10.000	4,144,324	248,659	(62,165)	4,330,818
2028	10.000	5,220,982	313,259	(78,315)	5,455,926
2029	10.000	5,581,049	334,863	(83,716)	5,832,196
2030	10.000	5,726,149	343,569	(85,892)	5,983,825
2031	10.000	5,726,149	343,569	(85,892)	5,983,825
2032	10.000	5,876,159	352,570	(88,142)	6,140,586
2033	10.000	5,876,159	352,570	(88,142)	6,140,586
2034	10.000	6,031,299	361,878	(90,469)	6,302,707
2035	10.000	6,031,299	361,878	(90,469)	6,302,707
2036	10.000	6,191,798	371,508	(92,877)	6,470,429
2037	10.000	6,191,798	371,508	(92,877)	6,470,429
2038	10.000	6,357,900	381,474	(95,369)	6,644,006
2039	10.000	6,357,900	381,474	(95,369)	6,644,006
2040	10.000	6,529,860	391,792	(97,948)	6,823,704
2041	10.000	6,529,860	391,792	(97,948)	6,823,704
2042	10.000	6,707,947	402,477	(100,619)	7,009,805
2043	10.000	6,707,947	402,477	(100,619)	7,009,805
2044	10.000	6,892,446	413,547	(103,387)	7,202,606
2045	10.000	6,892,446	413,547	(103,387)	7,202,606
2046	10.000	7,083,654	425,019	(106,255)	7,402,419
2047	10.000	7,083,654	425,019	(106,255)	7,402,419
2048	10.000	7,281,889	436,913	(109,228)	7,609,574
2049	10.000	7,281,889	436,913	(109,228)	7,609,574
2050	10.000	7,487,482	449,249	(112,312)	7,824,418
2051	10.000	7,487,482	449,249	(112,312)	7,824,418
2052	10.000	7,700,784	462,047	(115,512)	8,047,319
2053	10.000	7,700,784	462,047	(115,512)	8,047,319
2054	10.000	7,922,165	475,330	(118,832)	8,278,662
2055	10.000	7,922,165	475,330	(118,832)	8,278,662
2056	10.000	8,152,016	489,121	(122,280)	8,518,856
2057	10.000	8,152,016	489,121	(122,280)	8,518,856
2058	10.000	8,390,748	503,445	(125,861)	8,768,331
2059	10.000	8,390,748	503,445	(125,861)	8,768,331
2060	10.000	8,638,796	518,328	(129,582)	9,027,542
2061	10.000	8,638,796	518,328	(129,582)	9,027,542
<b>Total</b>		246,288,791	14,777,327	(3,694,332)	257,371,787

**Windler Homestead Metropolitan District  
Revenue**

	ARI Mill Levy Revenue			Expense	Total
	ARI Mill Levy	ARI Mill Levy Collections	Specific Ownership Taxes	County Treasurer Fee	Revenue Available for ARI
	5.000 Cap 5.000 Target		6.00%	1.50%	
2021	0.000	0	0	0	0
2022	5.000	0	0	0	0
2023	5.000	26,100	1,566	(392)	27,275
2024	5.000	321,320	19,279	(4,820)	335,779
2025	5.000	919,538	55,172	(13,793)	960,917
2026	5.000	1,433,170	85,990	(21,498)	1,497,663
2027	5.000	2,072,162	124,330	(31,082)	2,165,409
2028	5.000	2,610,491	156,629	(39,157)	2,727,963
2029	5.000	2,790,525	167,431	(41,858)	2,916,098
2030	5.000	2,863,074	171,784	(42,946)	2,991,913
2031	5.000	2,863,074	171,784	(42,946)	2,991,913
2032	5.000	2,938,080	176,285	(44,071)	3,070,293
2033	5.000	2,938,080	176,285	(44,071)	3,070,293
2034	5.000	3,015,649	180,939	(45,235)	3,151,354
2035	5.000	3,015,649	180,939	(45,235)	3,151,354
2036	5.000	3,095,899	185,754	(46,438)	3,235,215
2037	5.000	3,095,899	185,754	(46,438)	3,235,215
2038	5.000	3,178,950	190,737	(47,684)	3,322,003
2039	5.000	3,178,950	190,737	(47,684)	3,322,003
2040	5.000	3,264,930	195,896	(48,974)	3,411,852
2041	5.000	3,264,930	195,896	(48,974)	3,411,852
2042	5.000	3,353,974	201,238	(50,310)	3,504,902
2043	5.000	3,353,974	201,238	(50,310)	3,504,902
2044	5.000	3,446,223	206,773	(51,693)	3,601,303
2045	5.000	3,446,223	206,773	(51,693)	3,601,303
2046	5.000	3,541,827	212,510	(53,127)	3,701,209
2047	5.000	3,541,827	212,510	(53,127)	3,701,209
2048	5.000	3,640,944	218,457	(54,614)	3,804,787
2049	5.000	3,640,944	218,457	(54,614)	3,804,787
2050	5.000	3,743,741	224,624	(56,156)	3,912,209
2051	5.000	3,743,741	224,624	(56,156)	3,912,209
2052	5.000	3,850,392	231,024	(57,756)	4,023,659
2053	5.000	3,850,392	231,024	(57,756)	4,023,659
2054	5.000	3,961,082	237,665	(59,416)	4,139,331
2055	5.000	3,961,082	237,665	(59,416)	4,139,331
2056	5.000	4,076,008	244,560	(61,140)	4,259,428
2057	5.000	4,076,008	244,560	(61,140)	4,259,428
2058	5.000	4,195,374	251,722	(62,931)	4,384,166
2059	5.000	4,195,374	251,722	(62,931)	4,384,166
2060	5.000	4,319,398	259,164	(64,791)	4,513,771
2061	5.000	4,319,398	259,164	(64,791)	4,513,771
<b>Total</b>		<b>123,144,396</b>	<b>7,388,664</b>	<b>(1,847,166)</b>	<b>128,685,893</b>

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## SOURCES AND USES OF FUNDS

### WINDLER HOMESTEAD METROPOLITAN DISTRICT Adams County, Colorado

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### GENERAL OBLIGATION BONDS, SERIES 2021 Non-Rated, 1.00x, 30-year Maturity, 6% Biennial Reassessment Service Plan

|               |            |
|---------------|------------|
| Dated Date    | 12/01/2021 |
| Delivery Date | 12/01/2021 |

#### **Sources:**

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|                |                |
|----------------|----------------|
| Bond Proceeds: |                |
| Par Amount     | 523,535,000.00 |
|                | <hr/>          |
|                | 523,535,000.00 |

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#### **Uses:**

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|                           |                |
|---------------------------|----------------|
| Project Fund Deposits:    |                |
| Project Fund              | 388,956,050.00 |
| Other Fund Deposits:      |                |
| Capitalized Interest Fund | 78,530,250.00  |
| Surplus Fund              | <hr/>          |
|                           | 45,328,000.00  |
|                           | 123,858,250.00 |
| Cost of Issuance:         |                |
| Other Cost of Issuance    | 250,000.00     |
| Delivery Date Expenses:   |                |
| Underwriter's Discount    | 10,470,700.00  |
|                           | <hr/>          |
|                           | 523,535,000.00 |

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## BOND SUMMARY STATISTICS

### WINDLER HOMESTEAD METROPOLITAN DISTRICT Adams County, Colorado

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#### GENERAL OBLIGATION BONDS, SERIES 2021 Non-Rated, 1.00x, 30-year Maturity, 6% Biennial Reassessment Service Plan

Dated Date	12/01/2021
Delivery Date	12/01/2021
Last Maturity	12/01/2051
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.157671%
Net Interest Cost (NIC)	5.091269%
All-In TIC	5.161492%
Average Coupon	5.000000%
Average Life (years)	21.913
Duration of Issue (years)	13.084
Par Amount	523,535,000.00
Bond Proceeds	523,535,000.00
Total Interest	573,615,750.00
Net Interest	584,086,450.00
Total Debt Service	1,097,150,750.00
Maximum Annual Debt Service	45,328,500.00
Average Annual Debt Service	36,571,691.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

<i><b>Bond Component</b></i>	<i><b>Par Value</b></i>	<i><b>Price</b></i>	<i><b>Average Coupon</b></i>	<i><b>Average Life</b></i>
Term Bond due 2051	523,535,000.00	100.000	5.000%	21.913
	523,535,000.00			21.913

	TIC	All-In TIC	Arbitrage Yield
Par Value	523,535,000.00	523,535,000.00	523,535,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	(10,470,700.00)	(10,470,700.00)	
- Cost of Issuance Expense		(250,000.00)	
- Other Amounts			
Target Value	513,064,300.00	512,814,300.00	523,535,000.00
Target Date	12/01/2021	12/01/2021	12/01/2021
Yield	5.157671%	5.161492%	5.000000%

**NET DEBT SERVICE**

**WINDLER HOMESTEAD METROPOLITAN DISTRICT  
Adams County, Colorado**

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**GENERAL OBLIGATION BONDS, SERIES 2021  
Non-Rated, 1.00x, 30-year Maturity, 6% Biennial Reassessment  
Service Plan**

| <i>Period<br/>Ending</i> | <i>Principal</i> | <i>Coupon</i> | <i>Interest</i> | <i>Total<br/>Debt Service</i> | <i>Capitalized<br/>Interest<br/>Fund</i> | <i>Net<br/>Debt Service</i> |
|--------------------------|------------------|---------------|-----------------|-------------------------------|------------------------------------------|-----------------------------|
| 12/01/2022               |                  |               | 26,176,750      | 26,176,750                    | 26,176,750                               |                             |
| 12/01/2023               |                  |               | 26,176,750      | 26,176,750                    | 26,176,750                               |                             |
| 12/01/2024               |                  |               | 26,176,750      | 26,176,750                    | 26,176,750                               |                             |
| 12/01/2025               |                  |               | 26,176,750      | 26,176,750                    |                                          | 26,176,750                  |
| 12/01/2026               |                  |               | 26,176,750      | 26,176,750                    |                                          | 26,176,750                  |
| 12/01/2027               |                  |               | 26,176,750      | 26,176,750                    |                                          | 26,176,750                  |
| 12/01/2028               | 5,490,000        | 5.000%        | 26,176,750      | 31,666,750                    |                                          | 31,666,750                  |
| 12/01/2029               | 7,995,000        | 5.000%        | 25,902,250      | 33,897,250                    |                                          | 33,897,250                  |
| 12/01/2030               | 9,225,000        | 5.000%        | 25,502,500      | 34,727,500                    |                                          | 34,727,500                  |
| 12/01/2031               | 9,730,000        | 5.000%        | 25,041,250      | 34,771,250                    |                                          | 34,771,250                  |
| 12/01/2032               | 11,070,000       | 5.000%        | 24,554,750      | 35,624,750                    |                                          | 35,624,750                  |
| 12/01/2033               | 11,670,000       | 5.000%        | 24,001,250      | 35,671,250                    |                                          | 35,671,250                  |
| 12/01/2034               | 13,140,000       | 5.000%        | 23,417,750      | 36,557,750                    |                                          | 36,557,750                  |
| 12/01/2035               | 13,840,000       | 5.000%        | 22,760,750      | 36,600,750                    |                                          | 36,600,750                  |
| 12/01/2036               | 15,450,000       | 5.000%        | 22,068,750      | 37,518,750                    |                                          | 37,518,750                  |
| 12/01/2037               | 16,270,000       | 5.000%        | 21,296,250      | 37,566,250                    |                                          | 37,566,250                  |
| 12/01/2038               | 18,035,000       | 5.000%        | 20,482,750      | 38,517,750                    |                                          | 38,517,750                  |
| 12/01/2039               | 18,980,000       | 5.000%        | 19,581,000      | 38,561,000                    |                                          | 38,561,000                  |
| 12/01/2040               | 20,915,000       | 5.000%        | 18,632,000      | 39,547,000                    |                                          | 39,547,000                  |
| 12/01/2041               | 22,010,000       | 5.000%        | 17,586,250      | 39,596,250                    |                                          | 39,596,250                  |
| 12/01/2042               | 24,125,000       | 5.000%        | 16,485,750      | 40,610,750                    |                                          | 40,610,750                  |
| 12/01/2043               | 25,380,000       | 5.000%        | 15,279,500      | 40,659,500                    |                                          | 40,659,500                  |
| 12/01/2044               | 27,705,000       | 5.000%        | 14,010,500      | 41,715,500                    |                                          | 41,715,500                  |
| 12/01/2045               | 29,140,000       | 5.000%        | 12,625,250      | 41,765,250                    |                                          | 41,765,250                  |
| 12/01/2046               | 31,690,000       | 5.000%        | 11,168,250      | 42,858,250                    |                                          | 42,858,250                  |
| 12/01/2047               | 33,330,000       | 5.000%        | 9,583,750       | 42,913,750                    |                                          | 42,913,750                  |
| 12/01/2048               | 36,130,000       | 5.000%        | 7,917,250       | 44,047,250                    |                                          | 44,047,250                  |
| 12/01/2049               | 37,985,000       | 5.000%        | 6,110,750       | 44,095,750                    |                                          | 44,095,750                  |
| 12/01/2050               | 41,060,000       | 5.000%        | 4,211,500       | 45,271,500                    |                                          | 45,271,500                  |
| 12/01/2051               | 43,170,000       | 5.000%        | 2,158,500       | 45,328,500                    |                                          | 45,328,500                  |
|                          | 523,535,000      |               | 573,615,750     | 1,097,150,750                 | 78,530,250                               | 1,018,620,500               |



## BOND SOLUTION

### WINDLER HOMESTEAD METROPOLITAN DISTRICT Adams County, Colorado

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#### GENERAL OBLIGATION BONDS, SERIES 2021 Non-Rated, 1.00x, 30-year Maturity, 6% Biennial Reassessment Service Plan

| <i>Period Ending</i> | <i>Proposed Principal</i> | <i>Proposed Debt Service</i> | <i>Debt Service Adjustments</i> | <i>Total Adj Debt Service</i> | <i>Revenue Constraints</i> | <i>Unused Revenues</i> | <i>Debt Serv Coverage</i> |
|----------------------|---------------------------|------------------------------|---------------------------------|-------------------------------|----------------------------|------------------------|---------------------------|
| 12/01/2022           |                           | 26,176,750                   | (26,176,750)                    |                               | (4,000)                    | (4,000)                |                           |
| 12/01/2023           |                           | 26,176,750                   | (26,176,750)                    |                               | 526,232                    | 526,232                |                           |
| 12/01/2024           |                           | 26,176,750                   | (26,176,750)                    |                               | 4,252,041                  | 4,252,041              |                           |
| 12/01/2025           |                           | 26,176,750                   |                                 | 26,176,750                    | 11,405,497                 | (14,771,253)           | 43.57110%                 |
| 12/01/2026           |                           | 26,176,750                   |                                 | 26,176,750                    | 17,564,686                 | (8,612,064)            | 67.10033%                 |
| 12/01/2027           |                           | 26,176,750                   |                                 | 26,176,750                    | 25,422,041                 | (754,709)              | 97.11687%                 |
| 12/01/2028           | 5,490,000                 | 31,666,750                   |                                 | 31,666,750                    | 31,671,465                 | 4,715                  | 100.01489%                |
| 12/01/2029           | 7,995,000                 | 33,897,250                   |                                 | 33,897,250                    | 33,900,488                 | 3,238                  | 100.00955%                |
| 12/01/2030           | 9,225,000                 | 34,727,500                   |                                 | 34,727,500                    | 34,728,381                 | 881                    | 100.00254%                |
| 12/01/2031           | 9,730,000                 | 34,771,250                   |                                 | 34,771,250                    | 34,772,784                 | 1,534                  | 100.00441%                |
| 12/01/2032           | 11,070,000                | 35,624,750                   |                                 | 35,624,750                    | 35,628,866                 | 4,116                  | 100.01155%                |
| 12/01/2033           | 11,670,000                | 35,671,250                   |                                 | 35,671,250                    | 35,674,162                 | 2,912                  | 100.00816%                |
| 12/01/2034           | 13,140,000                | 36,557,750                   |                                 | 36,557,750                    | 36,559,693                 | 1,943                  | 100.00532%                |
| 12/01/2035           | 13,840,000                | 36,600,750                   |                                 | 36,600,750                    | 36,605,900                 | 5,150                  | 100.01407%                |
| 12/01/2036           | 15,450,000                | 37,518,750                   |                                 | 37,518,750                    | 37,522,210                 | 3,460                  | 100.00922%                |
| 12/01/2037           | 16,270,000                | 37,566,250                   |                                 | 37,566,250                    | 37,569,345                 | 3,095                  | 100.00824%                |
| 12/01/2038           | 18,035,000                | 38,517,750                   |                                 | 38,517,750                    | 38,517,832                 | 82                     | 100.00021%                |
| 12/01/2039           | 18,980,000                | 38,561,000                   |                                 | 38,561,000                    | 38,565,915                 | 4,915                  | 100.01275%                |
| 12/01/2040           | 20,915,000                | 39,547,000                   |                                 | 39,547,000                    | 39,548,054                 | 1,054                  | 100.00267%                |
| 12/01/2041           | 22,010,000                | 39,596,250                   |                                 | 39,596,250                    | 39,597,103                 | 853                    | 100.00216%                |
| 12/01/2042           | 24,125,000                | 40,610,750                   |                                 | 40,610,750                    | 40,614,449                 | 3,699                  | 100.00911%                |
| 12/01/2043           | 25,380,000                | 40,659,500                   |                                 | 40,659,500                    | 40,664,484                 | 4,984                  | 100.01226%                |
| 12/01/2044           | 27,705,000                | 41,715,500                   |                                 | 41,715,500                    | 41,718,673                 | 3,173                  | 100.00761%                |
| 12/01/2045           | 29,140,000                | 41,765,250                   |                                 | 41,765,250                    | 41,769,713                 | 4,463                  | 100.01069%                |
| 12/01/2046           | 31,690,000                | 42,858,250                   |                                 | 42,858,250                    | 42,862,472                 | 4,222                  | 100.00985%                |
| 12/01/2047           | 33,330,000                | 42,913,750                   |                                 | 42,913,750                    | 42,914,539                 | 789                    | 100.00184%                |
| 12/01/2048           | 36,130,000                | 44,047,250                   |                                 | 44,047,250                    | 44,047,689                 | 439                    | 100.00100%                |
| 12/01/2049           | 37,985,000                | 44,095,750                   |                                 | 44,095,750                    | 44,100,802                 | 5,052                  | 100.01146%                |
| 12/01/2050           | 41,060,000                | 45,271,500                   |                                 | 45,271,500                    | 45,276,262                 | 4,762                  | 100.01052%                |
| 12/01/2051           | 43,170,000                | 45,328,500                   |                                 | 45,328,500                    | 45,330,443                 | 1,943                  | 100.00429%                |
|                      | 523,535,000               | 1,097,150,750                | (78,530,250)                    | 1,018,620,500                 | 999,328,221                | (19,292,279)           |                           |

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## SOURCES AND USES OF FUNDS

### WINDLER HOMESTEAD METROPOLITAN DISTRICT Adams County, Colorado

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### GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031 Investment Grade, 1.00x, 30-yr. Maturity Service Plan

Dated Date	12/01/2031
Delivery Date	12/01/2031

#### **Sources:**

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Bond Proceeds:	
Par Amount	736,915,000.00
Other Sources of Funds:	
Funds on Hand (est.)	25,974,000.00
	<hr/>
	762,889,000.00
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#### **Uses:**

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Project Fund Deposits:	
Project Fund	211,463,500.00
Refunding Escrow Deposits:	
Cash Deposit	491,095,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	56,445,925.00
Cost of Issuance:	
Other Cost of Issuance	200,000.00
Delivery Date Expenses:	
Underwriter's Discount	3,684,575.00
	<hr/>
	762,889,000.00
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**BOND PRICING**

**WINDLER HOMESTEAD METROPOLITAN DISTRICT  
Adams County, Colorado**

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**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031  
Investment Grade, 1.00x, 30-yr. Maturity  
Service Plan**

| <i>Bond Component</i> | <i>Maturity Date</i> | <i>Amount</i> | <i>Rate</i> | <i>Yield</i> | <i>Price</i> |
|-----------------------|----------------------|---------------|-------------|--------------|--------------|
| Term Bond due 2061:   |                      |               |             |              |              |
|                       | 12/01/2032           | 6,150,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2033           | 6,440,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2034           | 7,585,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2035           | 7,935,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2036           | 9,165,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2037           | 9,580,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2038           | 10,915,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2039           | 11,395,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2040           | 12,835,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2041           | 13,400,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2042           | 14,950,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2043           | 15,600,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2044           | 17,280,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2045           | 18,020,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2046           | 19,835,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2047           | 20,680,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2048           | 22,640,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2049           | 23,600,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2050           | 25,715,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2051           | 26,800,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2052           | 29,090,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2053           | 30,310,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2054           | 32,790,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2055           | 34,155,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2056           | 36,840,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2057           | 38,370,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2058           | 41,270,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2059           | 42,980,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2060           | 46,120,000    | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2061           | 104,470,000   | 4.000%      | 4.000%       | 100.000      |

736,915,000

|                         |                |             |
|-------------------------|----------------|-------------|
| Dated Date              | 12/01/2031     |             |
| Delivery Date           | 12/01/2031     |             |
| First Coupon            | 06/01/2032     |             |
| Par Amount              | 736,915,000.00 |             |
| Original Issue Discount |                |             |
| Production              | 736,915,000.00 | 100.000000% |
| Underwriter's Discount  | (3,684,575.00) | (0.500000%) |
| Purchase Price          | 733,230,425.00 | 99.500000%  |
| Accrued Interest        |                |             |
| Net Proceeds            | 733,230,425.00 |             |

## BOND SUMMARY STATISTICS

### WINDLER HOMESTEAD METROPOLITAN DISTRICT Adams County, Colorado

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### GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031 Investment Grade, 1.00x, 30-yr. Maturity Service Plan

Dated Date	12/01/2031
Delivery Date	12/01/2031
Last Maturity	12/01/2061
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.037107%
Net Interest Cost (NIC)	4.023857%
All-In TIC	4.039129%
Average Coupon	4.000000%
Average Life (years)	20.959
Duration of Issue (years)	13.765
Par Amount	736,915,000.00
Bond Proceeds	736,915,000.00
Total Interest	617,787,200.00
Net Interest	621,471,775.00
Total Debt Service	1,354,702,200.00
Maximum Annual Debt Service	108,648,800.00
Average Annual Debt Service	45,156,740.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

<b>Bond Component</b>	<b>Par Value</b>	<b>Price</b>	<b>Average Coupon</b>	<b>Average Life</b>
Term Bond due 2061	736,915,000.00	100.000	4.000%	20.959
	736,915,000.00			20.959

	TIC	All-In TIC	Arbitrage Yield
Par Value	736,915,000.00	736,915,000.00	736,915,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	(3,684,575.00)	(3,684,575.00)	
- Cost of Issuance Expense		(200,000.00)	
- Other Amounts			
Target Value	733,230,425.00	733,030,425.00	736,915,000.00
Target Date	12/01/2031	12/01/2031	12/01/2031
Yield	4.037107%	4.039129%	4.000000%

**NET DEBT SERVICE**

**WINDLER HOMESTEAD METROPOLITAN DISTRICT  
Adams County, Colorado**

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**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031  
Investment Grade, 1.00x, 30-yr. Maturity  
Service Plan**

| <i>Period<br/>Ending</i> | <i>Principal</i> | <i>Coupon</i> | <i>Interest</i> | <i>Total Debt Service<br/>Debt Service Reserve Fund</i> | <i>Net<br/>Debt Service</i> |               |
|--------------------------|------------------|---------------|-----------------|---------------------------------------------------------|-----------------------------|---------------|
| 12/01/2032               | 6,150,000        | 4.000%        | 29,476,600      | 35,626,600                                              | 35,626,600                  |               |
| 12/01/2033               | 6,440,000        | 4.000%        | 29,230,600      | 35,670,600                                              | 35,670,600                  |               |
| 12/01/2034               | 7,585,000        | 4.000%        | 28,973,000      | 36,558,000                                              | 36,558,000                  |               |
| 12/01/2035               | 7,935,000        | 4.000%        | 28,669,600      | 36,604,600                                              | 36,604,600                  |               |
| 12/01/2036               | 9,165,000        | 4.000%        | 28,352,200      | 37,517,200                                              | 37,517,200                  |               |
| 12/01/2037               | 9,580,000        | 4.000%        | 27,985,600      | 37,565,600                                              | 37,565,600                  |               |
| 12/01/2038               | 10,915,000       | 4.000%        | 27,602,400      | 38,517,400                                              | 38,517,400                  |               |
| 12/01/2039               | 11,395,000       | 4.000%        | 27,165,800      | 38,560,800                                              | 38,560,800                  |               |
| 12/01/2040               | 12,835,000       | 4.000%        | 26,710,000      | 39,545,000                                              | 39,545,000                  |               |
| 12/01/2041               | 13,400,000       | 4.000%        | 26,196,600      | 39,596,600                                              | 39,596,600                  |               |
| 12/01/2042               | 14,950,000       | 4.000%        | 25,660,600      | 40,610,600                                              | 40,610,600                  |               |
| 12/01/2043               | 15,600,000       | 4.000%        | 25,062,600      | 40,662,600                                              | 40,662,600                  |               |
| 12/01/2044               | 17,280,000       | 4.000%        | 24,438,600      | 41,718,600                                              | 41,718,600                  |               |
| 12/01/2045               | 18,020,000       | 4.000%        | 23,747,400      | 41,767,400                                              | 41,767,400                  |               |
| 12/01/2046               | 19,835,000       | 4.000%        | 23,026,600      | 42,861,600                                              | 42,861,600                  |               |
| 12/01/2047               | 20,680,000       | 4.000%        | 22,233,200      | 42,913,200                                              | 42,913,200                  |               |
| 12/01/2048               | 22,640,000       | 4.000%        | 21,406,000      | 44,046,000                                              | 44,046,000                  |               |
| 12/01/2049               | 23,600,000       | 4.000%        | 20,500,400      | 44,100,400                                              | 44,100,400                  |               |
| 12/01/2050               | 25,715,000       | 4.000%        | 19,556,400      | 45,271,400                                              | 45,271,400                  |               |
| 12/01/2051               | 26,800,000       | 4.000%        | 18,527,800      | 45,327,800                                              | 45,327,800                  |               |
| 12/01/2052               | 29,090,000       | 4.000%        | 17,455,800      | 46,545,800                                              | 46,545,800                  |               |
| 12/01/2053               | 30,310,000       | 4.000%        | 16,292,200      | 46,602,200                                              | 46,602,200                  |               |
| 12/01/2054               | 32,790,000       | 4.000%        | 15,079,800      | 47,869,800                                              | 47,869,800                  |               |
| 12/01/2055               | 34,155,000       | 4.000%        | 13,768,200      | 47,923,200                                              | 47,923,200                  |               |
| 12/01/2056               | 36,840,000       | 4.000%        | 12,402,000      | 49,242,000                                              | 49,242,000                  |               |
| 12/01/2057               | 38,370,000       | 4.000%        | 10,928,400      | 49,298,400                                              | 49,298,400                  |               |
| 12/01/2058               | 41,270,000       | 4.000%        | 9,393,600       | 50,663,600                                              | 50,663,600                  |               |
| 12/01/2059               | 42,980,000       | 4.000%        | 7,742,800       | 50,722,800                                              | 50,722,800                  |               |
| 12/01/2060               | 46,120,000       | 4.000%        | 6,023,600       | 52,143,600                                              | 52,143,600                  |               |
| 12/01/2061               | 104,470,000      | 4.000%        | 4,178,800       | 108,648,800                                             | 56,445,925                  | 52,202,875    |
|                          | 736,915,000      |               | 617,787,200     | 1,354,702,200                                           | 56,445,925                  | 1,298,256,275 |

## SUMMARY OF BONDS REFUNDED

**WINDLER HOMESTEAD METROPOLITAN DISTRICT**  
Adams County, Colorado

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**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031**  
Investment Grade, 1.00x, 30-yr. Maturity  
Service Plan

<i>Bond</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Call Date</i>	<i>Call Price</i>
Series 21 Service Plan, 21SPD3, TERM51:					
	12/01/2032	5.000%	11,070,000.00	12/01/2031	100.000
	12/01/2033	5.000%	11,670,000.00	12/01/2031	100.000
	12/01/2034	5.000%	13,140,000.00	12/01/2031	100.000
	12/01/2035	5.000%	13,840,000.00	12/01/2031	100.000
	12/01/2036	5.000%	15,450,000.00	12/01/2031	100.000
	12/01/2037	5.000%	16,270,000.00	12/01/2031	100.000
	12/01/2038	5.000%	18,035,000.00	12/01/2031	100.000
	12/01/2039	5.000%	18,980,000.00	12/01/2031	100.000
	12/01/2040	5.000%	20,915,000.00	12/01/2031	100.000
	12/01/2041	5.000%	22,010,000.00	12/01/2031	100.000
	12/01/2042	5.000%	24,125,000.00	12/01/2031	100.000
	12/01/2043	5.000%	25,380,000.00	12/01/2031	100.000
	12/01/2044	5.000%	27,705,000.00	12/01/2031	100.000
	12/01/2045	5.000%	29,140,000.00	12/01/2031	100.000
	12/01/2046	5.000%	31,690,000.00	12/01/2031	100.000
	12/01/2047	5.000%	33,330,000.00	12/01/2031	100.000
	12/01/2048	5.000%	36,130,000.00	12/01/2031	100.000
	12/01/2049	5.000%	37,985,000.00	12/01/2031	100.000
	12/01/2050	5.000%	41,060,000.00	12/01/2031	100.000
	12/01/2051	5.000%	43,170,000.00	12/01/2031	100.000
			491,095,000.00		

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**ESCROW REQUIREMENTS**

**WINDLER HOMESTEAD METROPOLITAN DISTRICT  
Adams County, Colorado**

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**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031  
Investment Grade, 1.00x, 30-yr. Maturity  
Service Plan**

**Pay & Cancel Series 2021 (PC21)**

| <i>Period<br/>Ending</i> | <i>Principal<br/>Redeemed</i> | <i>Total</i>   |
|--------------------------|-------------------------------|----------------|
| 12/01/2031               | 491,095,000.00                | 491,095,000.00 |
|                          | 491,095,000.00                | 491,095,000.00 |

**PRIOR BOND DEBT SERVICE**

**WINDLER HOMESTEAD METROPOLITAN DISTRICT  
Adams County, Colorado**

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**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031  
Investment Grade, 1.00x, 30-yr. Maturity  
Service Plan**

**Pay & Cancel Series 2021 (PC21)**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
06/01/2032			12,277,375	12,277,375	
12/01/2032	11,070,000	5.000%	12,277,375	23,347,375	35,624,750
06/01/2033			12,000,625	12,000,625	
12/01/2033	11,670,000	5.000%	12,000,625	23,670,625	35,671,250
06/01/2034			11,708,875	11,708,875	
12/01/2034	13,140,000	5.000%	11,708,875	24,848,875	36,557,750
06/01/2035			11,380,375	11,380,375	
12/01/2035	13,840,000	5.000%	11,380,375	25,220,375	36,600,750
06/01/2036			11,034,375	11,034,375	
12/01/2036	15,450,000	5.000%	11,034,375	26,484,375	37,518,750
06/01/2037			10,648,125	10,648,125	
12/01/2037	16,270,000	5.000%	10,648,125	26,918,125	37,566,250
06/01/2038			10,241,375	10,241,375	
12/01/2038	18,035,000	5.000%	10,241,375	28,276,375	38,517,750
06/01/2039			9,790,500	9,790,500	
12/01/2039	18,980,000	5.000%	9,790,500	28,770,500	38,561,000
06/01/2040			9,316,000	9,316,000	
12/01/2040	20,915,000	5.000%	9,316,000	30,231,000	39,547,000
06/01/2041			8,793,125	8,793,125	
12/01/2041	22,010,000	5.000%	8,793,125	30,803,125	39,596,250
06/01/2042			8,242,875	8,242,875	
12/01/2042	24,125,000	5.000%	8,242,875	32,367,875	40,610,750
06/01/2043			7,639,750	7,639,750	
12/01/2043	25,380,000	5.000%	7,639,750	33,019,750	40,659,500
06/01/2044			7,005,250	7,005,250	
12/01/2044	27,705,000	5.000%	7,005,250	34,710,250	41,715,500
06/01/2045			6,312,625	6,312,625	
12/01/2045	29,140,000	5.000%	6,312,625	35,452,625	41,765,250
06/01/2046			5,584,125	5,584,125	
12/01/2046	31,690,000	5.000%	5,584,125	37,274,125	42,858,250
06/01/2047			4,791,875	4,791,875	
12/01/2047	33,330,000	5.000%	4,791,875	38,121,875	42,913,750
06/01/2048			3,958,625	3,958,625	
12/01/2048	36,130,000	5.000%	3,958,625	40,088,625	44,047,250
06/01/2049			3,055,375	3,055,375	
12/01/2049	37,985,000	5.000%	3,055,375	41,040,375	44,095,750
06/01/2050			2,105,750	2,105,750	
12/01/2050	41,060,000	5.000%	2,105,750	43,165,750	45,271,500
06/01/2051			1,079,250	1,079,250	
12/01/2051	43,170,000	5.000%	1,079,250	44,249,250	45,328,500
	491,095,000		313,932,500	805,027,500	805,027,500



## BOND SOLUTION

### WINDLER HOMESTEAD METROPOLITAN DISTRICT Adams County, Colorado

#### ~ ~ ~ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031 Investment Grade, 1.00x, 30-yr. Maturity Service Plan

<i>Period Ending</i>	<i>Proposed Principal</i>	<i>Proposed Debt Service</i>	<i>Debt Service Adjustments</i>	<i>Total Adj Debt Service</i>	<i>Revenue Constraints</i>	<i>Unused Revenues</i>	<i>Debt Serv Coverage</i>
12/01/2032	6,150,000	35,626,600		35,626,600	35,628,866	2,266	100.00636%
12/01/2033	6,440,000	35,670,600		35,670,600	35,674,162	3,562	100.00999%
12/01/2034	7,585,000	36,558,000		36,558,000	36,559,693	1,693	100.00463%
12/01/2035	7,935,000	36,604,600		36,604,600	36,605,900	1,300	100.00355%
12/01/2036	9,165,000	37,517,200		37,517,200	37,522,210	5,010	100.01335%
12/01/2037	9,580,000	37,565,600		37,565,600	37,569,345	3,745	100.00997%
12/01/2038	10,915,000	38,517,400		38,517,400	38,517,832	432	100.00112%
12/01/2039	11,395,000	38,560,800		38,560,800	38,565,915	5,115	100.01326%
12/01/2040	12,835,000	39,545,000		39,545,000	39,548,054	3,054	100.00772%
12/01/2041	13,400,000	39,596,600		39,596,600	39,597,103	503	100.00127%
12/01/2042	14,950,000	40,610,600		40,610,600	40,614,449	3,849	100.00948%
12/01/2043	15,600,000	40,662,600		40,662,600	40,664,484	1,884	100.00463%
12/01/2044	17,280,000	41,718,600		41,718,600	41,718,673	73	100.00017%
12/01/2045	18,020,000	41,767,400		41,767,400	41,769,713	2,313	100.00554%
12/01/2046	19,835,000	42,861,600		42,861,600	42,862,472	872	100.00204%
12/01/2047	20,680,000	42,913,200		42,913,200	42,914,539	1,339	100.00312%
12/01/2048	22,640,000	44,046,000		44,046,000	44,047,689	1,689	100.00383%
12/01/2049	23,600,000	44,100,400		44,100,400	44,100,802	402	100.00091%
12/01/2050	25,715,000	45,271,400		45,271,400	45,276,262	4,862	100.01074%
12/01/2051	26,800,000	45,327,800		45,327,800	45,330,443	2,643	100.00583%
12/01/2052	29,090,000	46,545,800		46,545,800	46,550,237	4,437	100.00953%
12/01/2053	30,310,000	46,602,200		46,602,200	46,605,507	3,307	100.00710%
12/01/2054	32,790,000	47,869,800		47,869,800	47,871,773	1,973	100.00412%
12/01/2055	34,155,000	47,923,200		47,923,200	47,928,154	4,954	100.01034%
12/01/2056	36,840,000	49,242,000		49,242,000	49,243,144	1,144	100.00232%
12/01/2057	38,370,000	49,298,400		49,298,400	49,300,659	2,259	100.00458%
12/01/2058	41,270,000	50,663,600		50,663,600	50,666,752	3,152	100.00622%
12/01/2059	42,980,000	50,722,800		50,722,800	50,725,422	2,622	100.00517%
12/01/2060	46,120,000	52,143,600		52,143,600	52,145,129	1,529	100.00293%
12/01/2061	104,470,000	108,648,800	(56,445,925)	52,202,875	52,204,978	2,103	100.00403%
	736,915,000	1,354,702,200	(56,445,925)	1,298,256,275	1,298,330,362	74,087	

**WH Metropolitan District Nos. 1-10  
Adams County, Colorado**

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**General Obligation Bonds, Series 2021  
General Obligation Refunding and Improvement Bonds, Series 2031**

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**Service Plan**

<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	12/1/2041	
Final Maturity	12/1/2051	12/1/2051	
Discharge Date	12/1/2061	12/1/2061	
<b>Sources of Funds</b>			
Par Amount	70,210,000	109,680,000	179,890,000
Funds on Hand	0	5,817,000	5,817,000
<b>Total</b>	<b>70,210,000</b>	<b>115,497,000</b>	<b>185,707,000</b>
<b>Uses of Funds</b>			
Project Fund	<b>51,715,300</b>	<b>38,026,292</b>	<b>89,741,592</b>
Refunding Escrow	0	67,945,000	67,945,000
Capitalized Interest	10,531,500	0	10,531,500
Reserve Fund	0	8,777,308	8,777,308
Surplus Deposit	6,309,000	0	6,309,000
Cost of Issuance	1,654,200	748,400	2,402,600
<b>Total</b>	<b>70,210,000</b>	<b>115,497,000</b>	<b>185,707,000</b>
<b>Debt Features</b>			
Projected Coverage at Mill Levy Cap	1.00x	1.00x	
Tax Status	Tax-Exempt	Tax-Exempt	
Rating	Non Rated	Non Rated	
Average Coupon	5.000%	4.000%	
Annual Trustee Fee	\$4,000	\$4,000	
<b>Biennial Reassessment</b>			
Residential	6.00%	6.00%	
<b>Tax Authority Assumptions</b>			
Metropolitan District Revenue			
Residential Assessment Ratio			
Service Plan Gallagherization Base	7.96%		
Current Assumption	7.15%		
Debt Service Mills			
Service Plan Mill Levy Cap	50.000		
Maximum Adjusted Cap	55.664		
Target Mill Levy	55.664		
Specific Ownership Tax	6.00%		
County Treasurer Fee	1.50%		

**WH Metropolitan District Nos. 1-10  
Development Summary**

	Residential - Phase 1							Total
	Single Family	Multi Family	Attainable	-	-	-	-	
	\$600,000	\$350,000	\$350,000	-	-	-	-	
	Sales per Unit	-	-	-	-	-	-	
Lodging per Unit	-	-	-	-	-	-	-	
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	100	-	-	-	-	-	-	100
2023	300	250	60	-	-	-	-	610
2024	600	250	60	-	-	-	-	910
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
<b>Total Units</b>	<b>1,000</b>	<b>500</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,620</b>
<b>Total Statutory Actual Value</b>	<b>\$600,000,000</b>	<b>\$175,000,000</b>	<b>\$42,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$817,000,000</b>
<b>Annual Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Annual Lodging</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**WH Metropolitan District Nos. 1-10**  
**Assessed Value**

	Vacant and Improved Land		Residential				Total
	Cumulative Actual Value	Statory Assessed Value in Collection Year 2 Year Lag 29.00%	Residential Units Delivered	Biennial Reassessment 6.00%	Cumulative Statory Actual Value	Assessed Value in Collection Year 2 Year Lag 7.15%	Assessed Value in Collection Year 2 Year Lag
2019	4,552		-	-	0		
2020	4,552		-	-	0		
2021	6,004,552	1,320	-	-	0	0	<b>1,320</b>
2022	28,854,271	1,320	100	-	61,200,000	0	1,320
2023	46,852,557	1,741,320	610	-	361,355,400	0	1,741,320
2024	0	8,367,739	910	21,681,324	880,212,672	4,375,800	12,743,539
2025	0	13,587,241	-	-	880,212,672	25,836,911	39,424,153
2026	0	0	-	52,812,760	933,025,432	62,935,206	62,935,206
2027	0	0	-	-	933,025,432	62,935,206	62,935,206
2028	0	0	-	55,981,526	989,006,958	66,711,318	66,711,318
2029	0	0	-	-	989,006,958	66,711,318	66,711,318
2030	0	0	-	59,340,417	1,048,347,376	70,713,998	70,713,998
2031	0	0	-	-	1,048,347,376	70,713,998	70,713,998
2032	0	0	-	62,900,843	1,111,248,218	74,956,837	74,956,837
2033	0	0	-	-	1,111,248,218	74,956,837	74,956,837
2034	0	0	-	66,674,893	1,177,923,111	79,454,248	79,454,248
2035	0	0	-	-	1,177,923,111	79,454,248	79,454,248
2036	0	0	-	70,675,387	1,248,598,498	84,221,502	84,221,502
2037	0	0	-	-	1,248,598,498	84,221,502	84,221,502
2038	0	0	-	74,915,910	1,323,514,408	89,274,793	89,274,793
2039	0	0	-	-	1,323,514,408	89,274,793	89,274,793
2040	0	0	-	79,410,864	1,402,925,272	94,631,280	94,631,280
2041	0	0	-	-	1,402,925,272	94,631,280	94,631,280
2042	0	0	-	84,175,516	1,487,100,789	100,309,157	100,309,157
2043	0	0	-	-	1,487,100,789	100,309,157	100,309,157
2044	0	0	-	89,226,047	1,576,326,836	106,327,706	106,327,706
2045	0	0	-	-	1,576,326,836	106,327,706	106,327,706
2046	0	0	-	94,579,610	1,670,906,446	112,707,369	112,707,369
2047	0	0	-	-	1,670,906,446	112,707,369	112,707,369
2048	0	0	-	100,254,387	1,771,160,833	119,469,811	119,469,811
2049	0	0	-	-	1,771,160,833	119,469,811	119,469,811
2050	0	0	-	106,269,650	1,877,430,483	126,638,000	126,638,000
2051	0	0	-	-	1,877,430,483	126,638,000	126,638,000
2052	0	0	-	112,645,829	1,990,076,312	134,236,280	134,236,280
2053	0	0	-	-	1,990,076,312	134,236,280	134,236,280
2054	0	0	-	119,404,579	2,109,480,891	142,290,456	142,290,456
2055	0	0	-	-	2,109,480,891	142,290,456	142,290,456
2056	0	0	-	126,568,853	2,236,049,744	150,827,884	150,827,884
2057	0	0	-	-	2,236,049,744	150,827,884	150,827,884
2058	0	0	-	134,162,985	2,370,212,729	159,877,557	159,877,557
2059	0	0	-	-	2,370,212,729	159,877,557	159,877,557
2060	0	0	-	-	2,370,212,729	169,470,210	169,470,210
2061	0	0	-	-	2,370,212,729	169,470,210	169,470,210
<b>Total</b>			1,620	1,511,681,381			

**WH Metropolitan District Nos. 1-10**  
**Revenue**

	Total	District Mill Levy Revenue			Expense		Total
	Assessed Value in Collection Year	Debt Mill Levy	Debt Mill Levy Collections	Specific Ownership Taxes	County Treasurer Fee	Annual Trustee Fee	Revenue Available for Debt Service
		55.664 Cap 55.664 Target	99.50%	6.00%	1.50%	\$4,000	
2021	1,320	0.000	0	0	0	0	0
2022	1,320	55.664	73	4	(1)	(4,000)	(3,924)
2023	1,741,320	55.664	96,444	5,787	(1,447)	(4,000)	96,784
2024	12,743,539	55.664	705,810	42,349	(10,587)	(4,000)	733,571
2025	39,424,153	55.664	2,183,533	131,012	(32,753)	(4,000)	2,277,793
2026	62,935,206	55.664	3,485,709	209,143	(52,286)	(4,000)	3,638,566
2027	62,935,206	55.664	3,485,709	209,143	(52,286)	(4,000)	3,638,566
2028	66,711,318	55.664	3,694,852	221,691	(55,423)	(4,000)	3,857,120
2029	66,711,318	55.664	3,694,852	221,691	(55,423)	(4,000)	3,857,120
2030	70,713,998	55.664	3,916,543	234,993	(58,748)	(4,000)	4,088,787
2031	70,713,998	55.664	3,916,543	234,993	(58,748)	(4,000)	4,088,787
2032	74,956,837	55.664	4,151,535	249,092	(62,273)	(4,000)	4,334,355
2033	74,956,837	55.664	4,151,535	249,092	(62,273)	(4,000)	4,334,355
2034	79,454,248	55.664	4,400,628	264,038	(66,009)	(4,000)	4,594,656
2035	79,454,248	55.664	4,400,628	264,038	(66,009)	(4,000)	4,594,656
2036	84,221,502	55.664	4,664,665	279,880	(69,970)	(4,000)	4,870,575
2037	84,221,502	55.664	4,664,665	279,880	(69,970)	(4,000)	4,870,575
2038	89,274,793	55.664	4,944,545	296,673	(74,168)	(4,000)	5,163,050
2039	89,274,793	55.664	4,944,545	296,673	(74,168)	(4,000)	5,163,050
2040	94,631,280	55.664	5,241,218	314,473	(78,618)	(4,000)	5,473,073
2041	94,631,280	55.664	5,241,218	314,473	(78,618)	(4,000)	5,473,073
2042	100,309,157	55.664	5,555,691	333,341	(83,335)	(4,000)	5,801,697
2043	100,309,157	55.664	5,555,691	333,341	(83,335)	(4,000)	5,801,697
2044	106,327,706	55.664	5,889,032	353,342	(88,335)	(4,000)	6,150,039
2045	106,327,706	55.664	5,889,032	353,342	(88,335)	(4,000)	6,150,039
2046	112,707,369	55.664	6,242,374	374,542	(93,636)	(4,000)	6,519,281
2047	112,707,369	55.664	6,242,374	374,542	(93,636)	(4,000)	6,519,281
2048	119,469,811	55.664	6,616,917	397,015	(99,254)	(4,000)	6,910,678
2049	119,469,811	55.664	6,616,917	397,015	(99,254)	(4,000)	6,910,678
2050	126,638,000	55.664	7,013,932	420,836	(105,209)	(4,000)	7,325,559
2051	126,638,000	55.664	7,013,932	420,836	(105,209)	(4,000)	7,325,559
2052	134,236,280	55.664	7,434,768	446,086	(111,522)	(4,000)	7,765,332
2053	134,236,280	55.664	7,434,768	446,086	(111,522)	(4,000)	7,765,332
2054	142,290,456	55.664	7,880,854	472,851	(118,213)	(4,000)	8,231,492
2055	142,290,456	55.664	7,880,854	472,851	(118,213)	(4,000)	8,231,492
2056	150,827,884	55.664	8,353,705	501,222	(125,306)	(4,000)	8,725,622
2057	150,827,884	55.664	8,353,705	501,222	(125,306)	(4,000)	8,725,622
2058	159,877,557	55.664	8,854,927	531,296	(132,824)	(4,000)	9,249,399
2059	159,877,557	55.664	8,854,927	531,296	(132,824)	(4,000)	9,249,399
2060	169,470,210	55.664	9,386,223	563,173	(140,793)	(4,000)	9,804,603
2061	169,470,210	55.664	9,386,223	563,173	(140,793)	(4,000)	9,804,603
<b>Total</b>			218,442,094	13,106,526	(3,276,631)	(160,000)	228,111,988

**WH Metropolitan District Nos. 1-10  
Debt Service**

	Total Revenue Available for Debt Service	Net Debt Service		Total	Surplus Fund				Ratio Analysis	
		Series 2021	Series 2031		Annual Surplus	Funds on Hand Used as a Source	Cumulative Balance \$35,978,000	Released Revenue	Debt Service Coverage	Senior Debt to Assessed Value
		Dated: 12/1/2021	Dated: 12/1/2031							
		Par: \$70,210,000 Proj: \$51,715,300	Par: \$109,680,000 Proj: \$38,026,292							
2021	0	0	0	0		6,309,000	0	n/a	n/a	
2022	(3,924)	0	0	(3,924)		6,305,076	0	n/a	5318939%	
2023	96,784	0	0	96,784		6,401,861	0	n/a	5318939%	
2024	733,571	0	0	733,571		7,135,432	0	n/a	4032%	
2025	2,277,793	3,510,500	3,510,500	(1,232,707)		5,902,724	0	65%	551%	
2026	3,638,566	3,635,500	3,635,500	3,066		5,905,790	0	100%	178%	
2027	3,638,566	3,634,250	3,634,250	4,316		5,910,106	0	100%	111%	
2028	3,857,120	3,852,750	3,852,750	4,370		5,914,476	0	100%	111%	
2029	3,857,120	3,855,000	3,855,000	2,120		5,916,596	0	100%	104%	
2030	4,088,787	4,086,250	4,086,250	2,537		5,919,134	0	100%	103%	
2031	4,088,787	4,085,000	0	(5,813,213)	5,817,000	105,921	0	100%	251%	
2032	4,334,355	Refunded	4,387,200	(52,845)		53,075	0	99%	155%	
2033	4,334,355		4,387,200	(52,845)		230	0	99%	146%	
2034	4,594,656		4,592,200	2,456		2,686	0	100%	146%	
2035	4,594,656		4,594,000	656		3,341	0	100%	138%	
2036	4,870,575		4,870,400	175		3,517	0	100%	137%	
2037	4,870,575		4,865,400	5,175		8,692	0	100%	129%	
2038	5,163,050		5,159,800	3,250		11,941	0	100%	128%	
2039	5,163,050		5,161,600	1,450		13,391	0	100%	119%	
2040	5,473,073		5,472,000	1,073		14,464	0	100%	118%	
2041	5,473,073		5,468,600	4,473		18,936	0	100%	110%	
2042	5,801,697		5,798,400	3,297		22,233	0	100%	108%	
2043	5,801,697		5,798,000	3,697		25,930	0	100%	100%	
2044	6,150,039		6,150,000	39		25,969	0	100%	98%	
2045	6,150,039		6,145,200	4,839		30,808	0	100%	91%	
2046	6,519,281		6,517,200	2,081		32,889	0	100%	88%	
2047	6,519,281		6,515,800	3,481		36,370	0	100%	81%	
2048	6,910,678		6,910,200	478		36,848	0	100%	78%	
2049	6,910,678		6,909,400	1,278		38,126	0	100%	71%	
2050	7,325,559		7,323,400	2,159		40,284	0	100%	67%	
2051	7,325,559		7,325,400	159		40,443	0	100%	60%	
2052	7,765,332		7,761,000	4,332		44,775	0	100%	57%	
2053	7,765,332		7,762,600	2,732		47,507	0	100%	50%	
2054	8,231,492		8,226,600	4,892		52,399	0	100%	46%	
2055	8,231,492		8,229,200	2,292		54,692	0	100%	39%	
2056	8,725,622		8,722,800	2,822		57,513	0	100%	34%	
2057	8,725,622		8,722,400	3,222		60,735	0	100%	28%	
2058	9,249,399		9,246,600	2,799		63,534	0	100%	23%	
2059	9,249,399		9,249,000	399		63,933	0	100%	17%	
2060	9,804,603		9,804,200	403		64,336	0	100%	11%	
2061	9,804,603		9,802,292	2,311		0	66,647	100%	0%	
<b>Total</b>	<b>228,111,988</b>	<b>26,659,250</b>	<b>201,878,092</b>	<b>228,537,342</b>	<b>(6,242,353)</b>		<b>66,647</b>			

1. Assumes \$6,309,000 Deposit to Surplus Fund at Closing

**WH Metropolitan District Nos. 1-10  
Revenue**

	Operations Mill Levy Revenue			Expense	Total
	O&M Mill Levy	O&M Mill Levy Collections	Specific Ownership Taxes	County Treasurer Fee	Revenue Available for Operations
	10.000 Cap 10.000 Target		6.00%	1.50%	
2021	0.000	0	0	0	0
2022	10.000	13	1	(0)	14
2023	10.000	17,413	1,045	(261)	18,197
2024	10.000	127,435	7,646	(1,912)	133,170
2025	10.000	394,242	23,654	(5,914)	411,982
2026	10.000	629,352	37,761	(9,440)	657,673
2027	10.000	629,352	37,761	(9,440)	657,673
2028	10.000	667,113	40,027	(10,007)	697,133
2029	10.000	667,113	40,027	(10,007)	697,133
2030	10.000	707,140	42,428	(10,607)	738,961
2031	10.000	707,140	42,428	(10,607)	738,961
2032	10.000	749,568	44,974	(11,244)	783,299
2033	10.000	749,568	44,974	(11,244)	783,299
2034	10.000	794,542	47,673	(11,918)	830,297
2035	10.000	794,542	47,673	(11,918)	830,297
2036	10.000	842,215	50,533	(12,633)	880,115
2037	10.000	842,215	50,533	(12,633)	880,115
2038	10.000	892,748	53,565	(13,391)	932,922
2039	10.000	892,748	53,565	(13,391)	932,922
2040	10.000	946,313	56,779	(14,195)	988,897
2041	10.000	946,313	56,779	(14,195)	988,897
2042	10.000	1,003,092	60,185	(15,046)	1,048,231
2043	10.000	1,003,092	60,185	(15,046)	1,048,231
2044	10.000	1,063,277	63,797	(15,949)	1,111,125
2045	10.000	1,063,277	63,797	(15,949)	1,111,125
2046	10.000	1,127,074	67,624	(16,906)	1,177,792
2047	10.000	1,127,074	67,624	(16,906)	1,177,792
2048	10.000	1,194,698	71,682	(17,920)	1,248,460
2049	10.000	1,194,698	71,682	(17,920)	1,248,460
2050	10.000	1,266,380	75,983	(18,996)	1,323,367
2051	10.000	1,266,380	75,983	(18,996)	1,323,367
2052	10.000	1,342,363	80,542	(20,135)	1,402,769
2053	10.000	1,342,363	80,542	(20,135)	1,402,769
2054	10.000	1,422,905	85,374	(21,344)	1,486,935
2055	10.000	1,422,905	85,374	(21,344)	1,486,935
2056	10.000	1,508,279	90,497	(22,624)	1,576,151
2057	10.000	1,508,279	90,497	(22,624)	1,576,151
2058	10.000	1,598,776	95,927	(23,982)	1,670,720
2059	10.000	1,598,776	95,927	(23,982)	1,670,720
2060	10.000	1,694,702	101,682	(25,421)	1,770,964
2061	10.000	1,694,702	101,682	(25,421)	1,770,964
<b>Total</b>		<b>39,440,176</b>	<b>2,366,411</b>	<b>(591,603)</b>	<b>41,214,983</b>

**WH Metropolitan District Nos. 1-10  
Revenue**

	ARI Mill Levy Revenue			Expense	Total
	ARI Mill Levy 5.000 Cap 5.000 Target	ARI Mill Levy Collections	Specific Ownership Taxes 6.00%	County Treasurer Fee 1.50%	Revenue Available for ARI
2021	0.000	0	0	0	0
2022	5.000	7	0	(0)	7
2023	5.000	8,707	522	(131)	9,098
2024	5.000	63,718	3,823	(956)	66,585
2025	5.000	197,121	11,827	(2,957)	205,991
2026	5.000	314,676	18,881	(4,720)	328,836
2027	5.000	314,676	18,881	(4,720)	328,836
2028	5.000	333,557	20,013	(5,003)	348,567
2029	5.000	333,557	20,013	(5,003)	348,567
2030	5.000	353,570	21,214	(5,304)	369,481
2031	5.000	353,570	21,214	(5,304)	369,481
2032	5.000	374,784	22,487	(5,622)	391,649
2033	5.000	374,784	22,487	(5,622)	391,649
2034	5.000	397,271	23,836	(5,959)	415,148
2035	5.000	397,271	23,836	(5,959)	415,148
2036	5.000	421,108	25,266	(6,317)	440,057
2037	5.000	421,108	25,266	(6,317)	440,057
2038	5.000	446,374	26,782	(6,696)	466,461
2039	5.000	446,374	26,782	(6,696)	466,461
2040	5.000	473,156	28,389	(7,097)	494,448
2041	5.000	473,156	28,389	(7,097)	494,448
2042	5.000	501,546	30,093	(7,523)	524,115
2043	5.000	501,546	30,093	(7,523)	524,115
2044	5.000	531,639	31,898	(7,975)	555,562
2045	5.000	531,639	31,898	(7,975)	555,562
2046	5.000	563,537	33,812	(8,453)	588,896
2047	5.000	563,537	33,812	(8,453)	588,896
2048	5.000	597,349	35,841	(8,960)	624,230
2049	5.000	597,349	35,841	(8,960)	624,230
2050	5.000	633,190	37,991	(9,498)	661,684
2051	5.000	633,190	37,991	(9,498)	661,684
2052	5.000	671,181	40,271	(10,068)	701,385
2053	5.000	671,181	40,271	(10,068)	701,385
2054	5.000	711,452	42,687	(10,672)	743,468
2055	5.000	711,452	42,687	(10,672)	743,468
2056	5.000	754,139	45,248	(11,312)	788,076
2057	5.000	754,139	45,248	(11,312)	788,076
2058	5.000	799,388	47,963	(11,991)	835,360
2059	5.000	799,388	47,963	(11,991)	835,360
2060	5.000	847,351	50,841	(12,710)	885,482
2061	5.000	847,351	50,841	(12,710)	885,482
<b>Total</b>		<b>19,720,088</b>	<b>1,183,205</b>	<b>(295,801)</b>	<b>20,607,492</b>



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## SOURCES AND USES OF FUNDS

WH METROPOLITAN DISTRICT NOS. 1-10  
Adams County, Colorado

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### GENERAL OBLIGATION BONDS, SERIES 2021 Non-Rated, 1.00x, 30-year Maturity, 6% Biennial Reassessment Service Plan

Dated Date                    12/01/2021  
Delivery Date                12/01/2021

#### **Sources:**

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|                |               |
|----------------|---------------|
| Bond Proceeds: |               |
| Par Amount     | 70,210,000.00 |
|                | <hr/>         |
|                | 70,210,000.00 |

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#### **Uses:**

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|                           |                     |
|---------------------------|---------------------|
| Project Fund Deposits:    |                     |
| Project Fund              | 51,715,300.00       |
| Other Fund Deposits:      |                     |
| Capitalized Interest Fund | 10,531,500.00       |
| Surplus Fund              | <u>6,309,000.00</u> |
|                           | 16,840,500.00       |
| Cost of Issuance:         |                     |
| Other Cost of Issuance    | 250,000.00          |
| Delivery Date Expenses:   |                     |
| Underwriter's Discount    | 1,404,200.00        |
|                           | <hr/>               |
|                           | 70,210,000.00       |

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## BOND SUMMARY STATISTICS

**WH METROPOLITAN DISTRICT NOS. 1-10**  
**Adams County, Colorado**

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**GENERAL OBLIGATION BONDS, SERIES 2021**  
**Non-Rated, 1.00x, 30-year Maturity, 6% Biennial Reassessment**  
**Service Plan**

Dated Date	12/01/2021
Delivery Date	12/01/2021
Last Maturity	12/01/2051
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.152091%
Net Interest Cost (NIC)	5.086438%
All-In TIC	5.179640%
Average Coupon	5.000000%
Average Life (years)	23.138
Duration of Issue (years)	13.565
Par Amount	70,210,000.00
Bond Proceeds	70,210,000.00
Total Interest	81,226,000.00
Net Interest	82,630,200.00
Total Debt Service	151,436,000.00
Maximum Annual Debt Service	7,323,750.00
Average Annual Debt Service	5,047,866.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

<b>Bond Component</b>	<b>Par Value</b>	<b>Price</b>	<b>Average Coupon</b>	<b>Average Life</b>
Term Bond due 2051	70,210,000.00	100.000	5.000%	23.138
	70,210,000.00			23.138

	TIC	All-In TIC	Arbitrage Yield
Par Value	70,210,000.00	70,210,000.00	70,210,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	(1,404,200.00)	(1,404,200.00)	
- Cost of Issuance Expense		(250,000.00)	
- Other Amounts			
Target Value	68,805,800.00	68,555,800.00	70,210,000.00
Target Date	12/01/2021	12/01/2021	12/01/2021
Yield	5.152091%	5.179640%	5.000000%

**NET DEBT SERVICE**

**WH METROPOLITAN DISTRICT NOS. 1-10  
Adams County, Colorado**

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**GENERAL OBLIGATION BONDS, SERIES 2021  
Non-Rated, 1.00x, 30-year Maturity, 6% Biennial Reassessment  
Service Plan**

| <i>Period<br/>Ending</i> | <i>Principal</i> | <i>Coupon</i> | <i>Interest</i> | <i>Total<br/>Debt Service</i> | <i>Capitalized<br/>Interest<br/>Fund</i> | <i>Net<br/>Debt Service</i> |
|--------------------------|------------------|---------------|-----------------|-------------------------------|------------------------------------------|-----------------------------|
| 12/01/2022               |                  |               | 3,510,500       | 3,510,500                     | 3,510,500                                |                             |
| 12/01/2023               |                  |               | 3,510,500       | 3,510,500                     | 3,510,500                                |                             |
| 12/01/2024               |                  |               | 3,510,500       | 3,510,500                     | 3,510,500                                |                             |
| 12/01/2025               |                  |               | 3,510,500       | 3,510,500                     |                                          | 3,510,500                   |
| 12/01/2026               | 125,000          | 5.000%        | 3,510,500       | 3,635,500                     |                                          | 3,635,500                   |
| 12/01/2027               | 130,000          | 5.000%        | 3,504,250       | 3,634,250                     |                                          | 3,634,250                   |
| 12/01/2028               | 355,000          | 5.000%        | 3,497,750       | 3,852,750                     |                                          | 3,852,750                   |
| 12/01/2029               | 375,000          | 5.000%        | 3,480,000       | 3,855,000                     |                                          | 3,855,000                   |
| 12/01/2030               | 625,000          | 5.000%        | 3,461,250       | 4,086,250                     |                                          | 4,086,250                   |
| 12/01/2031               | 655,000          | 5.000%        | 3,430,000       | 4,085,000                     |                                          | 4,085,000                   |
| 12/01/2032               | 935,000          | 5.000%        | 3,397,250       | 4,332,250                     |                                          | 4,332,250                   |
| 12/01/2033               | 980,000          | 5.000%        | 3,350,500       | 4,330,500                     |                                          | 4,330,500                   |
| 12/01/2034               | 1,290,000        | 5.000%        | 3,301,500       | 4,591,500                     |                                          | 4,591,500                   |
| 12/01/2035               | 1,355,000        | 5.000%        | 3,237,000       | 4,592,000                     |                                          | 4,592,000                   |
| 12/01/2036               | 1,700,000        | 5.000%        | 3,169,250       | 4,869,250                     |                                          | 4,869,250                   |
| 12/01/2037               | 1,785,000        | 5.000%        | 3,084,250       | 4,869,250                     |                                          | 4,869,250                   |
| 12/01/2038               | 2,165,000        | 5.000%        | 2,995,000       | 5,160,000                     |                                          | 5,160,000                   |
| 12/01/2039               | 2,275,000        | 5.000%        | 2,886,750       | 5,161,750                     |                                          | 5,161,750                   |
| 12/01/2040               | 2,700,000        | 5.000%        | 2,773,000       | 5,473,000                     |                                          | 5,473,000                   |
| 12/01/2041               | 2,835,000        | 5.000%        | 2,638,000       | 5,473,000                     |                                          | 5,473,000                   |
| 12/01/2042               | 3,305,000        | 5.000%        | 2,496,250       | 5,801,250                     |                                          | 5,801,250                   |
| 12/01/2043               | 3,470,000        | 5.000%        | 2,331,000       | 5,801,000                     |                                          | 5,801,000                   |
| 12/01/2044               | 3,990,000        | 5.000%        | 2,157,500       | 6,147,500                     |                                          | 6,147,500                   |
| 12/01/2045               | 4,190,000        | 5.000%        | 1,958,000       | 6,148,000                     |                                          | 6,148,000                   |
| 12/01/2046               | 4,770,000        | 5.000%        | 1,748,500       | 6,518,500                     |                                          | 6,518,500                   |
| 12/01/2047               | 5,005,000        | 5.000%        | 1,510,000       | 6,515,000                     |                                          | 6,515,000                   |
| 12/01/2048               | 5,650,000        | 5.000%        | 1,259,750       | 6,909,750                     |                                          | 6,909,750                   |
| 12/01/2049               | 5,930,000        | 5.000%        | 977,250         | 6,907,250                     |                                          | 6,907,250                   |
| 12/01/2050               | 6,640,000        | 5.000%        | 680,750         | 7,320,750                     |                                          | 7,320,750                   |
| 12/01/2051               | 6,975,000        | 5.000%        | 348,750         | 7,323,750                     |                                          | 7,323,750                   |
|                          | 70,210,000       |               | 81,226,000      | 151,436,000                   | 10,531,500                               | 140,904,500                 |

## BOND SOLUTION

### WH METROPOLITAN DISTRICT NOS. 1-10 Adams County, Colorado

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### GENERAL OBLIGATION BONDS, SERIES 2021 Non-Rated, 1.00x, 30-year Maturity, 6% Biennial Reassessment Service Plan

| <i>Period Ending</i> | <i>Proposed Principal</i> | <i>Proposed Debt Service</i> | <i>Debt Service Adjustments</i> | <i>Total Adj Debt Service</i> | <i>Revenue Constraints</i> | <i>Unused Revenues</i> | <i>Debt Serv Coverage</i> |
|----------------------|---------------------------|------------------------------|---------------------------------|-------------------------------|----------------------------|------------------------|---------------------------|
| 12/01/2022           |                           | 3,510,500                    | (3,510,500)                     |                               | (3,924)                    | (3,924)                |                           |
| 12/01/2023           |                           | 3,510,500                    | (3,510,500)                     |                               | 96,784                     | 96,784                 |                           |
| 12/01/2024           |                           | 3,510,500                    | (3,510,500)                     |                               | 733,571                    | 733,571                |                           |
| 12/01/2025           |                           | 3,510,500                    |                                 | 3,510,500                     | 2,277,793                  | (1,232,707)            | 64.88513%                 |
| 12/01/2026           | 125,000                   | 3,635,500                    |                                 | 3,635,500                     | 3,638,566                  | 3,066                  | 100.08434%                |
| 12/01/2027           | 130,000                   | 3,634,250                    |                                 | 3,634,250                     | 3,638,566                  | 4,316                  | 100.11876%                |
| 12/01/2028           | 355,000                   | 3,852,750                    |                                 | 3,852,750                     | 3,857,120                  | 4,370                  | 100.11343%                |
| 12/01/2029           | 375,000                   | 3,855,000                    |                                 | 3,855,000                     | 3,857,120                  | 2,120                  | 100.05500%                |
| 12/01/2030           | 625,000                   | 4,086,250                    |                                 | 4,086,250                     | 4,088,787                  | 2,537                  | 100.06209%                |
| 12/01/2031           | 655,000                   | 4,085,000                    |                                 | 4,085,000                     | 4,088,787                  | 3,787                  | 100.09271%                |
| 12/01/2032           | 935,000                   | 4,332,250                    |                                 | 4,332,250                     | 4,334,355                  | 2,105                  | 100.04858%                |
| 12/01/2033           | 980,000                   | 4,330,500                    |                                 | 4,330,500                     | 4,334,355                  | 3,855                  | 100.08901%                |
| 12/01/2034           | 1,290,000                 | 4,591,500                    |                                 | 4,591,500                     | 4,594,656                  | 3,156                  | 100.06873%                |
| 12/01/2035           | 1,355,000                 | 4,592,000                    |                                 | 4,592,000                     | 4,594,656                  | 2,656                  | 100.05783%                |
| 12/01/2036           | 1,700,000                 | 4,869,250                    |                                 | 4,869,250                     | 4,870,575                  | 1,325                  | 100.02721%                |
| 12/01/2037           | 1,785,000                 | 4,869,250                    |                                 | 4,869,250                     | 4,870,575                  | 1,325                  | 100.02721%                |
| 12/01/2038           | 2,165,000                 | 5,160,000                    |                                 | 5,160,000                     | 5,163,050                  | 3,050                  | 100.05910%                |
| 12/01/2039           | 2,275,000                 | 5,161,750                    |                                 | 5,161,750                     | 5,163,050                  | 1,300                  | 100.02518%                |
| 12/01/2040           | 2,700,000                 | 5,473,000                    |                                 | 5,473,000                     | 5,473,073                  | 73                     | 100.00133%                |
| 12/01/2041           | 2,835,000                 | 5,473,000                    |                                 | 5,473,000                     | 5,473,073                  | 73                     | 100.00133%                |
| 12/01/2042           | 3,305,000                 | 5,801,250                    |                                 | 5,801,250                     | 5,801,697                  | 447                    | 100.00770%                |
| 12/01/2043           | 3,470,000                 | 5,801,000                    |                                 | 5,801,000                     | 5,801,697                  | 697                    | 100.01201%                |
| 12/01/2044           | 3,990,000                 | 6,147,500                    |                                 | 6,147,500                     | 6,150,039                  | 2,539                  | 100.04130%                |
| 12/01/2045           | 4,190,000                 | 6,148,000                    |                                 | 6,148,000                     | 6,150,039                  | 2,039                  | 100.03316%                |
| 12/01/2046           | 4,770,000                 | 6,518,500                    |                                 | 6,518,500                     | 6,519,281                  | 781                    | 100.01198%                |
| 12/01/2047           | 5,005,000                 | 6,515,000                    |                                 | 6,515,000                     | 6,519,281                  | 4,281                  | 100.06571%                |
| 12/01/2048           | 5,650,000                 | 6,909,750                    |                                 | 6,909,750                     | 6,910,678                  | 928                    | 100.01343%                |
| 12/01/2049           | 5,930,000                 | 6,907,250                    |                                 | 6,907,250                     | 6,910,678                  | 3,428                  | 100.04963%                |
| 12/01/2050           | 6,640,000                 | 7,320,750                    |                                 | 7,320,750                     | 7,325,559                  | 4,809                  | 100.06569%                |
| 12/01/2051           | 6,975,000                 | 7,323,750                    |                                 | 7,323,750                     | 7,325,559                  | 1,809                  | 100.02470%                |
|                      | 70,210,000                | 151,436,000                  | (10,531,500)                    | 140,904,500                   | 140,559,093                | (345,407)              |                           |

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## SOURCES AND USES OF FUNDS

WH METROPOLITAN DISTRICT NOS. 1-10  
Adams County, Colorado

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### GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031 Investment Grade, 1.00x, 30-yr. Maturity Service Plan

Dated Date                    12/01/2031  
Delivery Date                12/01/2031

**Sources:**

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Bond Proceeds:	
Par Amount	109,680,000.00
Other Sources of Funds:	
Funds on Hand (est.)	5,817,000.00
	<hr/>
	115,497,000.00
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**Uses:**

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Project Fund Deposits:	
Project Fund	38,026,291.67
Refunding Escrow Deposits:	
Cash Deposit	67,945,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	8,777,308.33
Cost of Issuance:	
Other Cost of Issuance	200,000.00
Delivery Date Expenses:	
Underwriter's Discount	548,400.00
	<hr/>
	115,497,000.00
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**BOND PRICING**

**WH METROPOLITAN DISTRICT NOS. 1-10  
Adams County, Colorado**

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**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031  
Investment Grade, 1.00x, 30-yr. Maturity  
Service Plan**

| <i>Bond Component</i> | <i>Maturity Date</i> | <i>Amount</i> | <i>Rate</i> | <i>Yield</i> | <i>Price</i> |
|-----------------------|----------------------|---------------|-------------|--------------|--------------|
| Term Bond due 2061:   |                      |               |             |              |              |
|                       | 12/01/2032           |               | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2033           |               | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2034           | 205,000       | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2035           | 215,000       | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2036           | 500,000       | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2037           | 515,000       | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2038           | 830,000       | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2039           | 865,000       | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2040           | 1,210,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2041           | 1,255,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2042           | 1,635,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2043           | 1,700,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2044           | 2,120,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2045           | 2,200,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2046           | 2,660,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2047           | 2,765,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2048           | 3,270,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2049           | 3,400,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2050           | 3,950,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2051           | 4,110,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2052           | 4,710,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2053           | 4,900,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2054           | 5,560,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2055           | 5,785,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2056           | 6,510,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2057           | 6,770,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2058           | 7,565,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2059           | 7,870,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2060           | 8,740,000     | 4.000%      | 4.000%       | 100.000      |
|                       | 12/01/2061           | 17,865,000    | 4.000%      | 4.000%       | 100.000      |

109,680,000

|                         |                |             |
|-------------------------|----------------|-------------|
| Dated Date              | 12/01/2031     |             |
| Delivery Date           | 12/01/2031     |             |
| First Coupon            | 06/01/2032     |             |
| Par Amount              | 109,680,000.00 |             |
| Original Issue Discount |                |             |
| Production              | 109,680,000.00 | 100.000000% |
| Underwriter's Discount  | (548,400.00)   | (0.500000%) |
| Purchase Price          | 109,131,600.00 | 99.500000%  |
| Accrued Interest        |                |             |
| Net Proceeds            | 109,131,600.00 |             |

## BOND SUMMARY STATISTICS

**WH METROPOLITAN DISTRICT NOS. 1-10**  
**Adams County, Colorado**

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**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031**  
**Investment Grade, 1.00x, 30-yr. Maturity**  
**Service Plan**

Dated Date	12/01/2031
Delivery Date	12/01/2031
Last Maturity	12/01/2061
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.034346%
Net Interest Cost (NIC)	4.021724%
All-In TIC	4.046932%
Average Coupon	4.000000%
Average Life (years)	23.016
Duration of Issue (years)	14.874
Par Amount	109,680,000.00
Bond Proceeds	109,680,000.00
Total Interest	100,975,400.00
Net Interest	101,523,800.00
Total Debt Service	210,655,400.00
Maximum Annual Debt Service	18,579,600.00
Average Annual Debt Service	7,021,846.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

<b>Bond Component</b>	<b>Par Value</b>	<b>Price</b>	<b>Average Coupon</b>	<b>Average Life</b>
Term Bond due 2061	109,680,000.00	100.000	4.000%	23.016
	109,680,000.00			23.016

	TIC	All-In TIC	Arbitrage Yield
Par Value	109,680,000.00	109,680,000.00	109,680,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	(548,400.00)	(548,400.00)	
- Cost of Issuance Expense		(200,000.00)	
- Other Amounts			
Target Value	109,131,600.00	108,931,600.00	109,680,000.00
Target Date	12/01/2031	12/01/2031	12/01/2031
Yield	4.034346%	4.046932%	4.000000%

## NET DEBT SERVICE

**WH METROPOLITAN DISTRICT NOS. 1-10**  
**Adams County, Colorado**

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**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031**  
**Investment Grade, 1.00x, 30-yr. Maturity**  
**Service Plan**

| <i>Period<br/>Ending</i> | <i>Principal</i> | <i>Coupon</i> | <i>Interest</i> | <i>Total<br/>Debt Service</i> | <i>Debt Service<br/>Reserve Fund</i> | <i>Net<br/>Debt Service</i> |
|--------------------------|------------------|---------------|-----------------|-------------------------------|--------------------------------------|-----------------------------|
| 12/01/2032               |                  |               | 4,387,200       | 4,387,200                     |                                      | 4,387,200.00                |
| 12/01/2033               |                  |               | 4,387,200       | 4,387,200                     |                                      | 4,387,200.00                |
| 12/01/2034               | 205,000          | 4.000%        | 4,387,200       | 4,592,200                     |                                      | 4,592,200.00                |
| 12/01/2035               | 215,000          | 4.000%        | 4,379,000       | 4,594,000                     |                                      | 4,594,000.00                |
| 12/01/2036               | 500,000          | 4.000%        | 4,370,400       | 4,870,400                     |                                      | 4,870,400.00                |
| 12/01/2037               | 515,000          | 4.000%        | 4,350,400       | 4,865,400                     |                                      | 4,865,400.00                |
| 12/01/2038               | 830,000          | 4.000%        | 4,329,800       | 5,159,800                     |                                      | 5,159,800.00                |
| 12/01/2039               | 865,000          | 4.000%        | 4,296,600       | 5,161,600                     |                                      | 5,161,600.00                |
| 12/01/2040               | 1,210,000        | 4.000%        | 4,262,000       | 5,472,000                     |                                      | 5,472,000.00                |
| 12/01/2041               | 1,255,000        | 4.000%        | 4,213,600       | 5,468,600                     |                                      | 5,468,600.00                |
| 12/01/2042               | 1,635,000        | 4.000%        | 4,163,400       | 5,798,400                     |                                      | 5,798,400.00                |
| 12/01/2043               | 1,700,000        | 4.000%        | 4,098,000       | 5,798,000                     |                                      | 5,798,000.00                |
| 12/01/2044               | 2,120,000        | 4.000%        | 4,030,000       | 6,150,000                     |                                      | 6,150,000.00                |
| 12/01/2045               | 2,200,000        | 4.000%        | 3,945,200       | 6,145,200                     |                                      | 6,145,200.00                |
| 12/01/2046               | 2,660,000        | 4.000%        | 3,857,200       | 6,517,200                     |                                      | 6,517,200.00                |
| 12/01/2047               | 2,765,000        | 4.000%        | 3,750,800       | 6,515,800                     |                                      | 6,515,800.00                |
| 12/01/2048               | 3,270,000        | 4.000%        | 3,640,200       | 6,910,200                     |                                      | 6,910,200.00                |
| 12/01/2049               | 3,400,000        | 4.000%        | 3,509,400       | 6,909,400                     |                                      | 6,909,400.00                |
| 12/01/2050               | 3,950,000        | 4.000%        | 3,373,400       | 7,323,400                     |                                      | 7,323,400.00                |
| 12/01/2051               | 4,110,000        | 4.000%        | 3,215,400       | 7,325,400                     |                                      | 7,325,400.00                |
| 12/01/2052               | 4,710,000        | 4.000%        | 3,051,000       | 7,761,000                     |                                      | 7,761,000.00                |
| 12/01/2053               | 4,900,000        | 4.000%        | 2,862,600       | 7,762,600                     |                                      | 7,762,600.00                |
| 12/01/2054               | 5,560,000        | 4.000%        | 2,666,600       | 8,226,600                     |                                      | 8,226,600.00                |
| 12/01/2055               | 5,785,000        | 4.000%        | 2,444,200       | 8,229,200                     |                                      | 8,229,200.00                |
| 12/01/2056               | 6,510,000        | 4.000%        | 2,212,800       | 8,722,800                     |                                      | 8,722,800.00                |
| 12/01/2057               | 6,770,000        | 4.000%        | 1,952,400       | 8,722,400                     |                                      | 8,722,400.00                |
| 12/01/2058               | 7,565,000        | 4.000%        | 1,681,600       | 9,246,600                     |                                      | 9,246,600.00                |
| 12/01/2059               | 7,870,000        | 4.000%        | 1,379,000       | 9,249,000                     |                                      | 9,249,000.00                |
| 12/01/2060               | 8,740,000        | 4.000%        | 1,064,200       | 9,804,200                     |                                      | 9,804,200.00                |
| 12/01/2061               | 17,865,000       | 4.000%        | 714,600         | 18,579,600                    | 8,777,308.33                         | 9,802,291.67                |
|                          | 109,680,000      |               | 100,975,400     | 210,655,400                   | 8,777,308.33                         | 201,878,091.67              |



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## SUMMARY OF BONDS REFUNDED

WH METROPOLITAN DISTRICT NOS. 1-10  
Adams County, Colorado

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### GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031 Investment Grade, 1.00x, 30-yr. Maturity Service Plan

<i>Bond</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Call Date</i>	<i>Call Price</i>
Series 21 Service Plan, 21SPD2, TERM51:					
	12/01/2032	5.000%	935,000.00	12/01/2031	100.000
	12/01/2033	5.000%	980,000.00	12/01/2031	100.000
	12/01/2034	5.000%	1,290,000.00	12/01/2031	100.000
	12/01/2035	5.000%	1,355,000.00	12/01/2031	100.000
	12/01/2036	5.000%	1,700,000.00	12/01/2031	100.000
	12/01/2037	5.000%	1,785,000.00	12/01/2031	100.000
	12/01/2038	5.000%	2,165,000.00	12/01/2031	100.000
	12/01/2039	5.000%	2,275,000.00	12/01/2031	100.000
	12/01/2040	5.000%	2,700,000.00	12/01/2031	100.000
	12/01/2041	5.000%	2,835,000.00	12/01/2031	100.000
	12/01/2042	5.000%	3,305,000.00	12/01/2031	100.000
	12/01/2043	5.000%	3,470,000.00	12/01/2031	100.000
	12/01/2044	5.000%	3,990,000.00	12/01/2031	100.000
	12/01/2045	5.000%	4,190,000.00	12/01/2031	100.000
	12/01/2046	5.000%	4,770,000.00	12/01/2031	100.000
	12/01/2047	5.000%	5,005,000.00	12/01/2031	100.000
	12/01/2048	5.000%	5,650,000.00	12/01/2031	100.000
	12/01/2049	5.000%	5,930,000.00	12/01/2031	100.000
	12/01/2050	5.000%	6,640,000.00	12/01/2031	100.000
	12/01/2051	5.000%	6,975,000.00	12/01/2031	100.000
			67,945,000.00		

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**ESCROW REQUIREMENTS**

**WH METROPOLITAN DISTRICT NOS. 1-10  
Adams County, Colorado**

~~~

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031  
Investment Grade, 1.00x, 30-yr. Maturity  
Service Plan**

**Pay & Cancel Series 2021 (PC21)**

| <i><b>Period<br/>Ending</b></i> | <i><b>Principal<br/>Redeemed</b></i> | <i><b>Total</b></i> |
|---------------------------------|--------------------------------------|---------------------|
| 12/01/2031                      | 67,945,000.00                        | 67,945,000.00       |
|                                 | 67,945,000.00                        | 67,945,000.00       |

**PRIOR BOND DEBT SERVICE**

**WH METROPOLITAN DISTRICT NOS. 1-10  
Adams County, Colorado**

~~~

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031  
Investment Grade, 1.00x, 30-yr. Maturity  
Service Plan**

**Pay & Cancel Series 2021 (PC21)**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
06/01/2032			1,698,625	1,698,625	
12/01/2032	935,000	5.000%	1,698,625	2,633,625	4,332,250
06/01/2033			1,675,250	1,675,250	
12/01/2033	980,000	5.000%	1,675,250	2,655,250	4,330,500
06/01/2034			1,650,750	1,650,750	
12/01/2034	1,290,000	5.000%	1,650,750	2,940,750	4,591,500
06/01/2035			1,618,500	1,618,500	
12/01/2035	1,355,000	5.000%	1,618,500	2,973,500	4,592,000
06/01/2036			1,584,625	1,584,625	
12/01/2036	1,700,000	5.000%	1,584,625	3,284,625	4,869,250
06/01/2037			1,542,125	1,542,125	
12/01/2037	1,785,000	5.000%	1,542,125	3,327,125	4,869,250
06/01/2038			1,497,500	1,497,500	
12/01/2038	2,165,000	5.000%	1,497,500	3,662,500	5,160,000
06/01/2039			1,443,375	1,443,375	
12/01/2039	2,275,000	5.000%	1,443,375	3,718,375	5,161,750
06/01/2040			1,386,500	1,386,500	
12/01/2040	2,700,000	5.000%	1,386,500	4,086,500	5,473,000
06/01/2041			1,319,000	1,319,000	
12/01/2041	2,835,000	5.000%	1,319,000	4,154,000	5,473,000
06/01/2042			1,248,125	1,248,125	
12/01/2042	3,305,000	5.000%	1,248,125	4,553,125	5,801,250
06/01/2043			1,165,500	1,165,500	
12/01/2043	3,470,000	5.000%	1,165,500	4,635,500	5,801,000
06/01/2044			1,078,750	1,078,750	
12/01/2044	3,990,000	5.000%	1,078,750	5,068,750	6,147,500
06/01/2045			979,000	979,000	
12/01/2045	4,190,000	5.000%	979,000	5,169,000	6,148,000
06/01/2046			874,250	874,250	
12/01/2046	4,770,000	5.000%	874,250	5,644,250	6,518,500
06/01/2047			755,000	755,000	
12/01/2047	5,005,000	5.000%	755,000	5,760,000	6,515,000
06/01/2048			629,875	629,875	
12/01/2048	5,650,000	5.000%	629,875	6,279,875	6,909,750
06/01/2049			488,625	488,625	
12/01/2049	5,930,000	5.000%	488,625	6,418,625	6,907,250
06/01/2050			340,375	340,375	
12/01/2050	6,640,000	5.000%	340,375	6,980,375	7,320,750
06/01/2051			174,375	174,375	
12/01/2051	6,975,000	5.000%	174,375	7,149,375	7,323,750
	67,945,000		46,300,250	114,245,250	114,245,250

## BOND SOLUTION

**WH METROPOLITAN DISTRICT NOS. 1-10**  
**Adams County, Colorado**

~ ~ ~  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2031**  
**Investment Grade, 1.00x, 30-yr. Maturity**  
**Service Plan**

<i>Period Ending</i>	<i>Proposed Principal</i>	<i>Proposed Debt Service</i>	<i>Debt Service Adjustments</i>	<i>Total Adj Debt Service</i>	<i>Revenue Constraints</i>	<i>Unused Revenues</i>	<i>Debt Serv Coverage</i>
12/01/2032		4,387,200		4,387,200	4,334,355	(52,846)	98.79546%
12/01/2033		4,387,200		4,387,200	4,334,355	(52,846)	98.79546%
12/01/2034	205,000	4,592,200		4,592,200	4,594,656	2,456	100.05348%
12/01/2035	215,000	4,594,000		4,594,000	4,594,656	656	100.01427%
12/01/2036	500,000	4,870,400		4,870,400	4,870,575	175	100.00360%
12/01/2037	515,000	4,865,400		4,865,400	4,870,575	5,175	100.10637%
12/01/2038	830,000	5,159,800		5,159,800	5,163,050	3,250	100.06298%
12/01/2039	865,000	5,161,600		5,161,600	5,163,050	1,450	100.02808%
12/01/2040	1,210,000	5,472,000		5,472,000	5,473,073	1,073	100.01960%
12/01/2041	1,255,000	5,468,600		5,468,600	5,473,073	4,473	100.08179%
12/01/2042	1,635,000	5,798,400		5,798,400	5,801,697	3,297	100.05686%
12/01/2043	1,700,000	5,798,000		5,798,000	5,801,697	3,697	100.06376%
12/01/2044	2,120,000	6,150,000		6,150,000	6,150,039	39	100.00063%
12/01/2045	2,200,000	6,145,200		6,145,200	6,150,039	4,839	100.07874%
12/01/2046	2,660,000	6,517,200		6,517,200	6,519,281	2,081	100.03193%
12/01/2047	2,765,000	6,515,800		6,515,800	6,519,281	3,481	100.05343%
12/01/2048	3,270,000	6,910,200		6,910,200	6,910,678	478	100.00692%
12/01/2049	3,400,000	6,909,400		6,909,400	6,910,678	1,278	100.01850%
12/01/2050	3,950,000	7,323,400		7,323,400	7,325,559	2,159	100.02948%
12/01/2051	4,110,000	7,325,400		7,325,400	7,325,559	159	100.00217%
12/01/2052	4,710,000	7,761,000		7,761,000	7,765,332	4,332	100.05582%
12/01/2053	4,900,000	7,762,600		7,762,600	7,765,332	2,732	100.03520%
12/01/2054	5,560,000	8,226,600		8,226,600	8,231,492	4,892	100.05947%
12/01/2055	5,785,000	8,229,200		8,229,200	8,231,492	2,292	100.02785%
12/01/2056	6,510,000	8,722,800		8,722,800	8,725,622	2,822	100.03235%
12/01/2057	6,770,000	8,722,400		8,722,400	8,725,622	3,222	100.03694%
12/01/2058	7,565,000	9,246,600		9,246,600	9,249,399	2,799	100.03027%
12/01/2059	7,870,000	9,249,000		9,249,000	9,249,399	399	100.00431%
12/01/2060	8,740,000	9,804,200		9,804,200	9,804,603	403	100.00411%
12/01/2061	17,865,000	18,579,600	(8,777,308)	9,802,292	9,804,603	2,311	100.02358%
	109,680,000	210,655,400	(8,777,308)	201,878,092	201,838,817	(39,274)	

WILLIAM P. ANKELE, JR.  
 JENNIFER GRUBER TANAKA  
 CLINT C. WALDRON  
 KRISTIN BOWERS TOMPKINS  
 ROBERT G. ROGERS  
 BLAIR M. DICKHONER  
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 LAURA S. HEINRICH  
 AUDREY G. JOHNSON  
 CAREY S. SMITH  
 ERIN K. STUTZ

May 13, 2021

**VIA EMAIL**

Cesarina Dancy  
 Development Project Manager  
 City of Aurora  
 Office of Development Assistance  
 15151 E. Alameda Parkway, Suite 5200  
 Aurora, CO 80012  
[cdancy@auroragov.org](mailto:cdancy@auroragov.org)

**Re: Amended and Restated Service Plan for Windler Homestead Metropolitan District**

Dear Ms. Dancy:

The City Council for the City of Aurora approved a Service Plan for WH Metropolitan District No. 2 on August 30, 2004 (the “**Original Service Plan**”). WH Metropolitan District No. 1 changed its name to Windler Homestead Metropolitan District pursuant to an Order for Name Change granted by the Adams County District Court on October 19, 2005.

Windler Homestead Metropolitan District (the “**District**”) is requesting the City Council approve the enclosed Amended and Restated Service Plan (the “**Amended Service Plan**”) at a public hearing on June 14, 2021. Below is a summary of the proposed changes from the Original Service Plan:

	<b>Original Service Plan</b>	<b>Amended Service Plan</b>
<b>Maximum Debt Mill Levy</b>	City’s model service plan language (50 mills)	City’s model service plan language (50 mills)
<b>Maximum Debt Mill Levy Imposition Term</b>	City’s model service plan language (40 years)	City’s model service plan language (40 years)
<b>ARI Mill Levy</b>	City’s model service plan language	5 mills provided the District enters into an ARI Establishment Agreement within one (1) year of approval of the Amended Service Plan; otherwise the

		City's model service plan language
<b>Preliminary Engineering Survey</b>	\$80,000,000	\$667,882,434
<b>Total Debt Issuance Limitation</b>	\$112,000,000	\$850,000,000
<b>Debt for Regional Improvements</b>	\$32,000,000	\$50,000,000

Enclosed with this letter is an electronic copy of the Amended Service Plan in both word and PDF format, showing any and all changes to the Model Service Plan using MS Word "Track Changes." Pursuant to the City of Aurora's "Submittal Instructions for Filing of Proposed Service Plan," please find the following information:

1. Metro district name. Windler Homestead Metropolitan District
2. Contact information, including name, address, phone and e-mail address for:
  - a. Metro District Counsel submitting service plan:

White Bear Ankele Tanaka & Waldron  
 Attention: Clint Waldron  
 2154 East Commons Avenue, Suite 2000  
 Centennial, CO 80122  
 Phone: (303) 858-1800  
 Email: [cwaldron@wbapc.com](mailto:cwaldron@wbapc.com)

- b. Petitioner:

Windler Homestead Metropolitan District  
 Board of Directors  
 c/o White Bear Ankele Tanaka & Waldron  
 Attention: Clint Waldron  
 2154 East Commons Avenue, Suite 2000  
 Centennial, CO 80122  
 Phone: (303) 858-1800  
 Email: [cwaldron@wbapc.com](mailto:cwaldron@wbapc.com)

- c. Owner/developer of land, if different from petitioning entity.

GVP Windler, LLC  
 c/o Alberta Development Partners, LLC  
 5750 DTC Parkway, Suite 210

Greenwood Village, CO 80111

3. Form of service plan (single district, multiple district etc.). Single District.
4. Type of development, if known (residential, commercial, mixed use). Residential, commercial, and mixed use.
5. Status of Aurora development review process on development plans (FDP, etc.), if applicable.
6. Statement certifying compliance with the Aurora Model Service Plan. The proposed service plan is an exact copy of the appropriate Aurora model service plan and any and all changes from the model are clearly identified.
7. Statement on the debt limit. The debt limits reported in Section V.A. 10 (Total Debt Issuance Limitation) and VII.A (Financial Plan – General) do not include any debt associated with regional improvements as described in the last sentence of Section VI.C.
8. Summary table.

Name of Metro District	Public Improvements	Debt Limit	Debt Limit includes ARI?	ARI Debt Limit	Total Debt Capacity	Organizing and Operating Reimbursement	1 <sup>st</sup> year Operating & Maintenance
(Location in Service Plan)	V. B.	V.A.10	From transmittal letter	VI. C.	Calculate	VII. I.	VIII. I.
Windler Homestead Metropolitan District	\$667,882,434	\$850,000,000	No	\$50,000,000	\$900,000,000	\$50,000	\$50,000

Please contact me at 303-858-1800 or [cwaldron@wbapc.com](mailto:cwaldron@wbapc.com) if you have any questions.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON

Clint C. Waldron  
 Shareholder

Enclosure

WILLIAM P. ANKELE, JR.  
 JENNIFER GRUBER TANAKA  
 CLINT C. WALDRON  
 KRISTIN BOWERS TOMPKINS  
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OF COUNSEL:  
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 LAURA S. HEINRICH  
 AUDREY G. JOHNSON  
 CAREY S. SMITH  
 ERIN K. STUTZ

May 14, 2021

**VIA EMAIL**

Cesarina Dancy  
 Development Project Manager  
 City of Aurora  
 Office of Development Assistance  
 15151 E. Alameda Parkway, Suite 5200  
 Aurora, CO 80012  
[cdancy@auroragov.org](mailto:cdancy@auroragov.org)

**Re: Amended and Restated Service Plan for WH Metropolitan District No. 1**

Dear Ms. Dancy:

The City Council for the City of Aurora approved a Service Plan for WH Metropolitan District No. 1 on August 30, 2004 (the “**Original Service Plan**”).

WH Metropolitan District No. 1 (the “**District**”) is requesting the City Council approve the enclosed Amended and Restated Service Plan (the “**Amended Service Plan**”) at a public hearing on June 14, 2021. Below is a summary of the proposed changes from the Original Service Plan:

	<b>Original Service Plan</b>	<b>Amended Service Plan</b>
<b>Maximum Debt Mill Levy</b>	City’s model service plan language (50 mills)	City’s model service plan language (50 mills)
<b>Maximum Debt Mill Levy Imposition Term</b>	City’s model service plan language (40 years)	City’s model service plan language (40 years)
<b>ARI Mill Levy</b>	City’s model service plan language	5 mills provided the District enters into an ARI Establishment Agreement within one (1) year of approval of the Amended Service Plan; otherwise City’s model service plan language



<b>Preliminary Survey</b>	<b>Engineering</b>	\$77,000,000	\$667,882,434
<b>Total Debt Limitation</b>	<b>Issuance</b>	\$127,000,000	\$950,000,000
<b>Debt for Improvements</b>	<b>Regional</b>	\$50,000,000	\$50,000,000

Enclosed with this letter is an electronic copy of the Amended Service Plan in both word and PDF format, showing any and all changes to the Model Service Plan using MS Word “Track Changes.” Pursuant to the City of Aurora’s “Submittal Instructions for Filing of Proposed Service Plan,” please find the following information:

1. Metro district name. WH Metropolitan District No. 1
2. Contact information, including name, address, phone and e-mail address for:
  - a. Metro District Counsel submitting service plan:

White Bear Ankele Tanaka & Waldron  
 Attention: Clint Waldron  
 2154 East Commons Avenue, Suite 2000  
 Centennial, CO 80122  
 Phone: (303) 858-1800  
 Email: [cwaldron@wbapc.com](mailto:cwaldron@wbapc.com)

- b. Petitioner:

WH Metropolitan District No. 1  
 Board of Directors  
 c/o White Bear Ankele Tanaka & Waldron  
 Attention: Clint Waldron  
 2154 East Commons Avenue, Suite 2000  
 Centennial, CO 80122  
 Phone: (303) 858-1800  
 Email: [cwaldron@wbapc.com](mailto:cwaldron@wbapc.com)

- c. Owner/developer of land, if different from petitioning entity.

GVP Windler, LLC  
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 5750 DTC Parkway, Suite 210  
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3. Form of service plan (single district, multiple district etc.). Single District.

4. Type of development, if known (residential, commercial, mixed use). Residential, commercial, and mixed use.
5. Status of Aurora development review process on development plans (FDP, etc.), if applicable.
6. Statement certifying compliance with the Aurora Model Service Plan. The proposed service plan is an exact copy of the appropriate Aurora model service plan and any and all changes from the model are clearly identified.
7. Statement on the debt limit. The debt limits reported in Section V.A. 10 (Total Debt Issuance Limitation) and VII.A (Financial Plan – General) do not include any debt associated with regional improvements as described in the last sentence of Section VI.C.
8. Summary table.

Name of Metro District	Public Improvements	Debt Limit	Debt Limit includes ARI?	ARI Debt Limit	Total Debt Capacity	Organizing and Operating Reimbursement	1 <sup>st</sup> year Operating & Maintenance
(Location in Service Plan)	V. B.	V.A.10	From transmittal letter	VI. C.	Calculate	VII. I.	VIII. I.
WH Metropolitan District No. 1	\$667,882,434	\$950,000,000	No	\$50,000,000	\$1,000,000,000	\$50,000	\$50,000

Please contact me at 303-858-1800 or [cwaldron@wbapc.com](mailto:cwaldron@wbapc.com) if you have any questions.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON

Clint C. Waldron  
 Shareholder

Enclosure

**AMENDED AND RESTATED SERVICE PLAN  
FOR**

**WH METROPOLITAN DISTRICT NO. 1**

**CITY OF AURORA, COLORADO**

Prepared

By

White Bear Ankele Tanaka & Waldron, Professional Corporation  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
June 14, 2021

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**LIST OF EXHIBITS**

<b>EXHIBIT A</b>	Legal Descriptions
<b>EXHIBIT B</b>	Aurora Vicinity Map
<b>EXHIBIT C-1</b>	Initial District Boundary Map
<b>EXHIBIT C-2</b>	Inclusion Area Boundary Map
<b>EXHIBIT D</b>	Intergovernmental Agreement between the District and Aurora

## I. INTRODUCTION

### A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

### B. Need for the District.

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

### C. Objective of the City Regarding District's Service Plan.

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

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities are allowed, but only through an intergovernmental agreement with the City.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of

all Debt, and if the District has authorized operating functions under an intergovernmental agreement with the City, to retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy on commercial and residential properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no commercial or residential property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District. With regard to Regional Improvements, this Service Plan also provides for the Districts to pay a portion of the cost of regional infrastructure as part of ensuring that development and those that benefit from development pay for the associated costs.

## **II. DEFINITIONS**

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a Framework Development Plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

ARI or Regional Improvements: means Aurora Regional Improvements.

ARI Authority: means one or more Authorities established by an ARI Authority Establishment Agreement.

ARI Establishment Agreement: means an intergovernmental agreement establishing an ARI Authority which has, at minimum, Title 32 special districts from three (3) or more Approved Development Plan areas as parties to the Agreement.

ARI Master Plan: means one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the District which constitute such ARI Authority, which master plan will change from time to time.

ARI Mill Levy: means five (5) mills if the District has executed an ARI Establishment Agreement or such lesser amount as is necessary to satisfy any debt issued by such ARI Authority, or, in the event the District has not executed an ARI Establishment Agreement within one (1) year following the date of approval of this Amended and Restated Service Plan, then, the following:



A. For a district with property within its boundaries developed with any residential uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; and (ii) shall be five (5) mills from the twenty-first (21<sup>st</sup>) year through the fortieth (40<sup>th</sup>) year or the date of repayment of the debt incurred for Public Improvements, other than Regional Improvements, which ever first occurs; and (iii) for an additional ten (10) years, the mill levy shall be equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of the debt incurred for Public Improvements other than Regional Improvements; and

B. For a district with property within its boundaries developed solely for commercial uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; (ii) shall be one and one-half (1.5) mills from the twenty-first (21<sup>st</sup>) year through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements; and (iii) for five (5) years thereafter, the mill levy shall be the lesser of twenty (20) mills or a mill levy equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of debt issued for Public Improvements, other than Regional Improvements; and

C. Any district may, pursuant to any intergovernmental agreement with the City, extend the term for application of the ARI Mill Levy beyond the years set forth in A and B above. The Maximum Mill Levy Imposition Term shall include the terms set forth in A and B above and any extension of the term as approved in an intergovernmental agreement as described herein.

D. All mills described in this ARI Mill Levy definition shall be subject to adjustment as follows: On or after January 1, 2004, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy described above may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes, for purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy, and/or collect Fee revenue.

City: means the City of Aurora, Colorado.

City Code: means the City Code of the City of Aurora, Colorado.

City Council: means the City Council of the City of Aurora, Colorado.

District: means the WH Metropolitan District No. 1.

End User: means any owner, or tenant of any owner, of any taxable improvement within the District, who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fees: means any fee imposed by the District for services, programs or facilities provided by the District, as described in Section V.A.11. below.

Financial Plan: means the Financial Plan described in Section VII which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within the District.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the District's initial boundaries.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VII.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VII.D below.

Project: means the development or property commonly referred to as Windler.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Regional Improvements: means Public Improvements and facilities that benefit the Service Area and which are to be financed pursuant to Section VI below.

Service Area: means the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

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

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Taxable Property: means real or personal property within the Service Area subject to ad valorem taxes imposed by the District.

### **III. BOUNDARIES**

The area of the Initial District Boundaries includes approximately forty (40) acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately eight hundred fifteen (815) acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

**IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION**

The Service Area consists of approximately eight hundred fifty-five (855) acres of vacant land. The current assessed valuation of the Service Area is \$0.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District at build-out is estimated to be approximately five thousand six hundred twenty five (5,625) people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

**V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES**

**A. Powers of the District and Service Plan Amendment.**

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

In connection with the performance of all acts or activities hereunder, the District shall not violate any protection clauses of the United States or Colorado State Constitutions. The District shall not discriminate against any person because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability, and further shall insert the foregoing provision in contracts or subcontracts let by the District to accomplish the purposes of this service plan.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto. Any Fee imposed by the Districts for access to such park and recreation improvements shall not result in Non-District Aurora residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by

residents of the Districts. However, the Districts shall be entitled to impose an administrative Fee as necessary to cover additional expenses associated with Non-District Aurora residents to ensure that such costs are not the responsibility of Districts residents. All such Fees shall be based upon the Districts' determination that such Fees do not exceed reasonable annual market fees for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District Aurora residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

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

3. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

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

5. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high

yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

9. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Fees used for the purpose of repayment of Debt.

10. Total Debt Issuance Limitation. The District shall not issue Debt in excess of Nine Hundred and Fifty Million Dollars (\$950,000,000).

11. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the District.

12. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and be a revenue source for the District without any limitation.

13. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

14. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

15. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in V.A.1-14 above or in VII.B-G. shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

**B. Preliminary Engineering Survey.**

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately Six Hundred Sixty Seven Million Eight Hundred Eighty Two Thousand and Four Hundred Thirty Four Dollars (\$667,882,434).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

**VI. REGIONAL IMPROVEMENTS**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C below.

The District shall impose the ARI Mill Levy and shall convey it as follows:

A. If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the Board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

B. If the City and the District have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the District in accordance with such agreement; or

C. If neither Section VI.A nor VI.B above is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under this Section VI and shall not expend such revenue until an intergovernmental agreement is executed between the District establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the District as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, the District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI. B above. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Section VI.A, B or C set forth above, unless the City has agreed otherwise in writing; provided, however in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The District shall cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy described in this Section VI at such time as the area within the District's boundaries is included within a different district organized under the Special



District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

The District shall have the authority to issue Debt for the Regional Improvements, in an amount not to exceed Fifty Million Dollars (\$50,000,000) pursuant to agreements as described in VI.A, B or C above.

## **VII. FINANCIAL PLAN**

### **A. General.**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Fees and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed Nine Hundred and Fifty Million Dollars (\$950,000,000) and shall be permitted to be issued on a schedule and in such year or years as the District determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the District. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

### **B. Maximum Voted Interest Rate and Maximum Underwriting Discount.**

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

### **C. Maximum Debt Mill Levy.**

The “Maximum Debt Mill Levy” shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

1. For the portion of any aggregate District’s Debt which exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 below; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax

credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For the portion of any aggregate District's Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Maximum Debt Mill Levy Imposition Term.

The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or, for residential

property within the District, the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the District and the City for Regional Improvements.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

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

G. Security for Debt.

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

H. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

I. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be Fifty Thousand Dollars (\$50,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be Fifty Thousand Dollars (\$50,000) which is anticipated to be derived from property taxes and other revenues.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users.

## **VIII. ANNUAL REPORT**

### **A. General.**

The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than August 1<sup>st</sup> of each year following the year in which the Order and Decree creating the District has been issued.

### **B. Reporting of Significant Events.**

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any as of December 31 of the prior year.
4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

## **IX. DISSOLUTION**

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

## **X. DISCLOSURE TO PURCHASERS**

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

## **XI. INTERGOVERNMENTAL AGREEMENT**

The form of the intergovernmental agreement required by the City Code, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit D**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit D** at its first Board meeting after its organizational election. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

## **XII. CONCLUSION**

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Section 122-35 of the City Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.

7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.

8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.

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

**EXHIBIT A**

Legal Descriptions

**Legal Description for WH Metropolitan District No.1  
Initial Boundary**

A parcel of land being a portion of the South Half of Section 18, Township 3 South, Range 65 West of the 6th Principal Meridian, Adams County, Colorado, being more particularly described as follows:

Bearings for this description is based upon the easterly line of the Southeast Quarter of said Section 18, Township 3 South, Range 65 West of the 6<sup>th</sup> Principal Meridian. Said line bears S00°01'51"E a distance of 2655.75 feet.

**BEGINNING** at the South Quarter Corner of said Section 18;  
 THENCE N00°51'57"W tangent with the following described curve a distance of 464.06 feet;  
 THENCE along the arc of a curve to the left, having a central angle of 52°28'08", a radius of 955.00 feet, a chord bearing N27°06'01"W a distance of 844.31 feet, and an arc distance of 874.55 feet;  
 THENCE N53°20'05"W tangent with the last and following described curves a distance of 336.97 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 3°13'51", a radius of 955.00 feet, a chord bearing N51°43'09"W a distance of 53.85 feet, and an arc distance of 53.85 feet;  
 THENCE N39°53'46"E non-tangent with the last described curve a distance of 442.52 feet;  
 THENCE S59°41'36"E a distance of 479.25 feet;  
 THENCE N82°14'27"E non-tangent with the following described curve a distance of 16.27 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 11°19'33", a radius of 657.54 feet, a chord bearing of S79°30'39"E a distance of 129.77 feet, and an arc distance of 129.98 feet;  
 THENCE S73°50'52"E tangent with the last described curve a distance of 630.47 feet;  
 THENCE S04°14'22"W a distance of 175.69 feet;  
 THENCE S51° 42'09"E a distance of 8.19 feet;  
 THENCE S45°43'49"E a distance of 61.06 feet;  
 THENCE S39°45'27"E a distance of 61.06 feet;  
 THENCE S34°02'33"E a distance of 59.73 feet;  
 THENCE S25°22'55"E non-tangent with the following described curve a distance of 36.95 feet;

  
 Todd E. Beers, PLS 80822  
 Date: May 15, 2021  
 For and on Behalf of  
 Merrick & Company

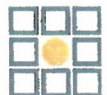


THENCE along the arc of a curve to the left, having a central angle of 12°48'34", a radius of 462.00 feet, a chord bearing of S67°41'57"W a distance of 103.07 feet, and an arc distance of 103.29 feet;  
 THENCE S29°47'27"E non-tangent with the last and following described curves a distance of 94.02 feet;  
 THENCE along the arc of a curve to the left, having a central angle of 6°42'55", a radius of 368.00 feet, a chord bearing of S58°12'51"W a distance of 43.11 feet, and an arc distance of 43.13 feet;  
 THENCE S54°51'23"W tangent with the last described curve a distance of 61.47 feet;  
 THENCE S68°58'18"E a distance of 125.60 feet;  
 THENCE S34°09'46"E a distance of 118.89 feet;  
 THENCE N70°12'06"E a distance of 46.98 feet;  
 THENCE N59°44'39 "E a distance of 100.03 feet;  
 THENCE S30°15'21"E a distance of 104.00 feet;  
 THENCE N59°44'39"E a distance of 32.99 feet;  
 THENCE S30°15'21"E a distance of 344.00 feet;  
 THENCE S59°44'39"W a distance of 60.00 feet;  
 THENCE S30°15'21"E tangent with the following described curve a distance of 40.47 feet;  
 THENCE along the arc of a curve to the left, having a central angle of 20°40'07", a radius of 180.00 feet, a chord bearing S40°35'25"E a distance of 64.58 feet, and an arc distance of 64.93 feet;  
 THENCE S59°40'57"W non-tangent with the last described curve a distance of 178.24 feet;  
 THENCE S65°15'42"W a distance of 60.79 feet;  
 THENCE S71°09'53"W a distance of 60.79 feet;  
 THENCE S74°54'18"W a distance of 60.95 feet;  
 THENCE S00°51'50"E a distance of 92.00 feet;  
 THENCE S89°08'10"W along the southerly line of said Southeast Quarter of Section 18 a distance of 988.08 feet to the **POINT OF BEGINNING**.

Containing 40.728 Acres, more or less.



Todd G. Beers, P.E. 30822  
 Date: May 4, 2021  
 Job No.: 65420899  
 For and on Behalf of  
 Merrick & Company





**Legal Description Except for WH Metropolitan District No. 1  
Inclusion Area Boundary**

A parcel of land being a portion of the Section 18, Township 3 South, Range 65 West of the 6th Principal Meridian, Adams County, Colorado, being more particularly described as follows:

Bearings for this description is based upon the easterly line of the Southeast Quarter of said Section 18, Township 3 South, Range 65 West of the 6<sup>th</sup> Principal Meridian. Said line bears S00°01'51"E a distance of 2655.75 feet.

**BEGINNING** at the West Quarter Corner of said Section 18;  
THENCE N00°14'03"W along the west line of the Northwest Quarter of said Section 18 a distance of 903.13 feet;  
THENCE N04°06'07"E tangent with the following described curve a distance of 864.74 feet;  
THENCE along the arc of a curve to the right, having a central angle of 12°42'37", a radius of 1055.92 feet, a chord bearing N10°27'19"E a distance of 233.76 feet, and an arc distance of 234.24 feet;  
THENCE N16°48'38"E tangent with the last and following described curves a distance of 247.48 feet;  
THENCE along the arc of a curve to the left, having a central angle of 13°38'02", a radius of 1044.93 feet, a chord bearing N09°59'37"E a distance of 248.06 feet, and an arc distance of 248.65 feet;  
THENCE N48°50'42"E non-tangent with the last described curve a distance of 75.85 feet;  
THENCE N87°43'26"E a distance of 853.88 feet;  
THENCE N00°00'09"E a distance of 99.95 feet;  
THENCE N89°19'42"E along the northerly line of the Northwest Quarter of said Section 18 a distance of 1471.57 feet;  
THENCE N88°36'07"E along the northerly line of the Northeast Quarter of said Section 18 a distance of 2594.18 feet;  
THENCE S00°05'28"E along a line seventy-two (72.0) feet westerly of and parallel with the easterly line of said Northeast Quarter of Section 18 a distance of 2655.08 feet;  
THENCE S00°01'51"E along a line seventy-two (72.0) feet westerly of and parallel with the easterly line of the Southeast Quarter of said Section 18 a distance of 2584.75 feet;  
THENCE S89°08'10"W along a line seventy-two (72.0) feet northerly of and parallel with the southerly line of said Southeast Quarter of Section 18 a distance of 1589.89 feet;  
THENCE N00°51'50"W a distance of 20.00 feet;  
THENCE N74°54'18"E a distance of 60.95 feet;



Todd G. Beers, P.L.S. 30822  
Dated: MAR 4 2021  
Job No.: 65420899  
For and on Behalf of  
Merrick & Company



THENCE N71°09'53"E a distance of 60.79 feet;  
 THENCE N65°15'42"E a distance of 60.79 feet;  
 THENCE N59°40'57"E non-tangent with the following described curve a distance of 178.24 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 20°40'07", a radius of 180.00 feet, a chord bearing N40°35'25"W a distance of 64.58 feet, and an arc distance of 64.93 feet;  
 THENCE N30°15'21"W tangent with the last described curve a distance of 40.47 feet;  
 THENCE N59°44'39"E a distance of 60.00 feet;  
 THENCE N30°15'21"W a distance of 344.00 feet;  
 THENCE S59°44'39"W a distance of 32.99 feet;  
 THENCE N30°15'21"W a distance of 104.00 feet;  
 THENCE S59°44'39"W a distance of 100.03 feet;  
 THENCE S70°12'06"W a distance of 46.98 feet;  
 THENCE N34°09'46"W a distance of 118.89 feet;  
 THENCE N68°58'18"W a distance of 125.60 feet;  
 THENCE N54°51'23"E tangent with the following described curve a distance of 61.47 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 06°42'55", a radius of 368.00 feet, a chord bearing N58°12'50"E a distance of 43.11 feet, and an arc distance of 43.13 feet;  
 THENCE N29°47'27"W non-tangent with the last and following described curves a distance of 94.02 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 12°48'34", a radius of 462.00 feet, a chord bearing N67°41'57"E a distance of 103.07 feet, and an arc distance of 103.29 feet;  
 THENCE N25°22'55"W non-tangent with the last described curve a distance of 36.95 feet;  
 THENCE N34°02'33"W a distance of 59.73 feet;  
 THENCE N39°45'27"W a distance of 61.06 feet;  
 THENCE N45°43'49"W a distance of 61.06 feet;  
 THENCE N51°42'09"W a distance of 8.19 feet;  
 THENCE N04°14'22"E a distance of 175.69 feet;  
 THENCE N73°50'52"W tangent with the following described curve a distance of 630.47 feet;  
 THENCE along the arc of a curve to the left, having a central angle of 11°19'33", a radius of 657.54 feet, a chord bearing N79°30'39"W a distance of 129.77 feet, and an arc distance of 129.98 feet;  
 THENCE S82°14'27"W non-tangent with the last described curve a distance of 16.27 feet;  
 THENCE N59°41'36"W a distance of 479.25 feet;  
 THENCE S39°53'46"W non-tangent with the following described curve a distance of 442.52 feet;  
 THENCE along the arc of a curve to the left, having a central angle of 03°13'51", a radius of 955.00 feet, a chord bearing S51°43'09"E a distance of 53.85 feet, and an arc distance of 53.85 feet;

  
 Todd G. Beers, PLS 30822  
 State of Colorado  
 Commission Expires 12/31/2021  
 Job No. 65420899  
 For and on Behalf of  
 Merrick & Company



THENCE S53°20'05"E tangent with the last and following described curves a distance of 336.97 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 52°28'08", a radius of 955.00 feet, a chord bearing S27°06'01"E a distance of 844.31 feet, and an arc distance of 874.55 feet;  
 THENCE S00°51'57"E tangent with the last described curve a distance of 392.06 feet;  
 THENCE S89°08'22"W a distance of 94.00 feet;  
 THENCE S89°08'08"W tangent with the following described curve a distance of 1159.09 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 90°00'54", a radius of 25.00 feet, a chord bearing N45°51'52"W a distance of 35.36 feet, and an arc distance of 39.28 feet;  
 THENCE S89°08'08"W non-tangent with the last and following described curves a distance of 84.00 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 90°00'54", a radius of 25.00 feet, a chord bearing S44°08'08"W a distance of 35.36 feet, and an arc distance of 39.28 feet;  
 THENCE S89°10'37"W non-tangent with the last described curve a distance of 612.66 feet;  
 THENCE N84°06'56"W a distance of 407.20 feet;  
 THENCE N00°51'41"W tangent with the following described curve a distance of 134.17 feet;  
 THENCE along the arc of a curve to the left, having a central angle of 11°39'24", a radius of 1999.86 feet, a chord bearing N06°41'23"W a distance of 406.16 feet, and an arc distance of 406.86 feet;  
 THENCE N12°31'05"W tangent with the last and following described curves a distance of 476.04 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 12°31'14", a radius of 2252.81 feet, a chord bearing N06°15'28"W a distance of 491.32 feet, and an arc distance of 492.30 feet;  
 THENCE N00°00'06"W tangent with the last described curve a distance of 935.30 feet;  
 THENCE N13°59'03"W a distance of 30.17 feet;  
 THENCE N00°18'13"W a distance of 70.38 feet to the **POINT OF BEGINNING**.

Containing 573.152 Acres, more or less.

**TOGETHER WITH** a parcel of land being a portion of the Southeast Quarter of Section 13, Township 3 South, Range 65 West of the 6th Principal Meridian, Adams County, Colorado, being more particularly described as follows:

**COMMENCING** at the South Quarter Corner of said Section 13;  
 THENCE N00°07'03"W along the westerly line of said Southeast Quarter of Section 13 a distance of 662.86 feet to the **POINT OF BEGINNING**;  
 THENCE continuing N00°07'03"W along said westerly line of the Southeast Quarter of Section 13 a distance of 1987.56 feet;



Todd G. Beers, PLS 30822  
 Date: May 4, 2021  
 Job No. 65420899  
 For and on Behalf of  
 Merrick & Company



THENCE N89°40'20"E along the northerly line of said Southeast Quarter of Section 13 a distance of 2294.04 feet;  
THENCE S01°04'57"E a distance of 96.37 feet;  
THENCE S04°07'11"W tangent with the following described curve a distance of 1049.33 feet;  
THENCE along the arc of a curve to the right, having a central angle of 05°20'41", a radius of 3729.44 feet, a chord bearing S06°47'31"W a distance of 347.77 feet, and an arc distance of 347.90 feet;  
THENCE S09°27'52"W tangent with the last and following described curves a distance of 488.36 feet;  
THENCE along the arc of a curve to the left, having a central angle of 10°19'36", a radius of 1999.86 feet, a chord bearing S04°18'04"W a distance of 359.96 feet, and an arc distance of 360.45 feet;  
THENCE S00°51'45"E tangent with the last described curve a distance of 141.69 feet;  
THENCE S36°31'34"W a distance of 74.67 feet;  
THENCE S85°54'05"W a distance of 698.79 feet;  
THENCE N00°15'56"W a distance of 587.76 feet;  
THENCE S89°39'38"W a distance of 1325.92 feet to the **POINT OF BEGINNING**.

Containing 110.805 Acres, more or less.

**TOGETHER WITH** a parcel of land being a portion of the Northeast Quarter of Section 24, Township 3 South, Range 65 West of the 6th Principal Meridian, Adams County, Colorado, being more particularly described as follows:

**COMMENCING** at the North Quarter Corner of said Section 24;  
THENCE S00°16'31"E along the westerly line of said Northeast Quarter of Section 24 a distance of 135.06 feet to the **POINT OF BEGINNING**;  
THENCE N89°59'53"E a distance of 69.01 feet;  
THENCE N00°16'45"W a distance of 38.18 feet;  
THENCE N44°17'37"E a distance of 35.57 feet;  
THENCE N89°37'13"E a distance of 1188.61 feet;  
THENCE S84°54'09"E a distance of 748.62 feet;  
THENCE S51°29'59"E non-tangent with the following described curve a distance of 58.63 feet;  
THENCE along the arc of a curve to the left, having a central angle of 19°07'39", a radius of 914.38 feet, a chord bearing S11°55'20"E a distance of 303.84 feet, and an arc distance of 305.26 feet;  
THENCE S21°29'10"E tangent with the last and following described curves a distance of 226.63 feet;

  
Todd G. Beers, PLS 30822  
Date: May 15, 2021  
Job No. 185420899  
For and on Behalf of  
Merrick & Company



THENCE along the arc of a curve to the right, having a central angle of  $21^{\circ}29'19''$ , a radius of 851.97 feet, a chord bearing  $S10^{\circ}44'31''E$  a distance of 317.66 feet, and an arc distance of 319.53 feet;  
THENCE  $S00^{\circ}00'09''W$  tangent with the last described curve a distance of 1647.23 feet;  
THENCE  $S89^{\circ}35'40''W$  along the southerly line of said Northeast Quarter of Section 24 a distance of 2266.68 feet;  
THENCE  $N00^{\circ}16'31''W$  along said westerly line of the Northeast Quarter of Section 24 a distance of 2515.06 feet to the **POINT OF BEGINNING**.

Containing 131.297 Acres, more or less.

Containing Net 815.254 Acres, more or less.



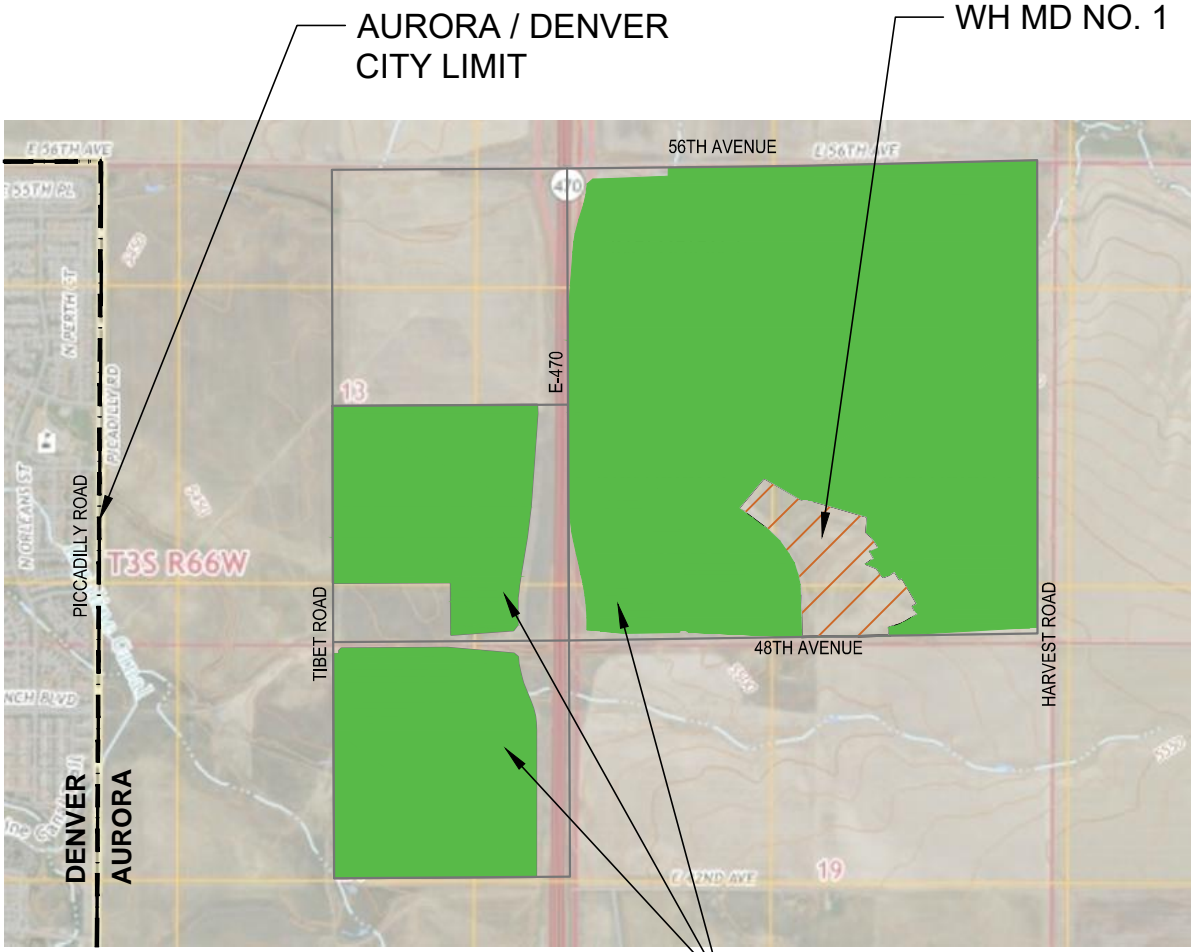
Todd C. Beers, P.E. 30822  
Date: May 4, 2015  
Job No.: 65420899  
For and on Behalf of  
Merrick & Company



**EXHIBIT B**

Aurora Vicinity Map

File Location: \\merrick.com\CES\DEN\Projects\0899-00-Windler Metro Districts\Design\Exhibits\WH MD No. 1 - SERVICE PLAN EXHIBITS.dwg Plot Date: 5/7/2021 1:25 PM Last Saved By: LLOVATO



AURORA / DENVER CITY LIMIT

WH MD NO. 1

FUTURE INCLUSION AREAS SHOWN IN GREEN



SCALE: 1" = 2000'



WH METROPOLITAN DISTRICT NO. 1  
VICINITY MAP EXHIBIT B

DATE: 5/4/2021

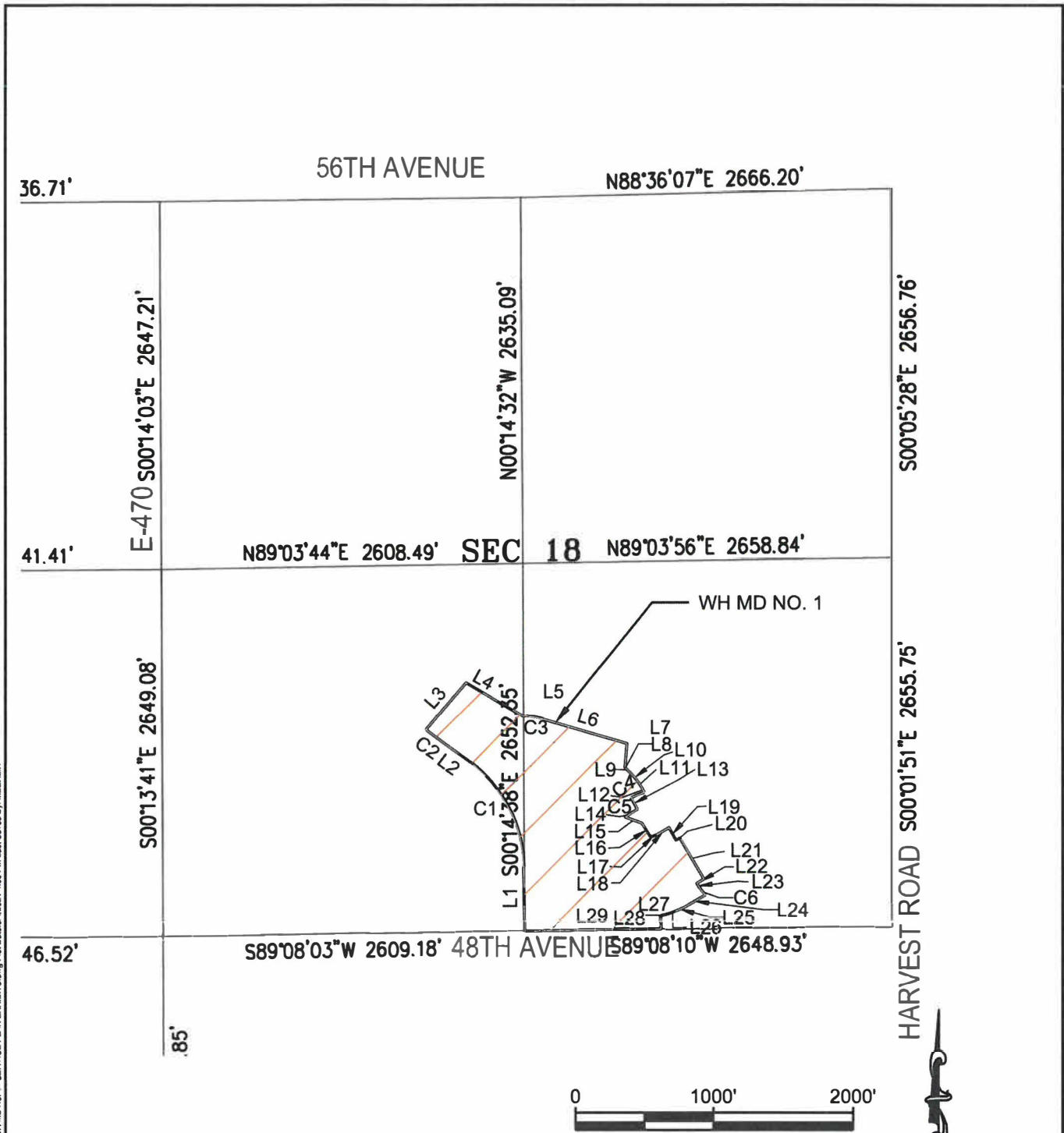
SHEET: 1 OF 1



**EXHIBIT C-1**

Initial District Boundary Map

File Location: C:\Users\Public\Documents\Projects\0895-04\Vendor Memo Districts\Design\Exhibits\WH MD No. 1 - SERVICE PLAN EXHIBITS.dwg Plot Date: 5/4/2021 4:05 PM Last Saved By: AMERLIN



PARCELS OF LAND SITUATED WITHIN THE  
 NORTHEAST, NORTHWEST, SOUTHWEST  
 AND SOUTHEAST QUARTER OF SECTION  
 18, T3S, R65W, 6TH P.M., CITY OF  
 AURORA, ADAMS COUNTY, COLORADO

This illustration does not represent a monumented survey, it is intended only to depict the initial district boundary parcel.

	WH METROPOLITAN DISTRICT NO. 1 BOUNDARY MAP EXHIBIT C-1	DATE: 5/4/2021
		SHEET: 1 OF 2

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N0° 51' 57"W	464.06'
L2	N53° 20' 05"W	336.97'
L3	N39° 53' 46"E	442.52'
L4	S59° 41' 36"E	479.25'
L5	N82° 14' 27"E	16.27'
L6	S73° 50' 52"E	630.47'
L7	S4° 14' 22"W	175.69'
L8	S51° 42' 09"E	8.19'
L9	S45° 43' 49"E	61.06'
L10	S39° 45' 27"E	61.06'
L11	S34° 02' 33"E	59.73'
L12	S25° 22' 55"E	36.95'
L13	S29° 47' 27"E	94.02'
L14	S54° 51' 23"W	61.47'
L15	S68° 58' 18"E	125.60'

LINE TABLE		
LINE #	BEARING	LENGTH
L16	S34° 09' 46"E	118.89'
L17	N70° 12' 06"E	46.98'
L18	N59° 44' 39"E	100.03'
L19	S30° 15' 21"E	104.00'
L20	N59° 44' 39"E	32.99'
L21	S30° 15' 21"E	344.00'
L22	S59° 44' 39"W	60.00'
L23	S30° 15' 21"E	40.47'
L24	S59° 40' 57"W	178.24'
L25	S65° 15' 42"W	60.79'
L26	S71° 09' 53"W	60.79'
L27	S74° 54' 18"W	60.95'
L28	S0° 51' 50"E	92.00'
L29	S89° 08' 10"W	988.08'

CURVE TABLE					
CURVE #	DELTA	RADIUS	CHORD BEARING	CHORD LENGTH	LENGTH
C1	52° 28' 08"	955.00'	N27° 06' 01"W	844.31'	874.55'
C2	3° 13' 51"	955.00'	S51° 43' 09"E	53.85'	53.85'
C3	11° 19' 33"	657.54'	N79° 30' 39"W	129.77'	129.98'
C4	12° 48' 34"	462.00'	S67° 41' 57"W	103.07'	103.29'
C5	6° 42' 55"	368.00'	S58° 12' 51"W	43.11'	43.13'
C6	20° 40' 07"	180.00'	S40° 35' 25"E	64.58'	64.93'

PARCELS OF LAND SITUATED WITHIN THE  
NORTHEAST, NORTHWEST, SOUTHWEST  
AND SOUTHEAST QUARTER OF SECTION  
18, T3S, R65W, 6TH P.M., CITY OF  
AURORA, ADAMS COUNTY, COLORADO



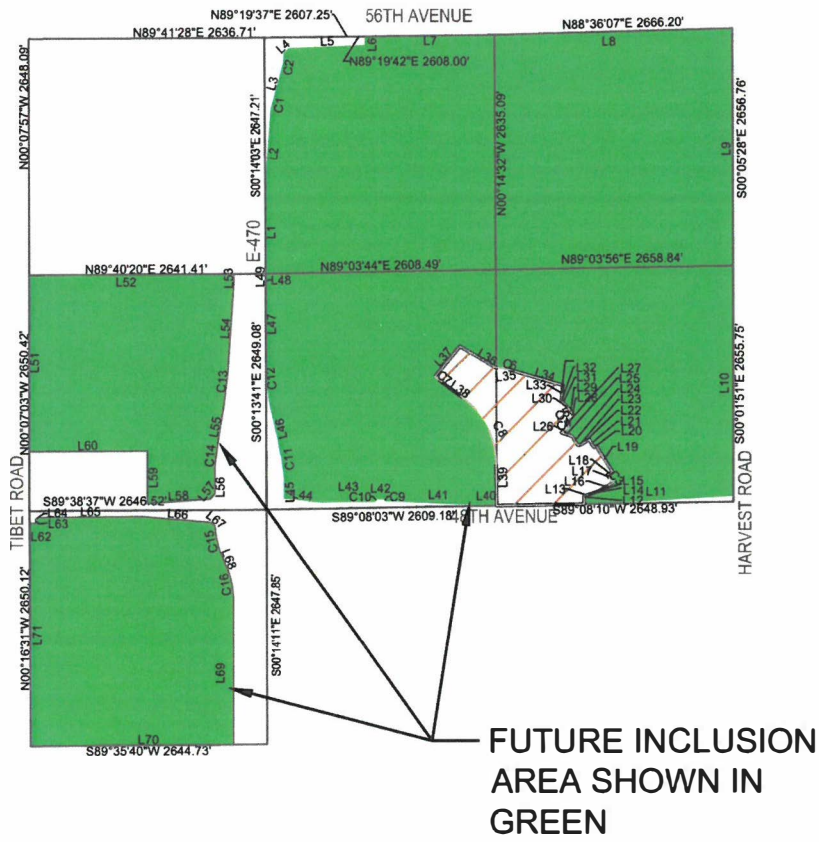
WH METROPOLITAN DISTRICT NO. 1  
BOUNDARY MAP EXHIBIT C-1

DATE: 5/4/2021

SHEET: 2 OF 2

**EXHIBIT C-2**

Inclusion Area Boundary Map



FUTURE INCLUSION  
AREA SHOWN IN  
GREEN



SCALE: 1" = 2000'



WINDLER HOMESTEAD METROPOLITAN  
DISTRICT INCLUSION AREA BOUNDARY MAP  
EXHIBIT C-2

DATE: 5/4/2021

SHEET: 1 OF 2

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N0° 14' 03"W	903.13'
L2	N4° 06' 07"E	864.74'
L3	N16° 48' 38"E	247.48'
L4	N48° 50' 42"E	75.85'
L5	N87° 43' 26"E	853.88'
L6	N0° 00' 09"E	99.95'
L7	N89° 19' 42"E	1471.57'
L8	N88° 36' 07"E	2594.18'
L9	S0° 05' 28"E	2655.08'
L10	S0° 01' 51"E	2584.75'
L11	S89° 08' 10"W	1589.89'
L12	N0° 51' 50"W	20.00'
L13	N74° 54' 18"E	60.95'
L14	N71° 09' 53"E	60.79'
L15	N65° 15' 42"E	60.79'
L16	N59° 40' 57"E	178.24'
L17	N30° 15' 21"W	40.47'
L18	N59° 44' 39"E	60.00'
L19	N30° 15' 21"W	344.00'
L20	S59° 44' 39"W	32.99'
L21	N30° 15' 21"W	104.00'
L22	S59° 44' 39"W	100.03'
L23	S70° 12' 06"W	46.98'
L24	N34° 09' 46"W	118.89'
L25	N68° 58' 18"W	125.60'

LINE TABLE		
LINE #	BEARING	LENGTH
L26	N54° 51' 23"E	61.47'
L27	N29° 47' 27"W	94.02'
L28	N25° 22' 55"W	36.95'
L29	N34° 02' 33"W	59.73'
L30	N39° 45' 27"W	61.06'
L31	N45° 43' 49"W	61.06'
L32	N51° 42' 09"W	8.19'
L33	N4° 14' 22"E	175.69'
L34	N73° 50' 52"W	630.47'
L35	S82° 14' 27"W	16.27'
L36	N59° 41' 36"W	479.25'
L37	S39° 53' 46"W	442.52'
L38	S53° 20' 05"E	336.97'
L39	S0° 51' 57"E	392.06'
L40	S89° 08' 22"W	94.00'
L41	S89° 08' 08"W	1159.09'
L42	S89° 08' 08"W	84.00'
L43	S89° 10' 37"W	612.66'
L44	N84° 06' 56"W	407.20'
L45	N0° 51' 41"W	134.17'
L46	N12° 31' 05"W	476.04'
L47	N0° 00' 06"W	935.30'
L48	N13° 59' 03"W	30.17'
L49	N0° 18' 13"W	70.38'
L50	N0° 07' 03"W	662.86'

LINE TABLE		
LINE #	BEARING	LENGTH
L51	N0° 07' 03"W	1987.56'
L52	N89° 40' 20"E	2294.04'
L53	S1° 04' 57"E	96.37'
L54	S4° 07' 11"W	1049.33'
L55	S9° 27' 52"W	488.36'
L56	S0° 51' 45"E	141.69'
L57	S36° 31' 34"W	74.67'
L58	S85° 54' 05"W	698.79'
L59	N0° 15' 56"W	587.76'
L60	S89° 39' 38"W	1325.92'
L61	S0° 16' 31"E	135.06'
L62	N89° 59' 53"E	69.01'
L63	N0° 16' 45"W	38.18'
L64	N44° 17' 37"E	35.57'
L65	N89° 37' 13"E	1188.61'
L66	S84° 54' 09"E	748.62'
L67	S51° 29' 59"E	58.63'
L68	S21° 29' 10"E	226.63'
L69	S0° 00' 09"W	1647.23'
L70	S89° 35' 40"W	2266.68'
L71	N0° 16' 31"W	2515.06'

CURVE TABLE					
CURVE #	DELTA	RADIUS	CHORD BEARING	CHORD LENGTH	LENGTH
C1	12° 42' 37"	1055.92'	N10° 27' 19"E	233.76'	234.24'
C2	13° 38' 02"	1044.93'	N9° 59' 37"E	248.06'	248.65'
C3	20° 40' 07"	180.00'	N40° 35' 25"W	64.58'	64.93'
C4	6° 42' 55"	368.00'	N58° 12' 51"E	43.11'	43.13'
C5	12° 48' 34"	462.00'	N67° 41' 57"E	103.07'	103.29'
C6	11° 19' 33"	657.54'	N78° 30' 39"W	129.77'	129.98'
C7	3° 13' 51"	955.00'	S51° 43' 09"E	53.85'	53.85'
C8	52° 28' 08"	955.00'	S27° 06' 01"E	844.31'	874.55'
C9	90° 00' 54"	25.00'	N45° 51' 52"W	35.36'	39.28'
C10	90° 00' 54"	25.00'	S44° 08' 08"W	35.36'	39.28'
C11	11° 39' 24"	1999.86'	N6° 41' 23"W	406.16'	406.88'
C12	12° 31' 14"	2252.81'	N6° 15' 28"W	491.32'	492.30'
C13	5° 20' 41"	3729.44'	S6° 47' 31"W	347.77'	347.90'
C14	10° 19' 36"	1999.86'	S4° 18' 04"W	359.96'	360.45'
C15	19° 07' 39"	914.38'	N11° 55' 20"W	303.84'	305.26'
C16	21° 29' 19"	851.97'	N10° 44' 31"W	317.66'	319.53'



WINDLER HOMESTEAD METROPOLITAN  
DISTRICT INCLUSION AREA BOUNDARY MAP  
EXHIBIT C-2

DATE: 5/4/2021

SHEET: 2 OF 2

**EXHIBIT D**

Intergovernmental Agreement between the District and Aurora

**AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE CITY OF AURORA, COLORADO  
AND  
WH METROPOLITAN DISTRICT NO. 1**

THIS AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado (“City”), and WH METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The City and the District are collectively referred to as the Parties.

**RECITALS**

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the City on June 14, 2021 (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District, as required by the Aurora City Code; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

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

**COVENANTS AND AGREEMENTS**

1. Operations and Maintenance. The Districts shall dedicate the Public Improvements (as defined in the Service Plan) to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto.

Any Fee imposed by the District for access to such park and recreation improvements shall not result in Non-District City residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the District. However, the District



shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with Non-District City residents to ensure that such costs are not the responsibility of District residents. All such Fees shall be based upon the District's determination that such Fees do not exceed reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District City residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

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

3. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

4. Golf Course Construction. The District shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

5. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

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

Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S.

8. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

9. Initial Debt. On or before the effective date of approval by the City of an Approved Development Plan (as defined in the Service Plan), the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

10. Total Debt Issuance. The District shall not issue Debt in excess of Nine Hundred and Fifty Million Dollars (\$950,000,000).

11. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the District.

12. Debt Issuance Limitation. The District shall not be authorized to incur any indebtedness until such time as the District has approved and executed the IGA and approved the imposition of the Aurora Regional Improvement Mill Levy (as defined in the Service Plan) upon all taxable property located within the boundaries of the District.

13. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

14. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

15. Bankruptcy. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

16. Dissolution. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

17. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District’s authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

18. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in V.A.1-14 or VII.B-G of the Service Plan shall be deemed to be material modifications to the Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

19. Annual Report. The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager’s Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued, pursuant to the City Code and containing the information set forth in Section VIII of the Service Plan.

20. Regional Improvements. The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a

contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C of the Service Plan.

The District shall impose the ARI Mill Levy and shall convey it as follows:

(a) If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the Board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

(b) If the City and the District have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the District in accordance with such agreement; or

(c) If neither Section VI.A nor VI.B of the Service Plan is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under Section VI of the Service Plan and shall not expend such revenue until an intergovernmental agreement is executed between the District establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B of the Service Plan above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the District as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, the District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI. B of the Service Plan. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Section VI.A, B or C of the Service Plan, unless the City has agreed otherwise in writing; provided,

however in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The District shall cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy described in Section VI of the Service Plan at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

21. Maximum Debt Mill Levy. The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

(a) For the portion of any aggregate District's Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 of the Service Plan; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) For the portion of any aggregate District's Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

(c) For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 of the Service Plan, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

22. Maximum Debt Mill Levy Imposition Term. The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI of the Service Plan. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

23. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District:           WH Metropolitan District No. 1  
                                  c/o White Bear Ankele Tanaka & Waldron  
                                  2154 East Commons Avenue, Suite 2000  
  
                                  Centennial, CO 80122  
                                  Attn: Clint Waldron  
                                  Phone: (303) 858-1800  
                                  Fax: (303) 858-1801

To the City:                City of Aurora  
                                  15151 E. Alameda Pkwy., 5th Floor  
                                  Aurora, CO 80012  
                                  Attn: Daniel Brotzman, City Attorney  
                                  Phone: (303) 739-7030  
                                  Fax: (303) 739-7042

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

24. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

25. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent

of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

26. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

27. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

28. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

29. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

30. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the City shall be for the sole and exclusive benefit of the District and the City.

31. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

32. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

33. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

34. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

**[SIGNATURE PAGE TO INTERGOVERNMENTAL AGREEMENT]**

WH METROPOLITAN DISTRICT NO. 1

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

CITY OF AURORA, COLORADO

By: \_\_\_\_\_  
Mike Coffman, Mayor

Attest:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM: \_\_\_\_\_



**AMENDED AND RESTATED SERVICE PLAN  
FOR  
WINDLER HOMESTEAD METROPOLITAN DISTRICT  
CITY OF AURORA, COLORADO**

Prepared

By

White Bear Ankele Tanaka & Waldron, Professional Corporation  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
June 14, 2021

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<b>EXHIBIT A</b>	Legal Descriptions
<b>EXHIBIT B</b>	Aurora Vicinity Map
<b>EXHIBIT C-1</b>	Initial District Boundary Map
<b>EXHIBIT C-2</b>	Inclusion Area Boundary Map
<b>EXHIBIT D</b>	Intergovernmental Agreement between the District and Aurora

## I. INTRODUCTION

### A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

### B. Need for the District.

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

### C. Objective of the City Regarding District's Service Plan.

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

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities are allowed, but only through an intergovernmental agreement with the City.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of

all Debt, and if the District has authorized operating functions under an intergovernmental agreement with the City, to retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy on commercial and residential properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no commercial or residential property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District. With regard to Regional Improvements, this Service Plan also provides for the Districts to pay a portion of the cost of regional infrastructure as part of ensuring that development and those that benefit from development pay for the associated costs.

## **II. DEFINITIONS**

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a Framework Development Plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

ARI or Regional Improvements: means Aurora Regional Improvements.

ARI Authority: means one or more Authorities established by an ARI Authority Establishment Agreement.

ARI Establishment Agreement: means an intergovernmental agreement establishing an ARI Authority which has, at minimum, Title 32 special districts from three (3) or more Approved Development Plan areas as parties to the Agreement.

ARI Master Plan: means one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the District which constitute such ARI Authority, which master plan will change from time to time.

ARI Mill Levy: means five (5) mills if the District has executed an ARI Establishment Agreement or such lesser amount as is necessary to satisfy any debt issued by such ARI Authority, or, in the event the District has not executed an ARI Establishment Agreement within one (1) year following the date of approval of this Amended and Restated Service Plan, then, the following:

A. For a district with property within its boundaries developed with any residential uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; and (ii) shall be five (5) mills from the twenty-first (21<sup>st</sup>) year through the fortieth (40<sup>th</sup>) year or the date of repayment of the debt incurred for Public Improvements, other than Regional Improvements, which ever first occurs; and (iii) for an additional ten (10) years, the mill levy shall be equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of the debt incurred for Public Improvements other than Regional Improvements; and

B. For a district with property within its boundaries developed solely for commercial uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; (ii) shall be one and one-half (1.5) mills from the twenty-first (21<sup>st</sup>) year through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements; and (iii) for five (5) years thereafter, the mill levy shall be the lesser of twenty (20) mills or a mill levy equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of debt issued for Public Improvements, other than Regional Improvements; and

C. Any district may, pursuant to any intergovernmental agreement with the City, extend the term for application of the ARI Mill Levy beyond the years set forth in A and B above. The Maximum Mill Levy Imposition Term shall include the terms set forth in A and B above and any extension of the term as approved in an intergovernmental agreement as described herein.

D. All mills described in this ARI Mill Levy definition shall be subject to adjustment as follows: On or after January 1, 2004, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy described above may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes, for purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy, and/or collect Fee revenue.

City: means the City of Aurora, Colorado.

City Code: means the City Code of the City of Aurora, Colorado.

City Council: means the City Council of the City of Aurora, Colorado.

District: means the Windler Homestead Metropolitan District.

End User: means any owner, or tenant of any owner, of any taxable improvement within the District, who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fees: means any fee imposed by the District for services, programs or facilities provided by the District, as described in Section V.A.11. below.

Financial Plan: means the Financial Plan described in Section VII which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within the District.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the District's initial boundaries.



Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VII.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VII.D below.

Project: means the development or property commonly referred to as Windler.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Regional Improvements: means Public Improvements and facilities that benefit the Service Area and which are to be financed pursuant to Section VI below.

Service Area: means the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

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

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Taxable Property: means real or personal property within the Service Area subject to ad valorem taxes imposed by the District.

### **III. BOUNDARIES**

The area of the Initial District Boundaries includes approximately thirty-six (36) acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately eight hundred nineteen (819) acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

**IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION**

The Service Area consists of approximately eight hundred fifty five (855) acres of vacant land. The current assessed valuation of the Service Area is \$0.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District at build-out is estimated to be approximately five thousand six hundred twenty five (5,625) people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

**V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES**

**A. Powers of the District and Service Plan Amendment.**

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

In connection with the performance of all acts or activities hereunder, the District shall not violate any protection clauses of the United States or Colorado State Constitutions. The District shall not discriminate against any person because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability, and further shall insert the foregoing provision in contracts or subcontracts let by the District to accomplish the purposes of this service plan.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto. Any Fee imposed by the Districts for access to such park and recreation improvements shall not result in Non-District Aurora residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by

residents of the Districts. However, the Districts shall be entitled to impose an administrative Fee as necessary to cover additional expenses associated with Non-District Aurora residents to ensure that such costs are not the responsibility of Districts residents. All such Fees shall be based upon the Districts' determination that such Fees do not exceed reasonable annual market fees for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District Aurora residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

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

3. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

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

5. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high

yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S.

8. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

9. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Fees used for the purpose of repayment of Debt.

10. Total Debt Issuance Limitation. The District shall not issue Debt in excess of Eight Hundred and Fifty Million Dollars (\$850,000,000).

11. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the District.

12. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and be a revenue source for the District without any limitation.

13. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

14. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the

City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

15. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in V.A.1-14 above or in VII.B-G. shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately Six Hundred Sixty Seven Million Eight Hundred Eighty Two Thousand and Four Hundred Thirty Four Dollars (\$667,882,434).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

**VI. REGIONAL IMPROVEMENTS**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the

provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C below.

The District shall impose the ARI Mill Levy and shall convey it as follows:

A. If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the Board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

B. If the City and the District have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the District in accordance with such agreement; or

C. If neither Section VI.A nor VI.B above is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under this Section VI and shall not expend such revenue until an intergovernmental agreement is executed between the District establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the District as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, the District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI. B above. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Section VI.A, B or C set forth above, unless the City has agreed otherwise in writing; provided, however in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related

improvements. The District shall cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy described in this Section VI at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

The District shall have the authority to issue Debt for the Regional Improvements, in an amount not to exceed Fifty Million Dollars (\$50,000,000) pursuant to agreements as described in VI.A, B or C above.

## **VII. FINANCIAL PLAN**

### **A. General.**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Fees and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed Eight Hundred and Fifty Million Dollars (\$850,000,000) and shall be permitted to be issued on a schedule and in such year or years as the District determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the District. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

### **B. Maximum Voted Interest Rate and Maximum Underwriting Discount.**

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

### **C. Maximum Debt Mill Levy.**

The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

1. For the portion of any aggregate District's Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such

portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 below; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For the portion of any aggregate District's Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Maximum Debt Mill Levy Imposition Term.

The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess Fees, rates, tolls, penalties, or charges



as provided in Section 32-1-1001(l), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or, for residential property within the District, the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the District and the City for Regional Improvements.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

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

G. Security for Debt.

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

H. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

I. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be Fifty Thousand Dollars (\$50,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be Fifty Thousand Dollars (\$50,000) which is anticipated to be derived from property taxes and other revenues.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users.

## **VIII. ANNUAL REPORT**

### **A. General.**

The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than August 1<sup>st</sup> of each year following the year in which the Order and Decree creating the District has been issued.

### **B. Reporting of Significant Events.**

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any as of December 31 of the prior year.
4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

**IX. DISSOLUTION**

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

**X. DISCLOSURE TO PURCHASERS**

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

**XI. INTERGOVERNMENTAL AGREEMENT**

The form of the intergovernmental agreement required by the City Code, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit D**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit D** at its first Board meeting after its organizational election. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

**XII. CONCLUSION**

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Section 122-35 of the City Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.

7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.

8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.

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

**EXHIBIT A**

Legal Descriptions

**Legal Description for Windler Homestead Metropolitan District  
Initial Boundary**

A parcel of land being a portion of the West Half of Section 18, Township 3 South, Range 65 West of the 6<sup>th</sup> Principal Meridian, Adams County, Colorado, being more particularly described as follows:

Bearings for this description is based upon the easterly line of the Southeast Quarter of said Section 18, Township 3 South, Range 65 West of the 6<sup>th</sup> Principal Meridian. Said line bears S00°01'51"E a distance of 2655.75 feet.

**BEGINNING** at the West Quarter Corner of said Section 18;

THENCE N00°14'03"W along the westerly line of the Northwest Quarter of said Section 18 a distance of 903.13 feet;

THENCE N89°45'57"E a distance of 1026.61 feet;

THENCE S35°02'15"E non-tangent with the following described curve a distance of 68.20 feet;

THENCE along the arc of a curve to the left, having a central angle of 17°50'50", a radius of 515.47 feet, a chord bearing of S40°45'27"E a distance of 159.92 feet, and an arc distance of 160.56 feet;

THENCE S55°57'50"E non-tangent with the last and following described curves a distance of 231.08 feet;

THENCE along the arc of a curve to the left, having a central angle of 41°28'17", a radius of 955.00 feet, a chord bearing of S00°36'25"E a distance of 676.25 feet, and an arc distance of 691.24 feet;

THENCE S21°20'33"E tangent with the last described curve, and non-tangent with the following described curve a distance of 470.13 feet;

THENCE along the arc of a curve to the right, having a central angle of 64°34'44", a radius of 745.00 feet, a chord bearing of N79°03'11"W a distance of 795.95 feet, and an arc distance of 839.70 feet;

THENCE N46°45'49"W tangent with the last and following described curves a distance of 233.74 feet;

THENCE along the arc of a curve to the left, having a central angle of 43°33'52", a radius of 745.00 feet, a chord bearing N68°32'45"W a distance of 552.91 feet, and an arc distance of 566.45 feet;

THENCE S89°40'19"W tangent with the last described curve a distance of 69.87 feet to the **POINT OF BEGINNING**.

Containing 36.250 Acres, more or less.



Todd A. Adams, P.L.S. No. 30822

Date: May 1, 2018

Job No.: 65420899

For and on Behalf of  
Merrick & Company





**Legal Description Windler Homestead Metropolitan District  
Inclusion Area Boundary**

A parcel of land being a portion of the Section 18, Township 3 South, Range 65 West of the 6th Principal Meridian, Adams County, Colorado, being more particularly described as follows:

Bearings for this description is based upon the easterly line of the Southeast Quarter of said Section 18, Township 3 South, Range 65 West of the 6<sup>th</sup> Principal Meridian. Said line bears S00°01'51"E a distance of 2655.75 feet.


**BEGINNING** at the West Quarter Corner of said Section 18;  
THENCE N89°40'19"E tangent with the following described curve a distance of 69.87 feet;  
THENCE along the arc of a curve to the right, having a central angle of 43°33'52", a radius of 745.00 feet, a chord bearing S68°32'45"E a distance of 552.91 feet, and an arc distance of 566.45 feet;  
THENCE S46°45'49"E tangent with the last and following described curves a distance of 233.74 feet;  
THENCE along the arc of a curve to the left, having a central angle of 64°34'44", a radius of 745.00 feet, a chord bearing S79°03'11"E a distance of 795.95 feet, and an arc distance of 839.70 feet;  
THENCE N21°20'33"W non-tangent with the last described curve; tangent with the following described curve a distance of 470.13 feet;  
THENCE along the arc of a curve to the right, having a central angle of 41°28'17", a radius of 955.00 feet, a chord bearing N00°36'24"W a distance of 676.25 feet, and an arc distance of 691.24 feet;  
THENCE N55°57'50"W non-tangent with the last and following described curves a distance of 231.08 feet;  
THENCE along the arc of a curve to the right, having a central angle of 17°50'50", a radius of 515.47 feet, a chord bearing N40°45'27"W a distance of 159.92 feet, and an arc distance of 160.56 feet;  
THENCE N35°02'15"W non-tangent with the last described curve a distance of 68.20 feet;  
THENCE S89°45'57"W a distance of 1026.61 feet;  
THENCE N04°06'07"E tangent with the following described curve a distance of 864.74 feet;  
THENCE along the arc of a curve to the right, having a central angle of 12°42'37", a radius of 1055.92 feet, a chord bearing N10°27'19"E a distance of 233.76 feet, and an arc distance of 234.24 feet;  
THENCE N16°48'38"E tangent with the last and following described curves a distance of 247.48 feet;



Todd G. Beers, P.L.S. 30822  
Professional Land Surveyor, 2021  
Job No.: 65420899  
For and on Behalf of  
Merrick & Company

THENCE along the arc of a curve to the left, having a central angle of 13°38'02", a radius of 1044.93 feet, a chord bearing N09°59'37"E a distance of 248.06 feet, and an arc distance of 248.65 feet;  
 THENCE N48°50'42"E non-tangent with the last described curve a distance of 75.85 feet;  
 THENCE N87°43'26"E a distance of 853.88 feet;  
 THENCE N00°00'09"E a distance of 99.95 feet;  
 THENCE N89°19'42"E along the northerly line of the Northwest Quarter of said Section 18 a distance of 1471.57 feet;  
 THENCE N88°36'07"E along the northerly line of the Northeast Quarter of said Section 18 a distance of 2594.18 feet;  
 THENCE S00°05'28"E along a line seventy-two (72.0) feet westerly of and parallel with the easterly line of said Northeast Quarter of Section 18 a distance of 2655.08 feet;  
 THENCE S00°01'51"E along a line seventy-two (72.0) feet westerly of and parallel with the easterly line of the Southeast Quarter of said Section 18 a distance of 2584.75 feet;  
 THENCE S89°08'10"W along a line seventy-two (72.0) feet northerly of and parallel with the southerly line of said Southeast Quarter of Section 18 a distance of 2577.19 feet;  
 THENCE S89°08'22"W a distance of 94.78 feet;  
 THENCE S89°08'08"W tangent with the following described curve a distance of 1159.09 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 90°00'54", a radius of 25.00 feet, a chord bearing N45°51'52"W a distance of 35.36 feet, and an arc distance of 39.28 feet;  
 THENCE S89°08'08"W non-tangent with the last and following described curves a distance of 84.00 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 90°00'54", a radius of 25.00 feet, a chord bearing S44°08'08"W a distance of 35.36 feet, and an arc distance of 39.28 feet;  
 THENCE S89°10'37"W non-tangent with the last described curve a distance of 612.66 feet;  
 THENCE N84°06'56"W a distance of 407.20 feet;  
 THENCE N00°51'41"W tangent with the following described curve a distance of 134.17 feet;  
 THENCE along the arc of a curve to the left, having a central angle of 11°39'24", a radius of 1999.86 feet, a chord bearing N06°41'23"W a distance of 406.16 feet, and an arc distance of 406.86 feet;  
 THENCE N12°31'05"W tangent with the last and following described curves a distance of 476.04 feet;  
 THENCE along the arc of a curve to the right, having a central angle of 12°31'14", a radius of 2252.81 feet, a chord bearing N06°15'28"W a distance of 491.32 feet, and an arc distance of 492.30 feet;  
 THENCE N00°00'06"W tangent with the last described curve a distance of 935.30 feet;  
 THENCE N13°59'03"W a distance of 30.17 feet;  
 THENCE N00°18'13"W a distance of 70.38 feet to the **POINT OF BEGINNING**.

Containing 575.997 Acres, more or less.



Todd G. Beers, P.E. 30822  
 APRIL 2021  
 Job No.: 65420899  
 For and on Behalf of  
 Merrick & Company






**TOGETHER WITH** a parcel of land being a portion of the Southeast Quarter of Section 13, Township 3 South, Range 65 West of the 6th Principal Meridian, Adams County, Colorado, being more particularly described as follows:

**COMMENCING** at the South Quarter Corner of said Section 13;  
THENCE N00°07'03"W along the westerly line of said Southeast Quarter of Section 13 a distance of 662.86 feet to the **POINT OF BEGINNING**;  
THENCE continuing N00°07'03"W along said westerly line of the Southeast Quarter of Section 13 a distance of 1987.56 feet;  
THENCE N89°40'20"E along the northerly line of said Southeast Quarter of Section 13 a distance of 2294.04 feet;  
THENCE S01°04'57"E a distance of 96.37 feet;  
THENCE S04°07'11"W tangent with the following described curve a distance of 1049.33 feet;  
THENCE along the arc of a curve to the right, having a central angle of 05°20'41", a radius of 3729.44 feet, a chord bearing S06°47'31"W a distance of 347.77 feet, and an arc distance of 347.90 feet;  
THENCE S09°27'52"W tangent with the last and following described curves a distance of 488.36 feet;  
THENCE along the arc of a curve to the left, having a central angle of 10°19'36", a radius of 1999.86 feet, a chord bearing S04°18'04"W a distance of 359.96 feet, and an arc distance of 360.45 feet;  
THENCE S00°51'45"E tangent with the last described curve a distance of 141.69 feet;  
THENCE S36°31'34"W a distance of 74.67 feet;  
THENCE S85°54'05"W a distance of 698.79 feet;  
THENCE N00°15'56"W a distance of 587.76 feet;  
THENCE S89°39'38"W a distance of 1325.92 feet to the **POINT OF BEGINNING**.

Containing 110.805 Acres, more or less.

**TOGETHER WITH** a parcel of land being a portion of the Northeast Quarter of Section 24, Township 3 South, Range 65 West of the 6th Principal Meridian, Adams County, Colorado, being more particularly described as follows:

**COMMENCING** at the North Quarter Corner of said Section 24;  
THENCE S00°16'31"E along the westerly line of said Northeast Quarter of Section 24 a distance of 135.06 feet to the **POINT OF BEGINNING**;  
THENCE N89°59'53"E a distance of 69.01 feet;  
THENCE N00°16'45"W a distance of 38.18 feet;  
THENCE N44°17'37"E a distance of 35.57 feet;  
THENCE N89°37'13"E a distance of 1188.61 feet;  
THENCE S84°54'09"E a distance of 748.62 feet;



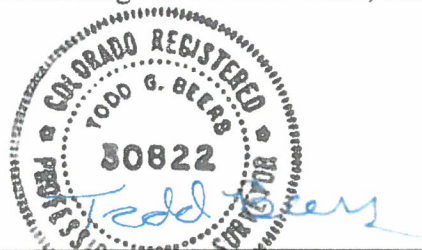
Todd Beers, P.E. 80822  
Date: 12/31/2021  
Job No.: 65420899  
For and on Behalf of  
Merrick & Company



THENCE S51°29'59"E non-tangent with the following described curve a distance of 58.63 feet;  
THENCE along the arc of a curve to the left, having a central angle of 19°07'39", a radius of 914.38 feet, a chord bearing S11°55'20"E a distance of 303.84 feet, and an arc distance of 305.26 feet;  
THENCE S21°29'10"E tangent with the last and following described curves a distance of 226.63 feet;  
THENCE along the arc of a curve to the right, having a central angle of 21°29'19", a radius of 851.97 feet, a chord bearing S10°44'31"E a distance of 317.66 feet, and an arc distance of 319.53 feet;  
THENCE S00°00'09"W tangent with the last described curve a distance of 1647.23 feet;  
THENCE S89°35'40"W along the southerly line of said Northeast Quarter of Section 24 a distance of 2266.68 feet;  
THENCE N00°16'31"W along said westerly line of the Northeast Quarter of Section 24 a distance of 2515.06 feet to the **POINT OF BEGINNING**.

Containing 131.297 Acres, more or less.

Containing Net 818.099 Acres, more or less.

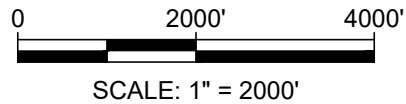
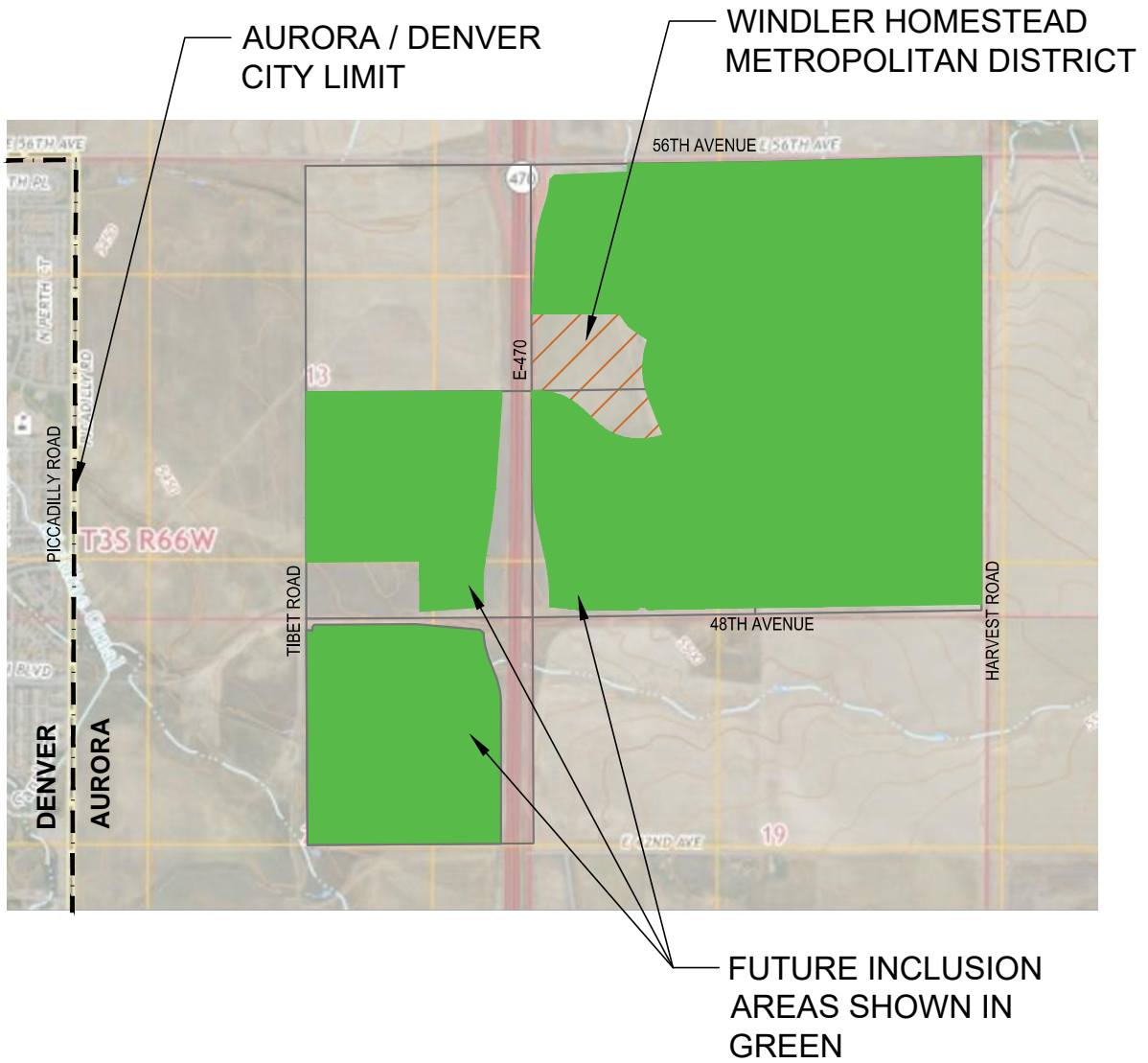


Todd G. Beets, P.E. 30822  
Date: May 4, 2021  
Job No.: 65420899  
For and on Behalf of  
Merrick & Company



**EXHIBIT B**

Aurora Vicinity Map



WINDLER HOMESTEAD METROPOLITAN DISTRICT  
VICINITY MAP  
EXHIBIT B

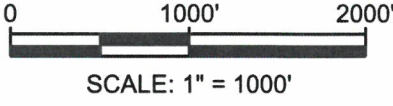
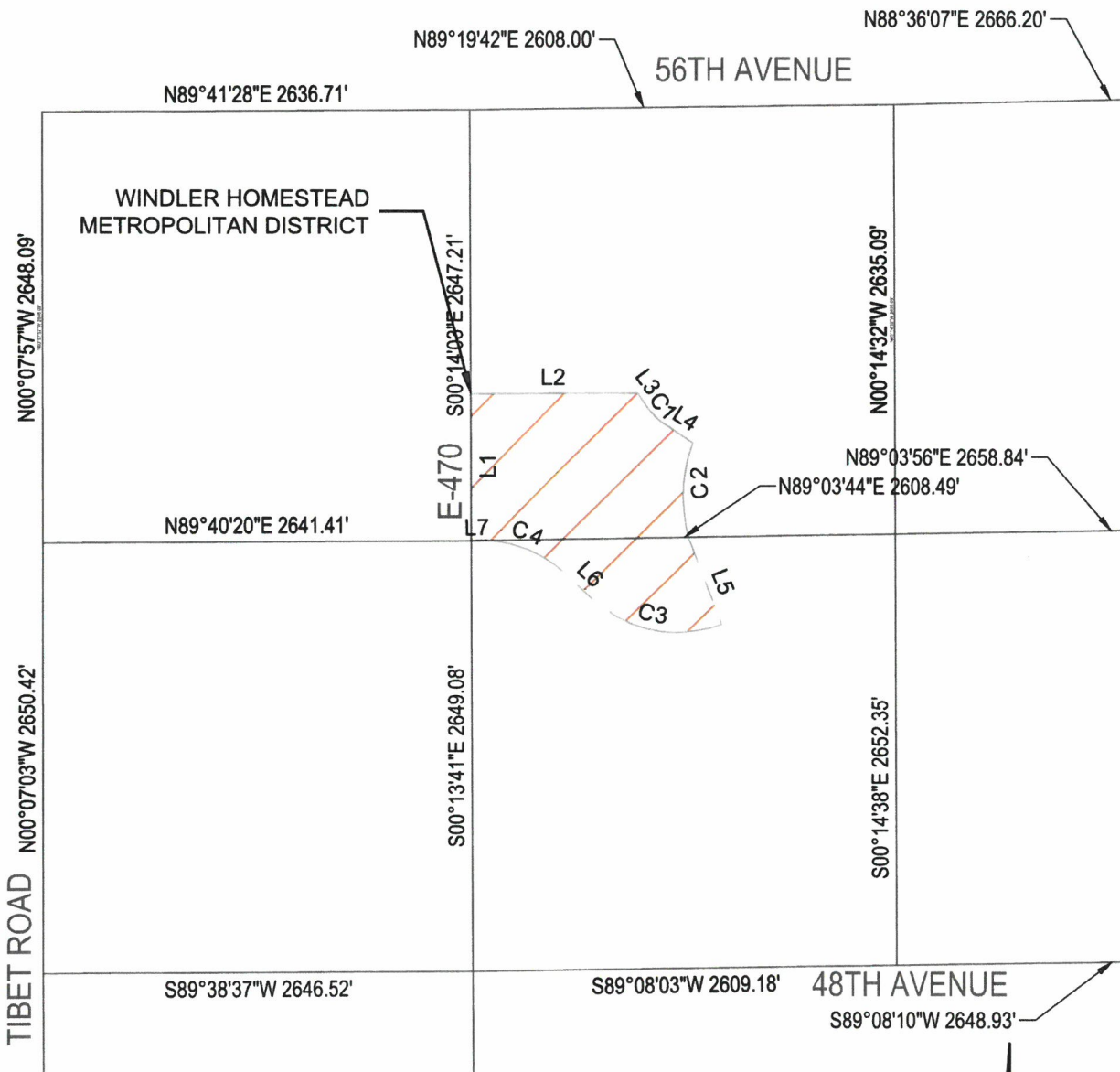
DATE: 5/4/2021

SHEET: 1 OF 1

**EXHIBIT C-1**

Initial District Boundary Map

File Location: C:\DEP\Projects\0899-00-Windler Metro Districts\Design\Exhibits\Windler Homestead MD - SERVICE PLAN EXHIBITS.dwg Plot Date: 5/12/2021 4:39 PM Last Saved By: MBERLIN



PARCELS OF LAND SITUATED WITHIN THE  
 NORTHEAST, NORTHWEST, SOUTHWEST  
 AND SOUTHEAST QUARTER OF SECTION  
 18, T3S, R65W, 6TH P.M., CITY OF  
 AURORA, ADAMS COUNTY, COLORADO

This illustration does not represent a monumented survey, it is intended only to depict the initial district boundary parcel.



WINDLER HOMESTEAD METROPOLITAN DISTRICT  
 BOUNDARY MAP  
 EXHIBIT C-1

DATE: 5/4/2021  
 SHEET: 1 OF 2

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N0° 14' 03"W	903.13'
L2	N89° 45' 57"E	1026.61'
L3	S35° 02' 15"E	68.20'
L4	S55° 57' 50"E	231.08'
L5	S21° 20' 33"E	470.13'
L6	N46° 45' 49"W	233.74'
L7	S89° 40' 19"W	69.87'

CURVE TABLE					
CURVE #	DELTA	RADIUS	CHORD BEARING	CHORD LENGTH	LENGTH
C1	17° 50' 50"	515.47'	S40° 45' 27"E	159.92'	160.56'
C2	41° 28' 17"	955.00'	S0° 36' 25"E	676.25'	691.24'
C3	64° 34' 44"	745.00'	S79° 03' 11"E	795.95'	839.70'
C4	43° 33' 52"	745.00'	N68° 32' 45"W	552.91'	566.45'

PARCELS OF LAND SITUATED WITHIN THE  
 NORTHEAST, NORTHWEST, SOUTHWEST  
 AND SOUTHEAST QUARTER OF SECTION  
 18, T3S, R65W, 6TH P.M., CITY OF  
 AURORA, ADAMS COUNTY, COLORADO



WINDLER HOMESTEAD METROPOLITAN DISTRICT  
 BOUNDARY MAP  
 EXHIBIT C-1

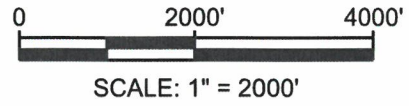
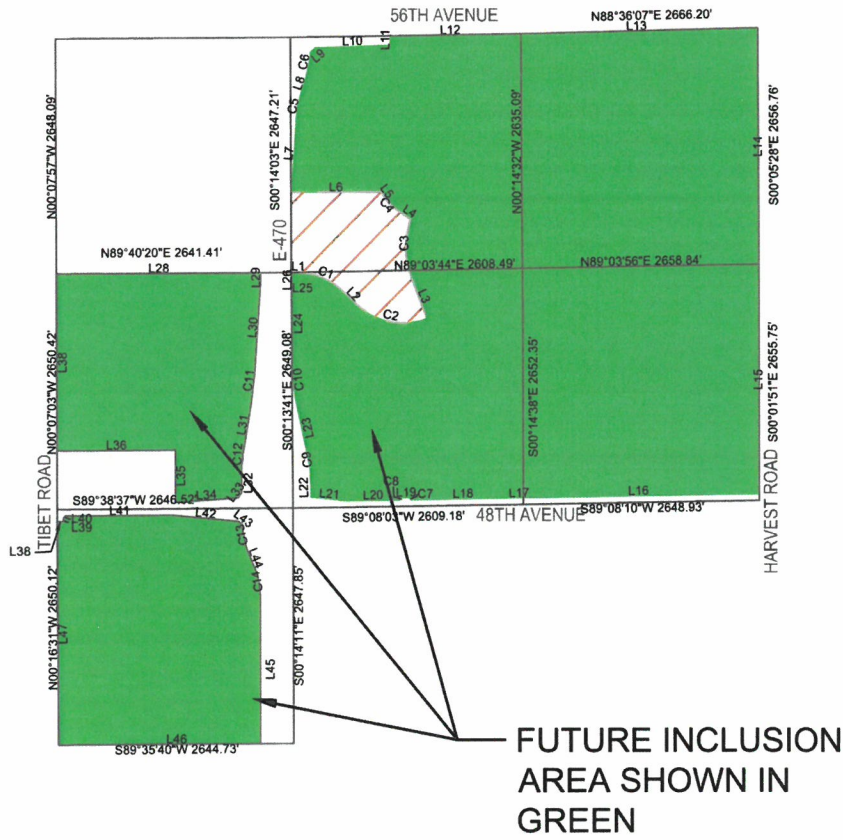
DATE: 5/4/2021

SHEET: 2 OF 2

**EXHIBIT C-2**

Inclusion Area Boundary Map





WINDLER HOMESTEAD METROPOLITAN DISTRICT  
INCLUSION AREA BOUNDARY MAP  
EXHIBIT C-2

DATE: 5/4/2021  
SHEET: 1 OF 2

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N89° 40' 19"E	69.87'
L2	S46° 45' 49"E	233.74'
L3	N21° 20' 33"W	470.13'
L4	N55° 57' 50"W	231.08'
L5	N35° 02' 15"W	68.20'
L6	S89° 45' 57"W	1026.61'
L7	N4° 06' 07"E	864.74'
L8	N16° 48' 38"E	247.48'
L9	N48° 50' 42"E	75.85'
L10	N87° 43' 26"E	853.88'
L11	N0° 00' 09"E	99.95'
L12	N89° 19' 42"E	1471.57'
L13	N88° 36' 07"E	2594.18'
L14	S0° 05' 28"E	2655.08'
L15	S0° 01' 51"E	2584.75'
L16	S89° 08' 10"W	2577.19'
L17	S89° 08' 22"W	94.78'

LINE TABLE		
LINE #	BEARING	LENGTH
L18	S89° 08' 08"W	1159.09'
L19	S89° 08' 08"W	84.00'
L20	S89° 10' 37"W	612.66'
L21	N84° 06' 56"W	407.20'
L22	N0° 51' 41"W	134.17'
L23	N12° 31' 05"W	476.04'
L24	N0° 00' 06"W	935.30'
L25	N13° 59' 03"W	30.17'
L26	N0° 18' 13"W	70.38'
L27	N0° 07' 03"W	662.86'
L28	N89° 40' 20"E	2294.04'
L29	S1° 04' 57"E	96.37'
L30	S4° 07' 11"W	1049.33'
L31	S9° 27' 52"W	488.36'
L32	S0° 51' 45"E	141.69'
L33	S36° 31' 34"W	74.67'
L34	S85° 54' 05"W	698.79'

LINE TABLE		
LINE #	BEARING	LENGTH
L35	N0° 15' 56"W	587.76'
L36	S89° 39' 38"W	1325.92'
L37	S0° 16' 31"E	135.06'
L38	N89° 59' 53"E	69.01'
L39	N0° 16' 45"W	38.18'
L40	N44° 17' 37"E	35.57'
L41	N89° 37' 13"E	1188.61'
L42	S84° 54' 09"E	748.62'
L43	S51° 29' 59"E	58.63'
L44	S21° 29' 10"E	226.63'
L45	S0° 00' 09"W	1647.23'
L46	S89° 35' 40"W	2266.68'
L47	N0° 16' 31"W	2515.06'

CURVE TABLE					
CURVE #	DELTA	RADIUS	CHORD BEARING	CHORD LENGTH	LENGTH
C1	43° 33' 52"	745.00'	S68° 32' 45"E	552.91'	566.45'
C2	64° 34' 44"	745.00'	S79° 03' 11"E	795.95'	839.70'
C3	41° 28' 17"	955.00'	N0° 36' 25"W	676.25'	691.24'
C4	17° 50' 50"	515.47'	N40° 45' 27"W	159.92'	160.56'
C5	12° 42' 37"	1055.92'	N10° 27' 19"E	233.76'	234.24'
C6	13° 38' 02"	1044.93'	N9° 59' 37"E	248.06'	248.65'
C7	90° 00' 54"	25.00'	N45° 51' 52"W	35.36'	39.28'
C8	90° 00' 54"	25.00'	S44° 08' 08"W	35.36'	39.28'
C9	11° 39' 24"	1999.86'	N6° 41' 23"W	406.16'	406.86'
C10	12° 31' 14"	2252.81'	N6° 15' 28"W	491.32'	492.30'
C11	5° 20' 41"	3729.44'	S6° 47' 31"W	347.77'	347.90'
C12	10° 19' 36"	1999.86'	S4° 18' 04"W	359.96'	360.45'
C13	19° 07' 39"	914.38'	S11° 55' 20"E	303.84'	305.26'
C14	21° 29' 19"	851.97'	S10° 44' 31"E	317.66'	319.53'



WINDLER HOMESTEAD METROPOLITAN DISTRICT  
INCLUSION AREA BOUNDARY MAP  
EXHIBIT C-2

DATE: 5/4/2021

SHEET: 2 OF 2

**EXHIBIT D**

Intergovernmental Agreement between the District and Aurora

**AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE CITY OF AURORA, COLORADO  
AND  
WINDLER HOMESTEAD METROPOLITAN DISTRICT**

THIS AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado (“City”), and WINDLER HOMESTEAD METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The City and the District are collectively referred to as the Parties.

**RECITALS**

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the City on June 14, 2021 (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District, as required by the Aurora City Code; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

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

**COVENANTS AND AGREEMENTS**

1. Operations and Maintenance. The Districts shall dedicate the Public Improvements (as defined in the Service Plan) to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto.

Any Fee imposed by the District for access to such park and recreation improvements shall not result in Non-District City residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the District. However, the District

shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with Non-District City residents to ensure that such costs are not the responsibility of District residents. All such Fees shall be based upon the District's determination that such Fees do not exceed reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District City residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

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

3. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

4. Golf Course Construction. The District shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

5. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

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

Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S.

8. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

9. Initial Debt. On or before the effective date of approval by the City of an Approved Development Plan (as defined in the Service Plan), the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

10. Total Debt Issuance. The District shall not issue Debt in excess of Eight Hundred and Fifty Million Dollars (\$850,000,000).

11. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the District.

12. Debt Issuance Limitation. The District shall not be authorized to incur any indebtedness until such time as the District has approved and executed the IGA and approved the imposition of the Aurora Regional Improvement Mill Levy (as defined in the Service Plan) upon all taxable property located within the boundaries of the District.

13. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

14. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

15. Bankruptcy. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

16. Dissolution. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

17. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District’s authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

18. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in V.A.1-14 or VII.B-G of the Service Plan shall be deemed to be material modifications to the Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

19. Annual Report. The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager’s Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued, pursuant to the City Code and containing the information set forth in Section VIII of the Service Plan.

20. Regional Improvements. The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a

contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C of the Service Plan.

The District shall impose the ARI Mill Levy and shall convey it as follows:

(a) If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the Board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

(b) If the City and the District have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the District in accordance with such agreement; or

(c) If neither Section VI.A nor VI.B of the Service Plan is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under Section VI of the Service Plan and shall not expend such revenue until an intergovernmental agreement is executed between the District establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B of the Service Plan above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the District as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, the District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI. B of the Service Plan. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Section VI.A, B or C of the Service Plan, unless the City has agreed otherwise in writing; provided,



however in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The District shall cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy described in Section VI of the Service Plan at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

21. Maximum Debt Mill Levy. The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

(a) For the portion of any aggregate District's Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 of the Service Plan; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) For the portion of any aggregate District's Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

(c) For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 of the Service Plan, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

22. Maximum Debt Mill Levy Imposition Term. The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI of the Service Plan. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

23. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District: Windler Homestead Metropolitan District  
c/o White Bear Ankele Tanaka & Waldron  
2154 East Commons Avenue, Suite 2000

Centennial, CO 80122  
Attn: Clint Waldron  
Phone: (303) 858-1800  
Fax: (303) 858-1801

To the City: City of Aurora  
15151 E. Alameda Pkwy., 5th Floor  
Aurora, CO 80012  
Attn: Daniel Brotzman, City Attorney  
Phone: (303) 739-7030  
Fax: (303) 739-7042

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

24. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

25. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written

consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

26. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

27. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

28. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

29. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

30. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the City shall be for the sole and exclusive benefit of the District and the City.

31. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

32. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

33. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

34. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

**[SIGNATURE PAGE TO INTERGOVERNMENTAL AGREEMENT]**

WINDLER HOMESTEAD METROPOLITAN  
DISTRICT

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

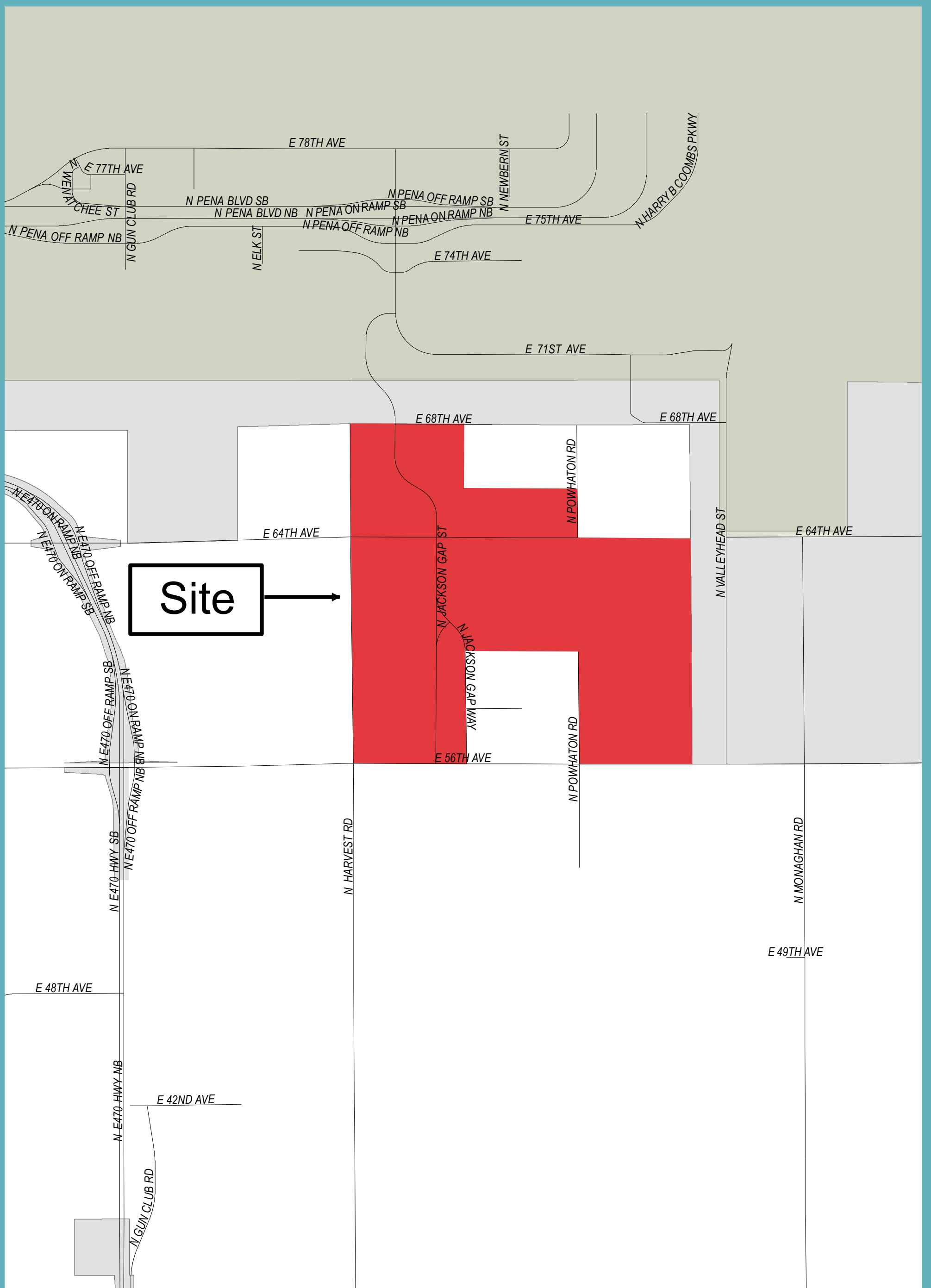
CITY OF AURORA, COLORADO

By: \_\_\_\_\_  
Mike Coffman, Mayor

Attest:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM: \_\_\_\_\_



**Site** →

**Planning & Development Services**

15151 E. Alameda Pkwy  
 Aurora CO 80012 USA  
[www.auroragov.org](http://www.auroragov.org)  
 303-739-7250  
[GIS@auroragov.org](mailto:GIS@auroragov.org)

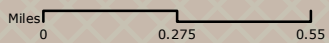
**City of Aurora, Colorado  
 Velocity Metropolitan District**

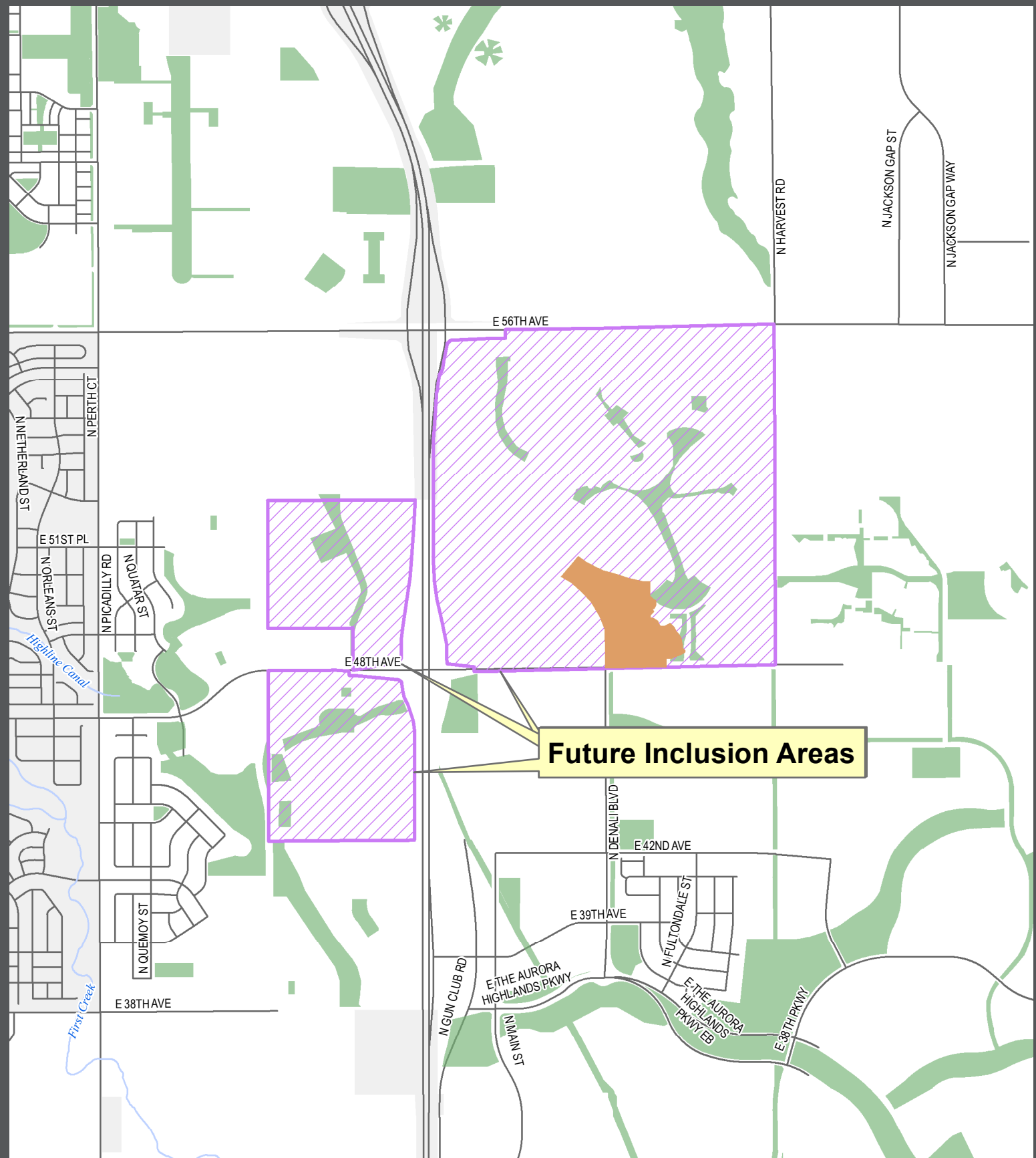
June 25, 2019

*Aurora is Worth Discovering!*



**Metro Districts**  
■ Velocity Metropolitan District





**Planning & Development Services**

15151 E. Alameda Parkway  
 Aurora CO 80012 USA  
 AuroraGov.org  
 303.739.7250  
 GIS@auroragov.org

**City of Aurora, Colorado**

WH Metropolitan District No. 1

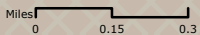
Vicinity Map

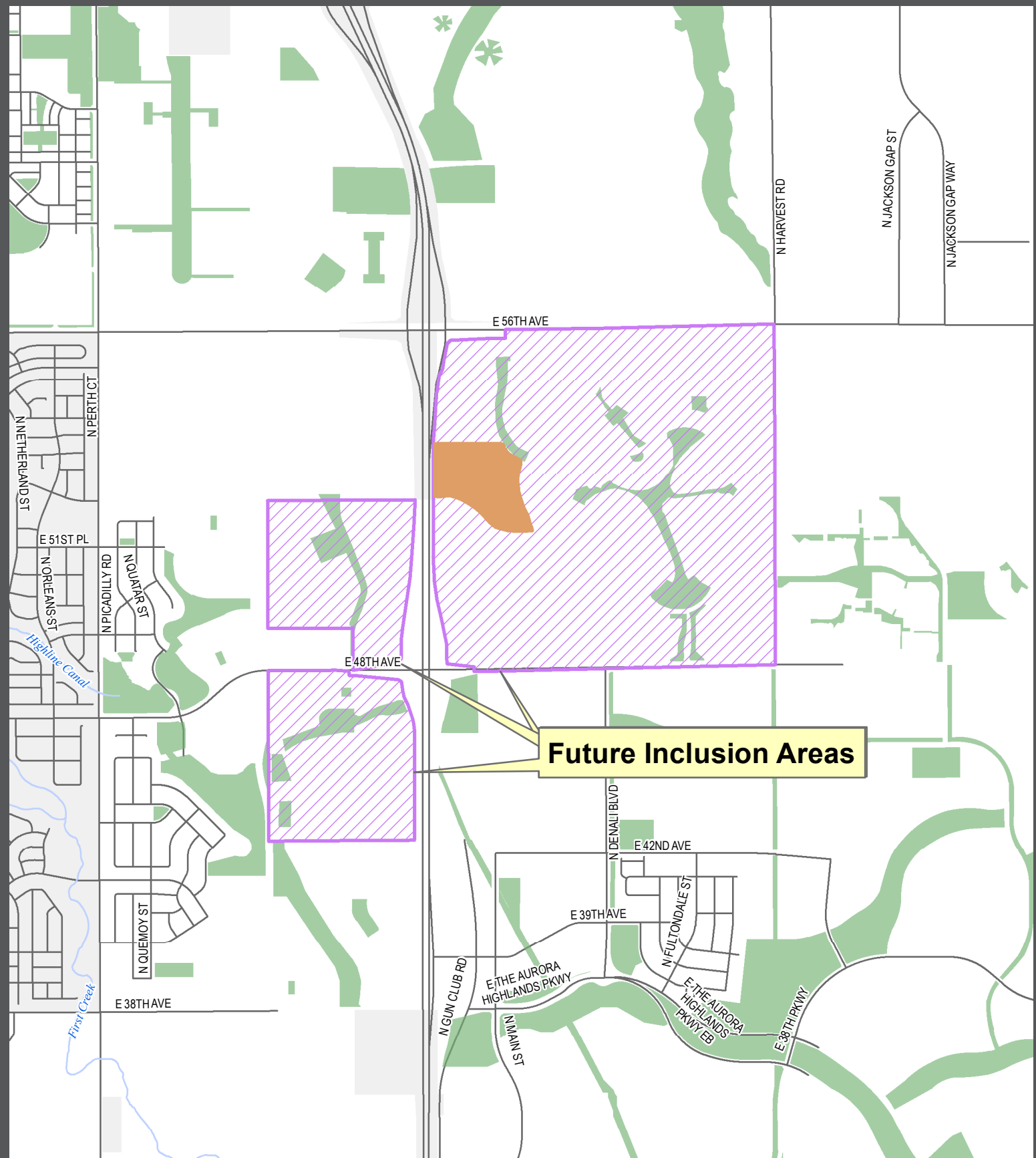
May 17, 2021



**Legend**

- WH Metropolitan District No. 1
- Future Inclusion Areas
- Creeks
- Parks and Open Space
- Other Jurisdictions





**Future Inclusion Areas**

**Planning & Development Services**

15151 E. Alameda Parkway  
 Aurora CO 80012 USA  
 AuroraGov.org  
 303.739.7250  
 GIS@auroragov.org

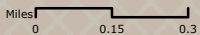
**City of Aurora, Colorado**

Windler Homestead Metropolitan District  
 Vicinity Map  
 May 17, 2021



**Legend**

- Windler Homestead Metropolitan District
- Future Inclusion Areas
- Creeks
- Parks and Open Space
- Other Jurisdictions





## ICENOGL SEAVR POGUE

---

May 18, 2021

**VIA EMAIL**

Cesarina Dancy  
Development Project Manager  
City of Aurora  
Office of Development Assistance  
15151 E. Alameda Parkway, Suite 5200  
Aurora, CO 80012  
[cdancy@auroragov.org](mailto:cdancy@auroragov.org)

**RE: Velocity Metropolitan District Nos. 1-9  
First Amended and Restated Service Plans**

Dear Ms. Dancy,

On behalf of the Velocity Metropolitan District Nos. 1-9 (individually, “District No. 1,” “District No. 2,” “District No. 3,” “District No. 4,” “District No. 5,” “District No. 6,” “District No. 7,” “District No. 8,” and “District No. 9;” collectively, the “Districts”), we hereby submit for filing with the City of Aurora proposed First Amended and Restated Service Plans for the Districts (collectively, the “Amended and Restated Service Plans”). Our firm, Icenogle Seaver Pogue, P.C., is legal counsel to the Districts. In connection with our preparation of the Amended and Restated Service Plans, we have used the City’s “Multiple District Multiple Service Plan” model service plan.

The Districts’ individual, original Service Plans were approved by the City Council in 2007 via resolution No. R2007-89. In 2019, the City Council approved the First Amendments to the Districts’ Service Plans via Resolution No. R2019-07 (the “First Amendments”). The purpose of the First Amendments was to increase the Districts’ respective total debt issuance limitation from \$50,000,000 (for District Nos. 1, 2, and 3) and \$75,000,000 (for District Nos. 4, 5, 6, 7, 8, and 9) to \$100,000,000. Subsequently, the Service Plans for District Nos. 4, 5, and 6 were amended again in 2019 pursuant to City Council Ordinance No. 2019-44 (the “Second Amendments”). The Second Amendments allowed for increases in the authorized Aurora Regional Improvement mill levy upon satisfaction of certain conditions. The increases authorized in the Second Amendments for District Nos. 4, 5, and 6 are reflected in the Amended and Restated Service Plans for those Districts only.

The property within the Districts’ boundaries and service area is being developed for commercial and industrial uses as part of the Porteos development. Development is currently ongoing.

The primary purpose of the Amended and Restated Service Plans is to increase the Districts’ total “Debt” (as such term is defined in the Amended and Restated Service Plans) issuance limitations from \$100,000,000 to \$195,000,000. The debt limits reported in Sections V.A.10. (Total Debt Issuance Limitation) and VII.A. (Financial Plan – General) do not include any debt associated with regional improvements as described in the last sentence of Section VI.C. The Districts are pursuing the Amended and Restated Service Plans due to increasing costs and in anticipation of refinancing the Districts’ outstanding bonds (as described below) in the next three to five years to reduce long-term costs. As further

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## ICENOGLE SEAVER POGUE

described below, each District's total debt issuance limitation must be increased to create and preserve the opportunity for a future refinancing.

On February 14, 2019, District No. 3 issued its Limited Tax General Obligation Bonds, Series 2019 in the principal amount of \$76,110,000 (the "District 3 Series 2019 Bonds"). In connection with this issue, District No. 2 and District No. 9 pledged certain mill levy revenues to the payment of the District 3 Series 2019 Bonds and allocated all of the indebtedness represented thereby to each pledging District. Accordingly, even though the District 3 Series 2019 Bonds represent a total debt issuance of \$76,110,000, the debt amount is counted three times over (once per District) because District No. 3, District No. 2, and District No. 9 each allocated \$76,110,000 to payment of the District 3 Series 2019 Bonds. Therefore, the remaining Service Plan debt authorization under the current total debt issuance limitation for District No. 3, District No. 2, and District No. 9 is \$23,890,000 each.

Similarly, on October 30, 2020, District No. 5 issued its Limited Tax General Obligation Bonds, Series 2020A-1 in the principal amount of \$21,570,000 and its Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2020A-2 in the original principal amount of \$17,233,312 (\$26,200,000 at current interest conversion date) (the "District No. 5 Series 2020 Bonds"). In connection with this issue, District No. 4, District No. 6, District No. 7, and District No. 8. pledged certain mill levy revenues to the payment of the District 5 Series 2020 Bonds and allocated all of the indebtedness represented thereby to each pledging District. Accordingly, the remaining Service Plan debt authorization under the current total debt issuance limitation for District No. 5, District No. 4, District No. 6, District No. 7, and District No. 8 is \$61,196,688 each.

The Districts currently intend to pursue refinancing of their outstanding debt, including the District No. 3 Series 2019 Bonds and the District No. 5 Series 2020 Bonds, in the next three to five years. We are considering currently that the refinancing could be accomplished through the Porteos Business Improvement District, with pledges from each of the Districts. This refinancing structure would use the same portion of each of the pledging Districts' total authorized debt pursuant to the Service Plans. Accordingly, the Districts are seeking to increase their total debt issuance limitation as authorized by their respective Service Plans for the reasons described herein and in anticipation of this future refinancing. In accordance with City policy, the Districts are amending and restating their separate service plans to comply with the current City model service plan.

Please let me know if we can assist in preparing these Amended and Restated Service Plans and if you have any questions.

Sincerely,

ICENOGLE SEAVER POGUE  
A Professional Corporation



Alan D. Pogue

cc: Brian J. Rulla, Assistant City Attorney

Enclosures

Alan D. Pogue | APogue@isp-law.com | Direct 303.867.3006

4725 S. Monaco St., Suite 360 | Denver, CO 80237 | 303.292.9100 | fax 303.292.9101 | www.isp-law.com

**FIRST AMENDED AND RESTATED  
SERVICE PLAN  
FOR  
VELOCITY METROPOLITAN DISTRICT NO. 1  
CITY OF AURORA, COLORADO**

Prepared

by

ICENOGLE SEAVER POGUE, P.C.  
4725 S. MONACO STREET, SUITE 360  
DENVER, CO 80237

May 18, 2021

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**LIST OF EXHIBITS**

<b>EXHIBIT A</b>	Legal Descriptions
<b>EXHIBIT B</b>	Aurora Vicinity Map
<b>EXHIBIT C-1</b>	Current District Boundary Map
<b>EXHIBIT C-2</b>	Inclusion Area Boundary Map
<b>EXHIBIT D</b>	Intergovernmental Agreement between the District and Aurora

## I. INTRODUCTION

### A. Purpose and Intent.

The District was formed on June 6, 2008 following approval by the City Council of the District's original service plan, as subsequently amended.<sup>1</sup> The District is amending its original service plan due to increasing costs and to facilitate future funding and refinancing of the Public Improvements required to serve the Project. This Service Plan is intended to modify, replace, restate and superseded the original service plan, as amended, in its entirety.

The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

### B. Need for the District.

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

### C. Objective of the City Regarding District's Service Plan.

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

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<sup>1</sup> The original service plan was approved by the City Council on December 17, 2007 and amended by a first amendment thereto approved by the City Council on February 4, 2019.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities are allowed, but only through an intergovernmental agreement with the City.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if the District has authorized operating functions under an intergovernmental agreement with the City, to retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy on commercial and residential properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no commercial or residential property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District. With regard to Regional Improvements, this Service Plan also provides for the Districts to pay a portion of the cost of regional infrastructure as part of ensuring that development and those that benefit from development pay for the associated costs.

## **II. DEFINITIONS**

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a Framework Development Plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

ARI or Regional Improvements: means Aurora Regional Improvements.

ARI Authority: means one or more Authorities established by an ARI Authority Establishment Agreement.

ARI Establishment Agreement: means an intergovernmental agreement establishing an ARI Authority which has, at minimum, Title 32 special districts from three (3) or more Approved Development Plan areas as parties to the Agreement.

ARI Master Plan: means one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of

the Districts which constitute such ARI Authority, which master plan will change from time to time.

ARI Mill Levy: means the following:

A. For districts with property within their boundaries developed with any residential uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; and (ii) shall be five (5) mills from the twenty-first (21<sup>st</sup>) year through the fortieth (40<sup>th</sup>) year or the date of repayment of the debt incurred for Public Improvements, other than Regional Improvements, which ever first occurs; and (iii) for an additional ten (10) years, the mill levy shall be equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of the debt incurred for Public Improvements other than Regional Improvements; and

B. For districts with property within their boundaries developed solely for commercial uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; (ii) shall be one and one-half (1.5) mills from the twenty-first (21<sup>st</sup>) year through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements; and (iii) for five (5) years thereafter, the mill levy shall be the lesser of twenty (20) mills or a mill levy equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of debt issued for Public Improvements, other than Regional Improvements; and

C. Any district may, pursuant to any intergovernmental agreement with the City, extend the term for application of the ARI Mill Levy beyond the years set forth in A and B above. The Maximum Mill Levy Imposition Term shall include the terms set forth in A and B above and any extension of the term as approved in an intergovernmental agreement as described herein.

D. All mills described in this ARI Mill Levy definition shall be subject to adjustment as follows: On or after January 1, 2004, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the one (1) mill levy described above may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes, for purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.



Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy, and/or collect Fee revenue.

City: means the City of Aurora, Colorado.

City Code: means the City Code of the City of Aurora, Colorado.

City Council: means the City Council of the City of Aurora, Colorado.

Current District Boundaries: means the boundaries of the area described in the Current District Boundary Map.

District: means Velocity Metropolitan District No. 1.

Districts: means District No. 1 and District Nos. 2, 3, 4, 5, 6, 7, 8, and 9, collectively.

End User: means any owner, or tenant of any owner, of any taxable improvement within the Districts who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fee(s): means any fee imposed by the Districts for services, programs or facilities provided by the Districts, as described in Section V.A.11. below.

Financial Plan: means the combined Financial Plan of the Districts as described in Section VII which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts.

Current District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the District's current boundaries.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VII.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VII.D below.

Project: means the development or property commonly referred to as Porteos or Velocity.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Regional Improvements: means Public Improvements and facilities that benefit the Service Area and which are to be financed pursuant to Section VI below.

Service Area: means the property within the Current District Boundary Map and the Inclusion Area Boundary Map.

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

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

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

### **III. BOUNDARIES**

The area of the Current District Boundaries includes approximately one quarter (0.25) acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately one thousand four hundred forty-seven (1,447) acres. A legal description of the Current District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**.

A vicinity map is attached hereto as **Exhibit B**. A map of the Current District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

**IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION**

The Service Area consists of approximately one thousand four hundred forty-seven (1,447) acres of commercial and industrial land. The current assessed valuation of the Service Area is \$34,630,970.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District at build-out is estimated to be approximately zero (0) people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

**V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES**

A. Powers of the District and Service Plan Amendment.

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

In connection with the performance of all acts or activities hereunder, the District shall not violate any protection clauses of the United States or Colorado State Constitutions. The District shall not discriminate against any person because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability, and further shall insert the foregoing provision in contracts or subcontracts let by the District to accomplish the purposes of this service plan.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owner's association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements

and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto. Any Fee imposed by the Districts for access to such park and recreation improvements shall not result in Non-District Aurora residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the Districts. However, the Districts shall be entitled to impose an administrative Fee as necessary to cover additional expenses associated with Non-District Aurora residents to ensure that such costs are not the responsibility of Districts residents. All such Fees shall be based upon the Districts' determination that such Fees do not exceed reasonable annual market fees for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District Aurora residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

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

3. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

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

5. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

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

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S.

8. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy of the Districts. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

9. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Fees used for the purpose of repayment of Debt.

10. Total Debt Issuance Limitation. The District shall not issue Debt in excess of One Hundred Ninety-Five Million Dollars (\$195,000,000).

11. Fee Limitation. Each of the Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

12. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

13. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with one or more of the Districts.

14. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

15. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in V.A.1-14 above or in VII.B-G. shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately Six Hundred Million Dollars (\$600,000,000).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost

estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into one or more intergovernmental agreements which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

**VI. REGIONAL IMPROVEMENTS**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C below.

The District shall impose the ARI Mill Levy and shall convey it as follows:

A. If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

B. If the City and the District have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the District in accordance with such agreement; or

C. If neither Section VI.A nor VI.B above is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under this Section VI and shall not expend such revenue until an intergovernmental agreement is executed between the District establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from

the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the District as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, the District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI. B above. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Section VI.A, B or C set forth above, unless the City has agreed otherwise in writing; provided, however in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The District shall cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy described in this Section VI at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements. The Porteos Business Improvement District shall not be a Business Improvement District for purposes of this paragraph.

The District shall have the authority to issue Debt for the Regional Improvements, in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) pursuant to agreements as described in VI.A, B or C above.

## **VII. FINANCIAL PLAN**

### **A. General.**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed One Hundred Ninety-Five Million Dollars (\$195,000,000) and shall be permitted to be issued on a schedule and in such year or years as the District determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the District. The District will also rely



upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

The “Maximum Debt Mill Levy” shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

1. For the portion of any aggregate District’s Debt which exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 below; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For the portion of any aggregate District’s Debt which is equal to or less than fifty percent (50%) of the District’s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District’s Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term “District” as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each

of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Maximum Debt Mill Levy Imposition Term.

The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or, for residential property within the District, the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the District and the City for Regional Improvements.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

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

G. Security for Debt.

The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the District's obligations; nor shall

anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

H. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

I. District's Operating Costs.

The cost of acquiring land, engineering services, legal services and administrative services, together with the costs of the District's organization and initial operations, have been reimbursed from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The current year's operating budget is Twenty-One Thousand Three Hundred Eighty-Two Dollars (\$21,382) which is derived from property taxes and other revenues.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users.

**VIII. ANNUAL REPORT**

A. General.

The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than August 1<sup>st</sup> of each year following the year in which the Order and Decree creating the District has been issued.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any as of December 31 of the prior year.

4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

**IX. DISSOLUTION**

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

**X. DISCLOSURE TO PURCHASERS**

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

**XI. INTERGOVERNMENTAL AGREEMENT**

The form of the intergovernmental agreement required by the City Code, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit D**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit D** at its first Board meeting after its organizational election. Failure of the District to execute the

intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

## **XII. CONCLUSION**

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Section 122-35 of the City Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.
8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.
9. The creation of the District is in the best interests of the area proposed to be served.

**EXHIBIT A**

Legal Descriptions

**CURRENT DISTRICT BOUNDARIES**

**EXHIBIT A**

**DIRECTOR PARCEL – VELOCITY METROPOLITAN DISTRICT NO. 1  
SW 1/4 SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST, 6<sup>TH</sup> P.M.**

**LEGAL DESCRIPTION**

A PARCEL OF LAND BEING A PART OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN AND CONSIDERING THE WEST LINE OF SAID SOUTHWEST QUARTER, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT, TO BEAR NORTH 00°37'54" WEST, 2651.38 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE NORTH 00°37'54" WEST ALONG SAID WEST LINE, A DISTANCE OF 1320.00 FEET;

THENCE NORTH 89°22'06" EAST, A DISTANCE OF 105.00 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 00°37'54" WEST, A DISTANCE OF 105.00 FEET;

THENCE NORTH 89°22'06" EAST, A DISTANCE OF 105.00 FEET TO A POINT ON THE EASTERLY LINE OF THAT PUBLIC SERVICE COMPANY OF COLORADO EASEMENT AS DESCRIBED IN DEED RECORDED IN BOOK 5364 AT PAGE 596 IN THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER;


THENCE SOUTH 00°37'54" EAST ALONG SAID EASTERLY LINE, A DISTANCE OF 105.00 FEET;

THENCE SOUTH 89°22'06" WEST, A DISTANCE OF 105.00 FEET TO THE **POINT OF BEGINNING**,

SAID PARCEL CONTAINING A CALCULATED AREA OF 11,025 SQUARE FEET OR 0.253 ACRE, MORE OR LESS.

THE LINEAL UNIT USED IN THE PREPARATION OF THIS PLAT IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

I, WILLIAM F. HESSELBACH JR., A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING,

  
WILLIAM F. HESSELBACH JR., P.L.S. 25369  
FOR AND ON BEHALF OF  
CVL CONSULTANTS OF COLORADO, INC.  
10333 E. DRY CREEK ROAD, SUITE 240  
ENGLEWOOD, CO 80112



**Inclusion Area Boundaries:**

A PARCEL OF LAND BEING ALL OF THE SOUTHWEST ONE-QUARTER (SW 1/4) OF SECTION 4, THE SOUTH ONE-HALF (S 1/2) OF SECTION 5, THE NORTH ONE-HALF (N 1/2) OF SECTION 8, A PART OF THE SOUTHWEST ONE-QUARTER (SW 1/4) OF SECTION 8 AND THE WEST ONE-HALF (W 1/2) OF SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTHWEST CORNER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 5; THENCE S89°40'05"E, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 5, A DISTANCE OF 2659.06 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST ONE-QUARTER OF SAID SECTION 5;  
THENCE S89°40'05"E, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 5, A DISTANCE OF 2655.55 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST ONE-QUARTER OF SAID SECTION 5,  
THENCE N89°42'57"E, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 4, A DISTANCE OF 2640.56 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST ONE-QUARTER OF SAID SECTION 4,  
THENCE S00°30'38"E, ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF SAID SECTION 4, A DISTANCE OF 2674.79 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHWEST ONE-QUARTER OF SAID SECTION 9;  
THENCE S00°26'59"E, ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 9, A DISTANCE OF 2643.86 FEET TO THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF SAID SECTION 9;  
THENCE S00°26'59"E, ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 9, A DISTANCE OF 2649.32 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER OF SECTION 9;  
THENCE S89°57'02"W, ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SAID SECTION 9, A DISTANCE OF 2639.17 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHWEST ONE-QUARTER OF SAID SECTION 9;  
THENCE N00°37'57"W, ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER OF SAID SECTION 9, A DISTANCE OF 2651.44 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SECTION 8;  
THENCE N89°43'56"W, ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER OF SAID SECTION 8, A DISTANCE OF 2651.88 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;  
THENCE S00°37'45"E, ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF SECTION 8, A DISTANCE OF 2544.11 FEET TO A POINT 110.00 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 8;  
THENCE N89°47'21"W, PARALLEL WITH AND 110.00 FEET NORTH OF SAID SOUTH LINE, A DISTANCE OF 2651.98 FEET TO A POINT ON THE WEST LINE OF SAID SOUTHWEST QUARTER OF SECTION 8;  
THENCE N00°47'40"W, ALONG THE SAID WEST LINE, A DISTANCE OF 2546.87 FEET TO THE NORTHWEST CORNER OF SAID SOUTHWEST QUARTER OF SECTION 8;



THENCE N00°46'20"W, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 8, A DISTANCE OF 2655.83 FEET TO THE NORTHWEST CORNER OF SAID NORTHWEST QUARTER OF SECTION 8;

THENCE N00°06'30"W, ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER OF SECTION 5, A DISTANCE OF 2655.98 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 1,286.909 ACRES (56,057,763 SQ. FT.) OF LAND MORE OR LESS.

PREPARED BY:

JANET A. CALDWELL, P.L.S. 29027

FOR AND ON BEHALF OF THE LUND PARTNERSHIP, INC.

12265 W. BAYAUD AVE., SUITE 130

LAKWOOD, COLORADO 80228

TOGETHER WITH THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, STATE OF COLORADO, CONTAINING APPROXIMATELY 160.000 ACRES (6,969,600 SQ. FT.) OF LAND MORE OR LESS.

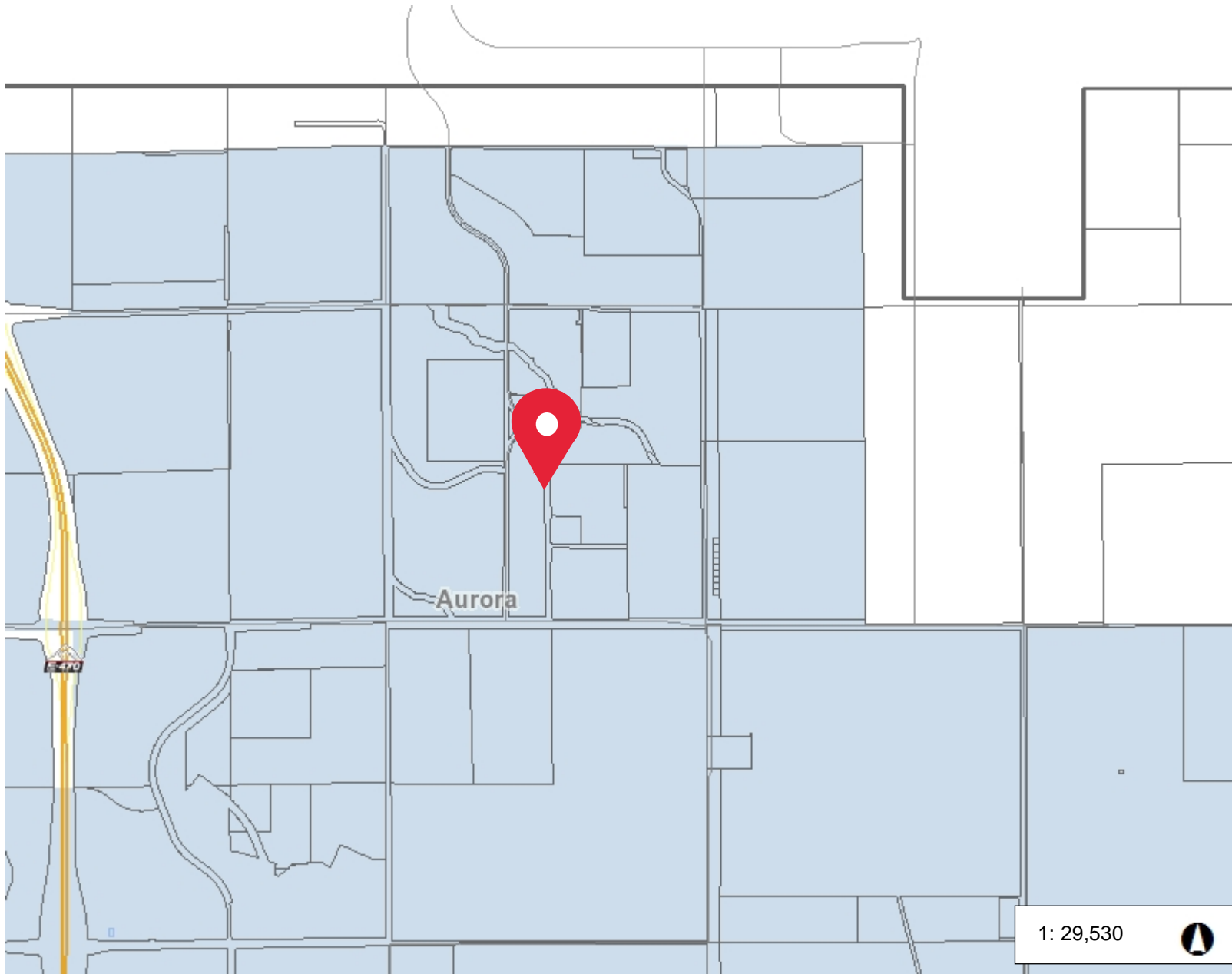
CONTAINING A NET TOTAL OF APPROXIMATELY 1,446.909 ACRES OF LAND MORE OR LESS.







**EXHIBIT B**


Aurora Vicinity Map

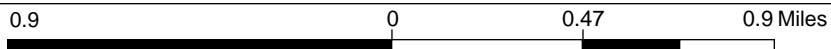


# Vicinity Map



-  Interstate
-  Highway
-  Tollway
-  Parcels
-  County Boundary
-  City

1: 29,530 



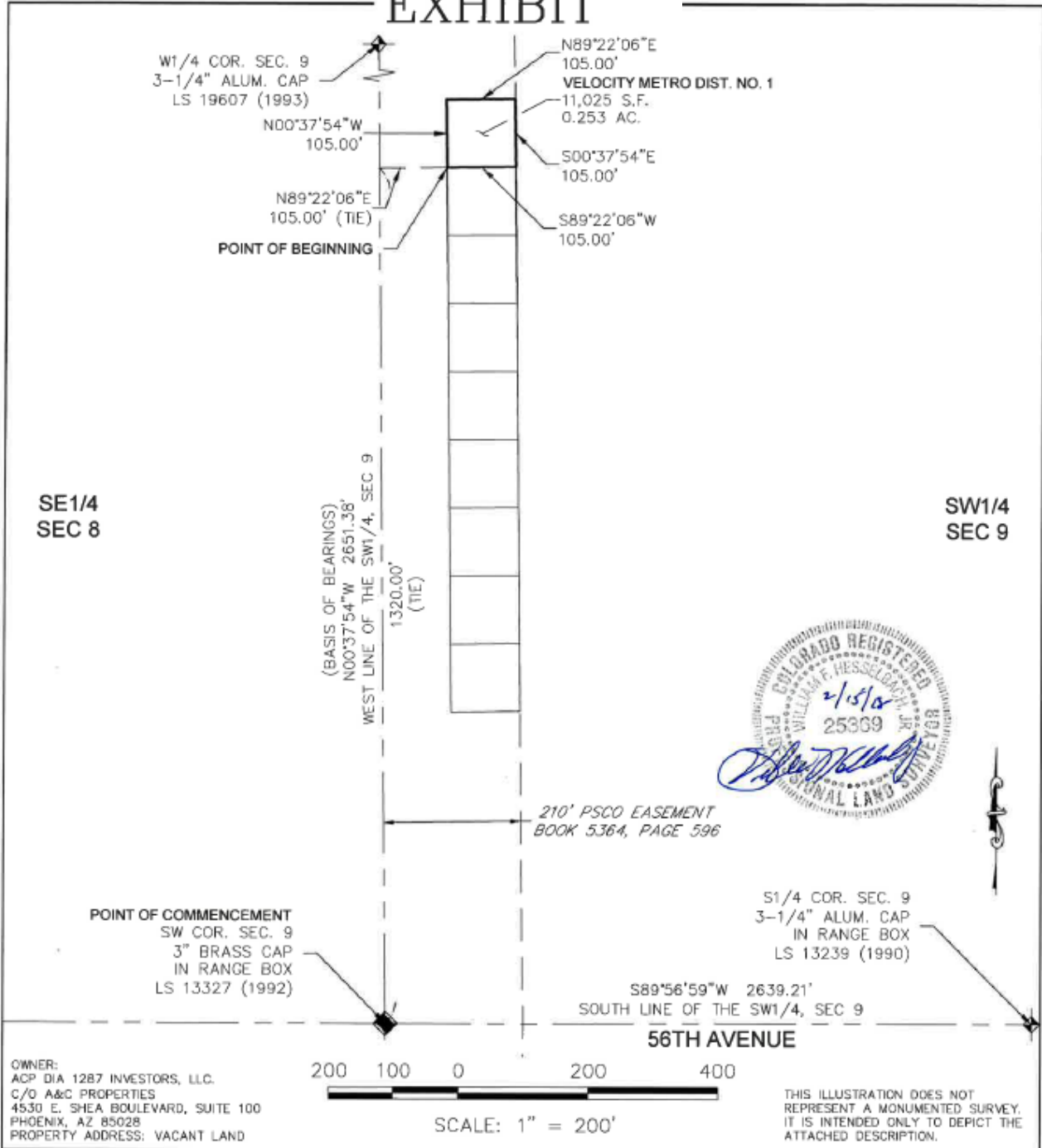
### Notes

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION

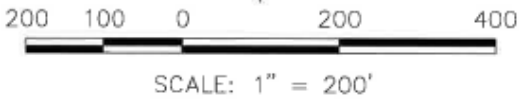
**EXHIBIT C-1**

Current District Boundary Map

# EXHIBIT



OWNER:  
 ACP DIA 1287 INVESTORS, LLC.  
 C/O A&C PROPERTIES  
 4530 E. SHEA BOULEVARD, SUITE 100  
 PHOENIX, AZ 85028  
 PROPERTY ADDRESS: VACANT LAND

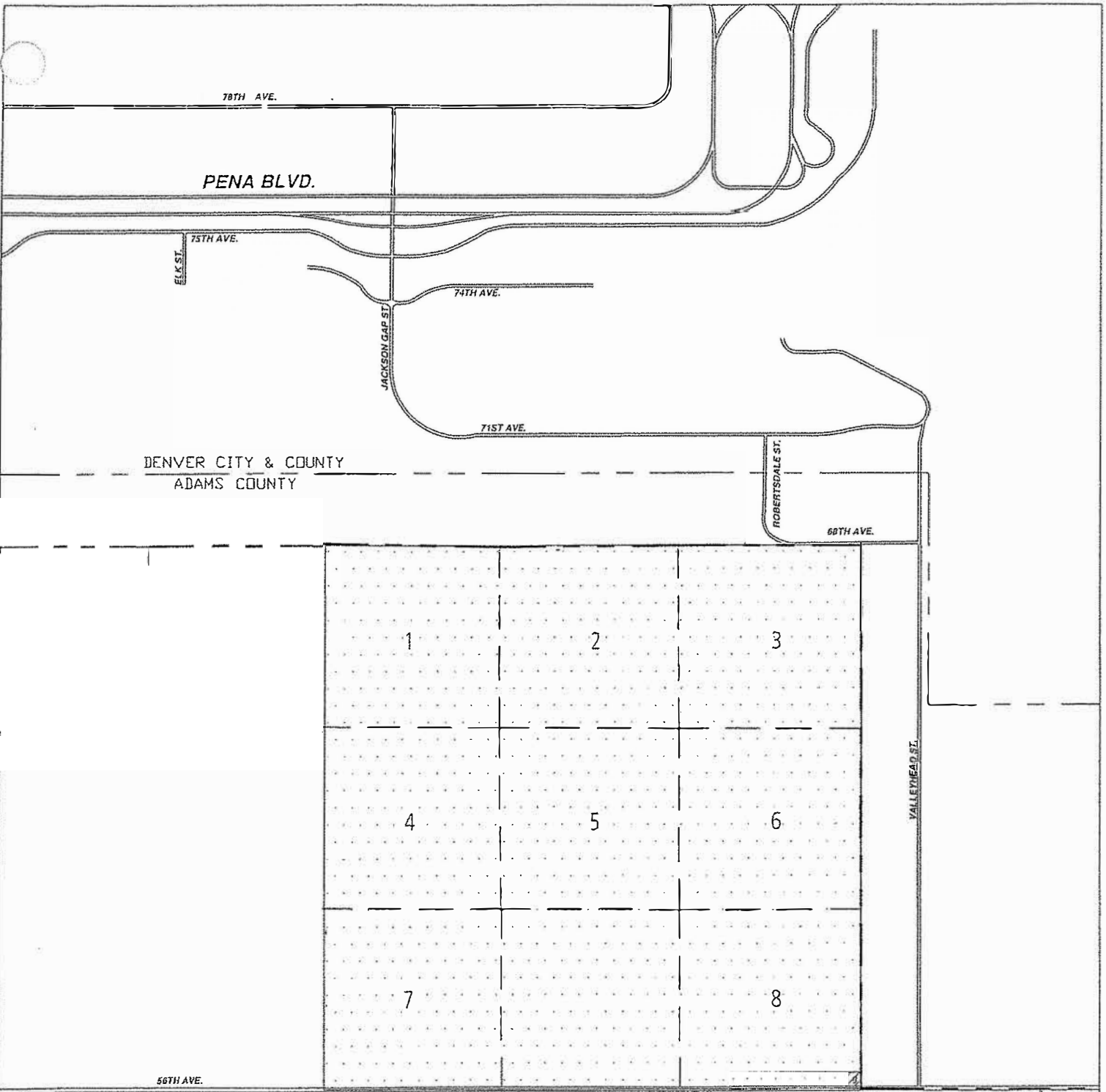


THIS ILLUSTRATION DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

<b>CITY OF AURORA, COLORADO</b>			DIRECTOR'S PARCEL, VELOCITY METROPOLITAN DISTRICT NO. 1, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE 6TH P.M., CITY OF AURORA, ADAMS COUNTY, COLORADO.
BY: MJP	SCALE: 1" = 200'	R.O.W.	
CK'D: WFH	DATE: 2/15/2018	JOB NO. 8130249702	

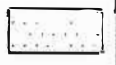
**EXHIBIT C-2**

Inclusion Area Boundary Map

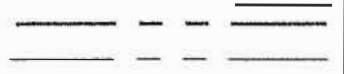


LEGEND

POTENTIAL INCLUSION AREA BOUNDARY



AURORA CITY LIMITS  
COUNTY BOUNDARY



SCALE 1"=2000'

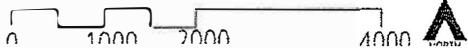


EXHIBIT C-2  
Velocity Metropolitan District  
Inclusion Area Boundary Map

**CIVITAS**

1280 Franklin Street  
Denver, Colorado 80204  
Tel: 303.531.0200  
www.civitas.com

**EXHIBIT D**

Intergovernmental Agreement between the District and Aurora



**INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE CITY OF AURORA, COLORADO  
AND  
VELOCITY METROPOLITAN DISTRICT NO. 1**

THIS AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado (“City”), and VELOCITY METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The City and the District are collectively referred to as the Parties.

**RECITALS**

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s First Amended and Restated Service Plan approved by the City on \_\_\_\_\_ (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District, as required by the Aurora City Code; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

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

**COVENANTS AND AGREEMENTS**

1. Operations and Maintenance. The Districts shall dedicate the Public Improvements (as defined in the Service Plan) to the City or other appropriate jurisdiction or owner’s association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto.

Any Fee imposed by the District for access to such park and recreation improvements shall not result in Non-District City residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the District. However, the District

shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with Non-District City residents to ensure that such costs are not the responsibility of District residents. All such Fees shall be based upon the District's determination that such Fees do not exceed reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District City residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

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

3. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

4. Golf Course Construction. The District shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

5. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

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

Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S.

8. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy of the Districts. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

9. Initial Debt. On or before the effective date of approval by the City of an Approved Development Plan (as defined in the Service Plan), the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

10. Total Debt Issuance. The District shall not issue Debt in excess of One Hundred Ninety-Five Million Dollars (\$195,000,000).

11. Fee Limitation. Each of the Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

12. Debt Issuance Limitation. The District shall not be authorized to incur any indebtedness until such time as the District has approved and executed the IGA and approved the imposition of the Aurora Regional Improvement Mill Levy (as defined in the Service Plan) upon all taxable property located within the boundaries of the District.

13. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

14. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with one or more of the Districts.

15. Bankruptcy. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

16. Dissolution. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

17. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District’s authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

18. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in V.A.1-14 or VII.B-G of the Service Plan shall be deemed to be material modifications to the Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

19. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into one or more intergovernmental agreements which shall govern the relationships between and among the Districts with respect to the financing,

construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

20. Annual Report. The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued, pursuant to the City Code and containing the information set forth in Section VIII of the Service Plan.

21. Regional Improvements. The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C of the Service Plan.

The District shall impose the ARI Mill Levy and shall convey it as follows:

(a) If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

(b) If the City and the District have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the District in accordance with such agreement; or

(c) If neither Section VI.A nor VI.B of the Service Plan is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under Section VI of the Service Plan and shall not expend such revenue until an intergovernmental agreement is executed between the District establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B of the Service Plan have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the District as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, the District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI. B of the Service Plan. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Section VI.A, B or C of the Service Plan, unless the City has agreed otherwise in writing; provided, however in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The District shall cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy described in Section VI of the Service Plan at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

22. Maximum Debt Mill Levy. The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

(a) For the portion of any aggregate District's Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 of the Service Plan; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) For the portion of any aggregate District's Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

(c) For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 of the Service Plan, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by

such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

23. Maximum Debt Mill Levy Imposition Term. The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI of the Service Plan. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

24. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District:           Velocity Metropolitan District No. 1  
Icenogle Seaver Pogue, P.C.  
4725 S. Monaco St., Suite 360  
Attn: Alan D. Pogue  
Phone: (303) 292-9100

To the City:               City of Aurora  
15151 E. Alameda Pkwy., 5th Floor  
Aurora, CO 80012  
Attn: Mike Hyman, City Attorney  
Phone: (303) 739-7030  
Fax: (303) 739-7042

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

25. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

26. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

27. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

28. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

29. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

30. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

31. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the City shall be for the sole and exclusive benefit of the District and the City.

32. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

33. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

34. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

35. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.



VELOCITY METROPOLITAN DISTRICT  
NO. 1

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

CITY OF AURORA, COLORADO

By: \_\_\_\_\_  
Mike Coffman, Mayor

Attest:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM: \_\_\_\_\_

**FIRST AMENDED AND RESTATED  
SERVICE PLAN  
FOR  
VELOCITY METROPOLITAN DISTRICT NO. 4  
CITY OF AURORA, COLORADO**

Prepared

by

ICENOGLE SEAVER POGUE, P.C.  
4725 S. MONACO STREET, SUITE 360  
DENVER, CO 80237

May 18, 2021

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**LIST OF EXHIBITS**

<b>EXHIBIT A</b>	Legal Descriptions
<b>EXHIBIT B</b>	Aurora Vicinity Map
<b>EXHIBIT C-1</b>	Current District Boundary Map
<b>EXHIBIT C-2</b>	Inclusion Area Boundary Map
<b>EXHIBIT D</b>	Intergovernmental Agreement between the District and Aurora

## I. INTRODUCTION

### A. Purpose and Intent.

The District was formed on June 6, 2008 following approval by the City Council of the District's original service plan, as subsequently amended.<sup>1</sup> The District is amending its original service plan due to increasing costs and to facilitate future funding and refinancing of the Public Improvements required to serve the Project. This Service Plan is intended to modify, replace, restate and superseded the original service plan, as amended, in its entirety.

The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

### B. Need for the District.

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

### C. Objective of the City Regarding District's Service Plan.

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

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<sup>1</sup> The original service plan was approved by the City Council on December 17, 2007, as amended by a first amendment thereto approved by the City Council on February 4, 2019, and a second amendment thereto approved by the City Council on August 5, 2019, effective September 7, 2019 (the "Second Amendment to the Service Plan").

burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities are allowed, but only through an intergovernmental agreement with the City.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if the District has authorized operating functions under an intergovernmental agreement with the City, to retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy on commercial and residential properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no commercial or residential property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District. With regard to Regional Improvements, this Service Plan also provides for the Districts to pay a portion of the cost of regional infrastructure as part of ensuring that development and those that benefit from development pay for the associated costs.

## **II. DEFINITIONS**

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a Framework Development Plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

ARI or Regional Improvements: means Aurora Regional Improvements.

ARI Authority: means one or more Authorities established by an ARI Authority Establishment Agreement.

ARI Establishment Agreement: means an intergovernmental agreement establishing an ARI Authority which has, at minimum, Title 32 special districts from three (3) or more Approved Development Plan areas as parties to the Agreement.

ARI Master Plan: means one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the Districts which constitute such ARI Authority, which master plan will change from time to time.

ARI Mill Levy: means five (5) mills if the District has executed an ARI Establishment Agreement or such lesser amount as is necessary to satisfy any debt issued by such ARI Authority, or, in the event the District has not executed an ARI Establishment Agreement within one (1) year following the date of approval of the Second Amendment to the Service Plan, then, the following:

A. For districts with property within their boundaries developed with any residential uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; and (ii) shall be five (5) mills from the twenty-first (21<sup>st</sup>) year through the fortieth (40<sup>th</sup>) year or the date of repayment of the debt incurred for Public Improvements, other than Regional Improvements, which ever first occurs; and (iii) for an additional ten (10) years, the mill levy shall be equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of the debt incurred for Public Improvements other than Regional Improvements; and

B. For districts with property within their boundaries developed solely for commercial uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year; (ii) shall be one and one-half (1.5) mills from the twenty-first (21<sup>st</sup>) year through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements; and (iii) for five (5) years thereafter, the mill levy shall be the lesser of twenty (20) mills or a mill levy equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of debt issued for Public Improvements, other than Regional Improvements; and

C. Any district may, pursuant to any intergovernmental agreement with the City, extend the term for application of the ARI Mill Levy beyond the years set forth in A and B above. The Maximum Mill Levy Imposition Term shall include the terms set forth in A and B above and any extension of the term as approved in an intergovernmental agreement as described herein.

D. All mills described in this ARI Mill Levy definition shall be subject to adjustment as follows: On or after January 1, 2004, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the one (1) mill levy described above may be increased or decreased to reflect such changes, such



increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes, for purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy, and/or collect Fee revenue.

City: means the City of Aurora, Colorado.

City Code: means the City Code of the City of Aurora, Colorado.

City Council: means the City Council of the City of Aurora, Colorado.

Current District Boundaries: means the boundaries of the area described in the Current District Boundary Map.

District: means Velocity Metropolitan District No. 4.

Districts: means District No. 4 and District Nos. 1, 2, 3, 5, 6, 7, 8, and 9, collectively.

End User: means any owner, or tenant of any owner, of any taxable improvement within the Districts who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fee(s): means any fee imposed by the Districts for services, programs or facilities provided by the Districts, as described in Section V.A.11. below.

Financial Plan: means the combined Financial Plan of the Districts as described in Section VII which describes (i) how the Public Improvements are to be financed; (ii) how

the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts.

Current District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the District's current boundaries.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VII.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VII.D below.

Project: means the development or property commonly referred to as Porteos or Velocity.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Regional Improvements: means Public Improvements and facilities that benefit the Service Area and which are to be financed pursuant to Section VI below.

Service Area: means the property within the Current District Boundary Map and the Inclusion Area Boundary Map.

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

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

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

### **III. BOUNDARIES**

The area of the Current District Boundaries includes approximately eighty-seven (87) acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately one thousand four hundred forty-seven (1,447) acres. A legal description of the Current District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Current District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

### **IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION**

The Service Area consists of approximately one thousand four hundred forty-seven (1,447) acres of commercial and industrial land. The current assessed valuation of the Service Area is \$34,630,970.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District at build-out is estimated to be approximately zero (0) people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

### **V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES**

#### **A. Powers of the District and Service Plan Amendment.**

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

In connection with the performance of all acts or activities hereunder, the District shall not violate any protection clauses of the United States or Colorado State Constitutions. The District shall not discriminate against any person because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability, and further shall insert the foregoing provision in contracts or subcontracts let by the District to accomplish the purposes of this service plan.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owner's association in a manner consistent with the Approved Development Plan and other rules and regulations of the

City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto. Any Fee imposed by the Districts for access to such park and recreation improvements shall not result in Non-District Aurora residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the Districts. However, the Districts shall be entitled to impose an administrative Fee as necessary to cover additional expenses associated with Non-District Aurora residents to ensure that such costs are not the responsibility of Districts residents. All such Fees shall be based upon the Districts' determination that such Fees do not exceed reasonable annual market fees for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District Aurora residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

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

3. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

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

5. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The

District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

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

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S.

8. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy of the Districts. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

9. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Fees used for the purpose of repayment of Debt.

10. Total Debt Issuance Limitation. The District shall not issue Debt in excess of One Hundred Ninety-Five Million Dollars (\$195,000,000).

11. Fee Limitation. Each of the Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable

Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

12. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

13. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with one or more of the Districts.

14. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

15. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in V.A.1-14 above or in VII.B-G. shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined

in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately Six Hundred Million Dollars (\$600,000,000).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into one or more intergovernmental agreements which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

**VI. REGIONAL IMPROVEMENTS**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C below.

The District shall impose the ARI Mill Levy and shall convey it as follows:

A. If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

B. If the City and the District have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the District in accordance with such agreement; or

C. If neither Section VI.A nor VI.B above is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under this Section VI and shall not expend such revenue until an intergovernmental agreement is executed between the District establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the District as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, the District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI. B above. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Section VI.A, B or C set forth above, unless the City has agreed otherwise in writing; provided, however in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The District shall cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy described in this Section VI at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements. The Porteos Business Improvement District shall not be a Business Improvement District for purposes of this paragraph.

The District shall have the authority to issue Debt for the Regional Improvements, in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) pursuant to agreements as described in VI.A, B or C above.

## **VII. FINANCIAL PLAN**

### **A. General.**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the



Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed One Hundred Ninety-Five Million Dollars (\$195,000,000) and shall be permitted to be issued on a schedule and in such year or years as the District determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the District. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

The “Maximum Debt Mill Levy” shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

1. For the portion of any aggregate District’s Debt which exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 below; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For the portion of any aggregate District’s Debt which is equal to or less than fifty percent (50%) of the District’s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad

valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Maximum Debt Mill Levy Imposition Term.

The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or, for residential property within the District, the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the District and the City for Regional Improvements.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document

used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

G. Security for Debt.

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

H. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

I. District's Operating Costs.

The cost of acquiring land, engineering services, legal services and administrative services, together with the costs of the District's organization and initial operations, have been reimbursed from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The current year's operating budget is Two Thousand Seven Hundred Seventy Dollars (\$2,770) which is derived from property taxes and other revenues.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users.

**VIII. ANNUAL REPORT**

A. General.

The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than August 1<sup>st</sup> of each year following the year in which the Order and Decree creating the District has been issued.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any as of December 31 of the prior year.
4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

**IX. DISSOLUTION**

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

**X. DISCLOSURE TO PURCHASERS**

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

## **XI. INTERGOVERNMENTAL AGREEMENT**

The form of the intergovernmental agreement required by the City Code, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit D**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit D** at its first Board meeting after its organizational election. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

## **XII. CONCLUSION**

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Section 122-35 of the City Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.
8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.
9. The creation of the District is in the best interests of the area proposed to be served.

**EXHIBIT A**

Legal Descriptions

**CURRENT DISTRICT BOUNDARIES**

**DIRECTOR PARCEL – VELOCITY METROPOLITAN DISTRICT NO. 4  
SW 1/4 SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST, 6<sup>TH</sup> P.M.**

**LEGAL DESCRIPTION**

A PARCEL OF LAND BEING A PART OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN AND CONSIDERING THE WEST LINE OF SAID SOUTHWEST QUARTER, BEING MONUMENTED AS SHOWN ON THE ATTACHED EXHIBIT, TO BEAR NORTH 00°37'54" WEST, 2651.38 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE NORTH 00°37'54" WEST ALONG SAID WEST LINE, A DISTANCE OF 1005.00 FEET;

THENCE NORTH 89°22'06" EAST, A DISTANCE OF 105.00 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 00°37'54" WEST, A DISTANCE OF 105.00 FEET;

THENCE NORTH 89°22'06" EAST, A DISTANCE OF 105.00 FEET TO A POINT ON THE EASTERLY LINE OF THAT PUBLIC SERVICE COMPANY OF COLORADO EASEMENT AS DESCRIBED IN DEED RECORDED IN BOOK 5364 AT PAGE 596 IN THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER;


THENCE SOUTH 00°37'54" EAST ALONG SAID EASTERLY LINE, A DISTANCE OF 105.00 FEET;

THENCE SOUTH 89°22'06" WEST, A DISTANCE OF 105.00 FEET TO THE POINT OF BEGINNING,

SAID PARCEL CONTAINING A CALCULATED AREA OF 11,025 SQUARE FEET OR 0.253 ACRE, MORE OR LESS.

THE LINEAL UNIT USED IN THE PREPARATION OF THIS PLAT IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

I, WILLIAM F. HESSELBACH JR., A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.

  
WILLIAM F. HESSELBACH JR., P.L.S. 25369  
FOR AND ON BEHALF OF  
CVL CONSULTANTS OF COLORADO, INC.  
10333 E. DRY CREEK ROAD, SUITE 240  
ENGLEWOOD, CO 80112



# EXHIBIT A

## PROPERTY DESCRIPTION

THREE PARCELS OF LAND BEING A PORTION OF SECTION 5, AND SECTION 8, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:


BEARINGS ARE ASSUMED AND ARE BASED ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 5, AS BEARING S00°15'29"E A DISTANCE OF 2651.67 FEET BETWEEN THE CENTER QUARTER CORNER OF SAID SECTION 5 BEING MONUMENTED BY A 3-1/4" ALUMINUM CAP LS 27275 AND THE NORTH QUARTER CORNER OF SAID SECTION 8 BEING MONUMENTED BY A 3-1/4" ALUMINUM CAP LS 14630.

### PARCEL 1

**COMMENCING** AT SAID CENTER QUARTER CORNER OF SECTION 5;  
 THENCE S72°39'11"W A DISTANCE OF 1639.76 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF JACKSON GAP AS DESCRIBED AT RECEPTION NO. 2013000094501 IN THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER, SAID POINT BEING THE **POINT OF BEGINNING**;  
 THENCE S89°40'05"E A DISTANCE OF 73.11 FEET;  
 THENCE S59°00'41"E TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 962.38 FEET;  
 THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 29°34'06", A RADIUS OF 1395.00 FEET, A CHORD BEARING S44°13'38"E A DISTANCE OF 711.95 FEET, AND AN ARC DISTANCE OF 719.91 FEET;  
 THENCE S89°40'02"E NON-TANGENT WITH THE LAST DESCRIBED CURVE A DISTANCE OF 841.44 FEET;  
 THENCE S00°00'04"W A DISTANCE OF 318.58 FEET;  
 THENCE S89°59'56"E A DISTANCE OF 239.54 FEET;  
 THENCE S00°01'22"W A DISTANCE OF 424.46 FEET;  
 THENCE S00°01'18"E NON-TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 457.17 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF 64TH AVENUE AS DESCRIBED AT RECEPTION NO. 2019000043876 IN THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER;  
 THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING SIX (6) COURSES;  
 1. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 01°09'54", A RADIUS OF 955.00 FEET, A CHORD BEARING N79°57'30"W A DISTANCE OF 19.42 FEET, AND AN ARC DISTANCE OF 19.42 FEET;  
 2. THENCE N79°22'33"W TANGENT WITH THE LAST AND FOLLOWING DESCRIBED CURVES A DISTANCE OF 148.12 FEET;  
 3. THENCE ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 10°33'33", A RADIUS OF 955.00 FEET, A CHORD BEARING N84°39'19"W A DISTANCE OF 175.75 FEET, AND AN ARC DISTANCE OF 176.00 FEET;



KENNETH G. QUILLETTE, P.L.S. 24673  
 DATE: AUGUST 11, 2020  
 JOB NO. 65418434  
 FOR AND ON BEHALF OF MERRICK & COMPANY

 5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111 Telephone: 303-751-0741	VELOCITY METROPOLITAN DISTRICT NO. 4	DATE: 8/11/20
		SHEET: 1 OF 3



# EXHIBIT A

## PROPERTY DESCRIPTION

4. THENCE N89°56'06"W TANGENT WITH THE LAST DESCRIBED CURVE A DISTANCE OF 313.18 FEET;
5. THENCE N89°37'30"W A DISTANCE OF 491.28 FEET;
6. THENCE N89°47'10"W A DISTANCE OF 354.28 FEET TO A POINT ON SAID EASTERLY RIGHT-OF-WAY LINE OF JACKSON GAP;  
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING FIVE (5) COURSES:
  1. N00°12'50"E TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 465.49 FEET;
  2. THENCE ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 59°13'35", A RADIUS OF 792.00 FEET, A CHORD BEARING N29°23'57"W A DISTANCE OF 782.72 FEET, AND AN ARC DISTANCE OF 818.69 FEET;
  3. THENCE N59°00'45"W TANGENT WITH THE LAST AND FOLLOWING DESCRIBED CURVES A DISTANCE OF 294.80 FEET;
  4. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 59°20'35", A RADIUS OF 708.00 FEET, A CHORD BEARING N29°20'27"W A DISTANCE OF 700.96 FEET, AND AN ARC DISTANCE OF 733.30 FEET;
  5. THENCE N00°19'51"E TANGENT WITH THE LAST DESCRIBED CURVE A DISTANCE OF 249.01 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 2,456,089 SQUARE FEET (56.384 ACRES), MORE OR LESS.

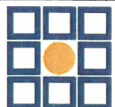
### PARCEL 2

- COMMENCING** AT SAID CENTER QUARTER CORNER OF SECTION 5;  
THENCE S12°06'00"E A DISTANCE OF 2777.84 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF 64TH AVENUE AS DESCRIBED AT RECEPTION NO. 2019000043876 IN THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER, SAID POINT BEING THE **POINT OF BEGINNING**;  
THENCE S00°17'58"E A DISTANCE OF 282.71 FEET;  
THENCE N89°40'46"W A DISTANCE OF 27.02 FEET;  
THENCE N00°17'58"W NON-TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 283.35 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF 64TH AVENUE;  
THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 01°44'13", A RADIUS OF 892.00 FEET, A CHORD BEARING S88°19'23"E A DISTANCE OF 27.04 FEET, AND AN ARC DISTANCE OF 27.04 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 7,650 SQUARE FEET (0.176 ACRES), MORE OR LESS.



KENNETH G. QUELLET, P.L.S. 24673  
DATE: AUGUST 11, 2020  
JOB NO. 65418434  
FOR AND ON BEHALF OF MERRICK & COMPANY



**MERRICK**<sup>®</sup>

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111  
Telephone: 303-751-0741

VELOCITY METROPOLITAN DISTRICT NO. 4

DATE: 8/11/20

SHEET: 2 OF 3

# EXHIBIT A

## PROPERTY DESCRIPTION

### PARCEL 3

**COMMENCING** AT SAID CENTER QUARTER CORNER OF SECTION 5;

THENCE S11°38'08"E A DISTANCE OF 2773.01 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF 64TH AVENUE AS DESCRIBED AT RECEPTION NO. 2019000043876 IN THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER, SAID POINT BEING THE **POINT OF BEGINNING**;

THENCE S00°17'58"E A DISTANCE OF 283.32 FEET;

THENCE N89°40'46"W A DISTANCE OF 496.71 FEET;

THENCE S00°01'03"E A DISTANCE OF 354.57 FEET;

THENCE S89°58'57"W TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 243.93 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 89°23'17", A RADIUS OF 250.00 FEET, A CHORD BEARING S45°19'19"E A DISTANCE OF 351.66 FEET, AND AN ARC DISTANCE OF 390.03 FEET;

THENCE S00°37'40"E TANGENT WITH THE LAST DESCRIBED CURVE A DISTANCE OF 1000.12 FEET;

THENCE N89°39'32"W A DISTANCE OF 367.61 FEET;

THENCE S45°07'32"W A DISTANCE OF 9.52 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF JACKSON GAP AS DESCRIBED AT RECEPTION NO. 2013000094501 IN THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING FIVE (5) COURSES:

1. N44°52'35"W TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 111.92 FEET;

2. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 33°05'22", A RADIUS OF 758.00 FEET, A CHORD BEARING N28°19'54"W A DISTANCE OF 431.70 FEET, AND AN ARC DISTANCE OF 437.76 FEET;

3. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 12°00'03", A RADIUS OF 758.00 FEET, A CHORD BEARING N05°47'12"W A DISTANCE OF 158.48 FEET, AND AN ARC DISTANCE OF 158.77 FEET;

4. THENCE N00°12'50"E TANGENT WITH THE LAST DESCRIBED CURVE AND NON-TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 1255.95 FEET;

5. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 25.00 FEET, A CHORD BEARING N45°12'54"E A DISTANCE OF 35.36 FEET, AND AN ARC DISTANCE OF 39.27 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF 64TH AVENUE;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES:

1. S89°47'10"E A DISTANCE OF 329.18 FEET;

2. THENCE S89°37'30"E A DISTANCE OF 482.27 FEET;

3. THENCE S84°59'44"E A DISTANCE OF 70.25 FEET;

4. THENCE S89°56'06"E A DISTANCE OF 241.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1,324,598 SQUARE FEET (30.409 ACRES), MORE OR LESS.



KENNETH G. OUELLETTE, P.L.S.  
DATE: AUGUST 11, 2020  
JOB NO. 65418434  
FOR AND ON BEHALF OF MERRICK & COMPANY



**MERRICK**

5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111  
Telephone: 303-751-0741

VELOCITY METROPOLITAN DISTRICT NO. 4

DATE: 8/11/20

SHEET: 3 OF 3

**Inclusion Area Boundaries:**

A PARCEL OF LAND BEING ALL OF THE SOUTHWEST ONE-QUARTER (SW 1/4) OF SECTION 4, THE SOUTH ONE-HALF (S 1/2) OF SECTION 5, THE NORTH ONE-HALF (N 1/2) OF SECTION 8, A PART OF THE SOUTHWEST ONE-QUARTER (SW 1/4) OF SECTION 8 AND THE WEST ONE-HALF (W 1/2) OF SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTHWEST CORNER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 5; THENCE S89°40'05"E, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 5, A DISTANCE OF 2659.06 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST ONE-QUARTER OF SAID SECTION 5;  
THENCE S89°40'05"E, ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 5, A DISTANCE OF 2655.55 FEET TO THE NORTHEAST CORNER OF SAID SOUTHEAST ONE-QUARTER OF SAID SECTION 5,  
THENCE N89°42'57"E, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 4, A DISTANCE OF 2640.56 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST ONE-QUARTER OF SAID SECTION 4,  
THENCE S00°30'38"E, ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF SAID SECTION 4, A DISTANCE OF 2674.79 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST ONE-QUARTER OF SAID SECTION 9;  
THENCE S00°26'59"E, ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 9, A DISTANCE OF 2643.86 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER OF SAID SECTION 9;  
THENCE S00°26'59"E, ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 9, A DISTANCE OF 2649.32 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER OF SECTION 9;  
THENCE S89°57'02"W, ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SAID SECTION 9, A DISTANCE OF 2639.17 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHWEST ONE-QUARTER OF SAID SECTION 9;  
THENCE N00°37'57"W, ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER OF SAID SECTION 9, A DISTANCE OF 2651.44 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SECTION 8;  
THENCE N89°43'56"W, ALONG THE SOUTH LINE OF SAID NORTHEAST ONE-QUARTER OF SAID SECTION 8, A DISTANCE OF 2651.88 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;  
THENCE S00°37'45"E, ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF SECTION 8, A DISTANCE OF 2544.11 FEET TO A POINT 110.00 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 8;  
THENCE N89°47'21"W, PARALLEL WITH AND 110.00 FEET NORTH OF SAID SOUTH LINE, A DISTANCE OF 2651.98 FEET TO A POINT ON THE WEST LINE OF SAID SOUTHWEST QUARTER OF SECTION 8;  
THENCE N00°47'40"W, ALONG THE SAID WEST LINE, A DISTANCE OF 2546.87 FEET TO THE NORTHWEST CORNER OF SAID SOUTHWEST QUARTER OF SECTION 8;

THENCE N00°46'20"W, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 8, A DISTANCE OF 2655.83 FEET TO THE NORTHWEST CORNER OF SAID NORTHWEST QUARTER OF SECTION 8;

THENCE N00°06'30"W, ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER OF SECTION 5, A DISTANCE OF 2655.98 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 1,286.909 ACRES (56,057,763 SQ. FT.) OF LAND MORE OR LESS.

PREPARED BY:

JANET A. CALDWELL, P.L.S. 29027

FOR AND ON BEHALF OF THE LUND PARTNERSHIP, INC.

12265 W. BAYAUD AVE., SUITE 130

LAKESWOOD, COLORADO 80228

TOGETHER WITH THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, STATE OF COLORADO, CONTAINING APPROXIMATELY 160.000 ACRES (6,969,600 SQ. FT.) OF LAND MORE OR LESS.

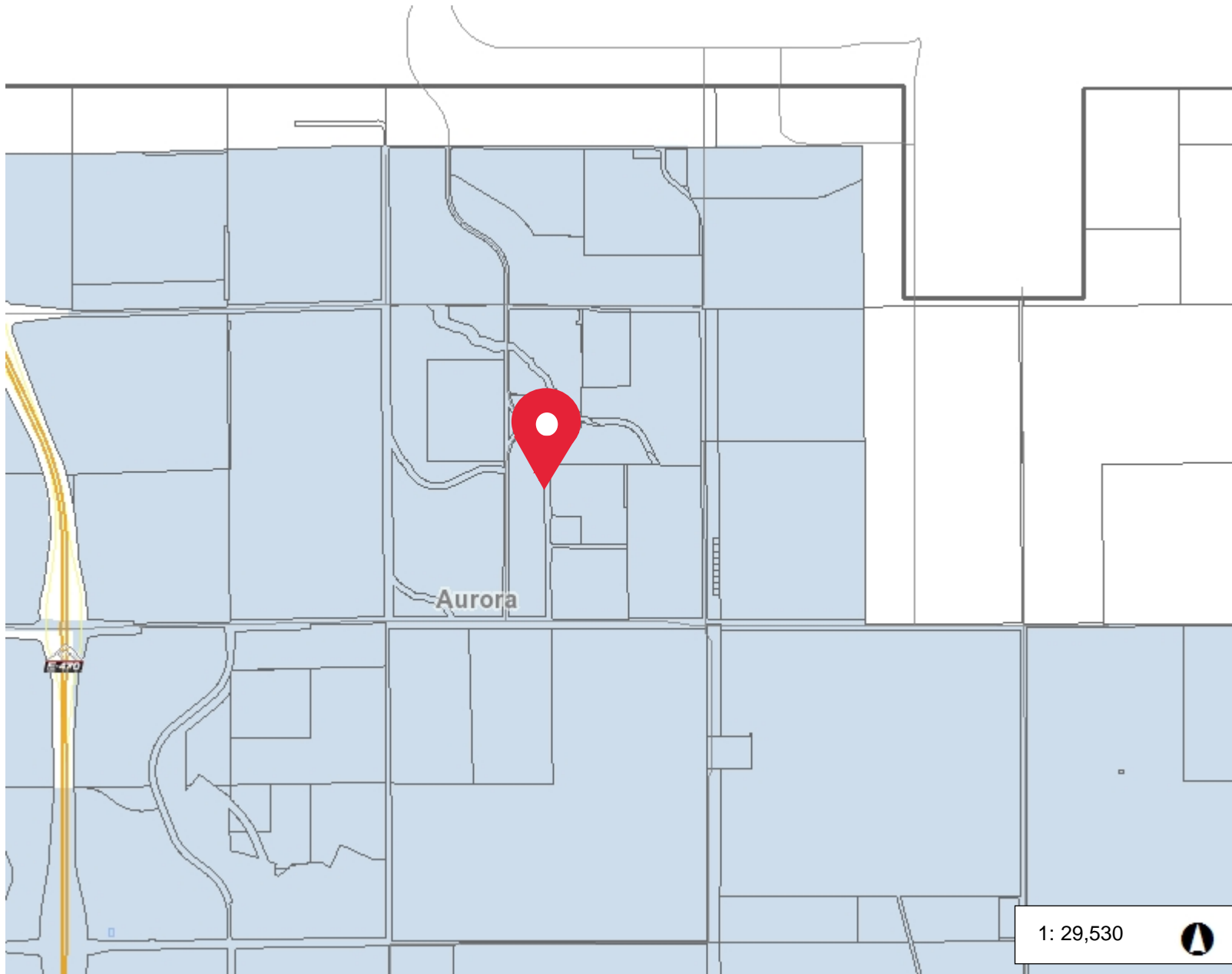
CONTAINING A NET TOTAL OF APPROXIMATELY 1,446.909 ACRES OF LAND MORE OR LESS.







**EXHIBIT B**


Aurora Vicinity Map

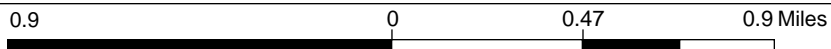


# Vicinity Map



-  Interstate
-  Highway
-  Tollway
-  Parcels
-  County Boundary
- City**
-  Aurora

1: 29,530 



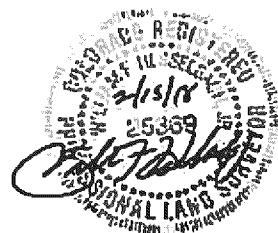
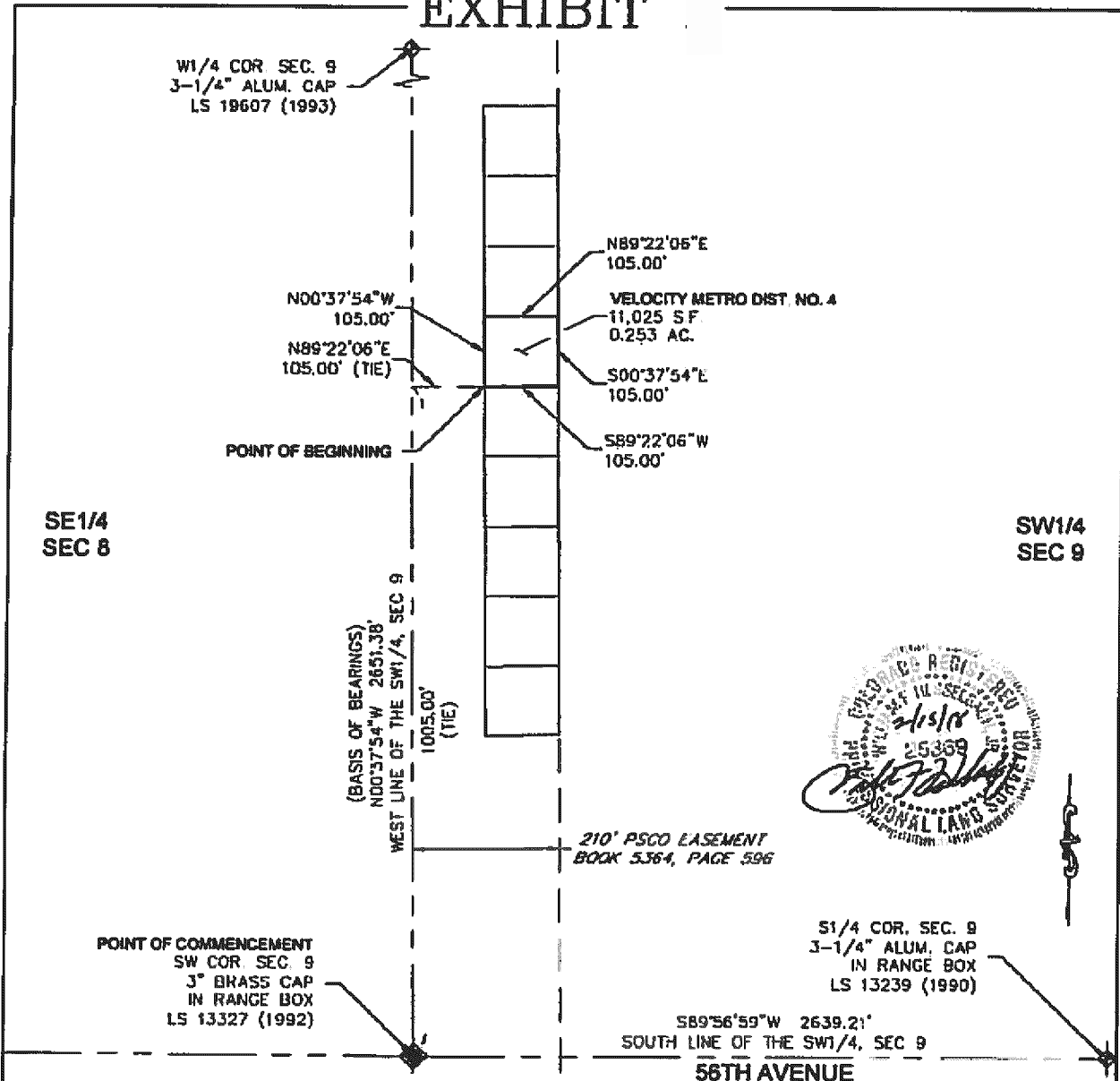
Notes

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION

**EXHIBIT C-1**

Current District Boundary Map

# EXHIBIT



OWNER:  
 ACP DIA 1287 INVESTORS, LLC  
 C/O A&C PROPERTIES  
 4530 E. SHEA BOULEVARD, SUITE 100  
 PHOENIX, AZ 85028  
 PROPERTY ADDRESS: VACANT LAND

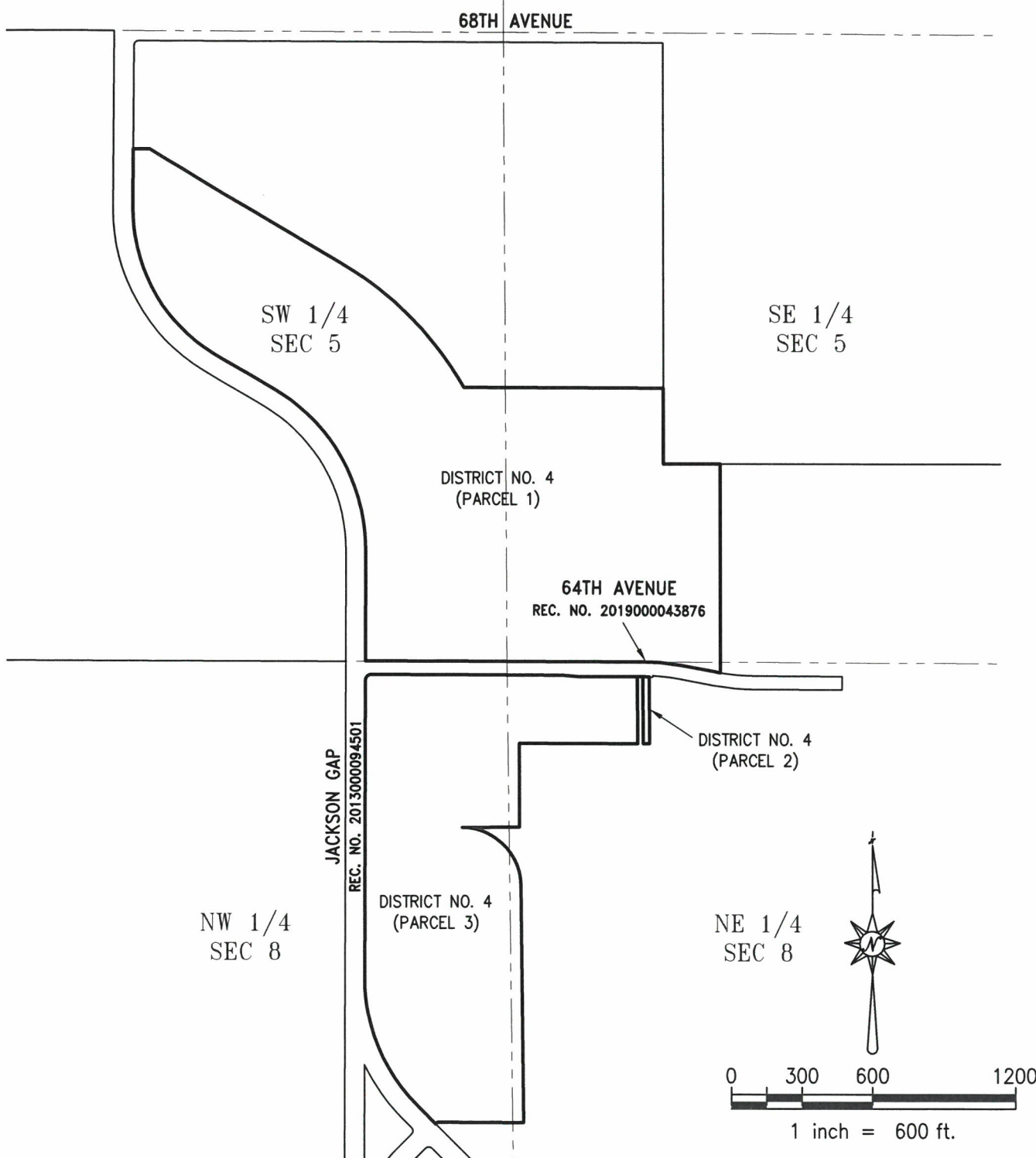
200 100 0 200 400  
 SCALE: 1" = 200'

THIS ILLUSTRATION DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

<b>CITY OF AURORA, COLORADO</b>			DIRECTOR'S PARCEL, VELOCITY METROPOLITAN DISTRICT NO. 4, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE 6TH P.M., CITY OF AURORA, ADAMS COUNTY, COLORADO.
BY: MJP	SCALE: 1" = 200'	R.O.W.	
CK'D: WFH	DATE: 2/15/2018	JOB NO. 8130249702	



# ILLUSTRATION FOR EXHIBIT A



This illustration does not represent a monumented survey. It is intended only to depict the attached legal description.



**MERRICK®**

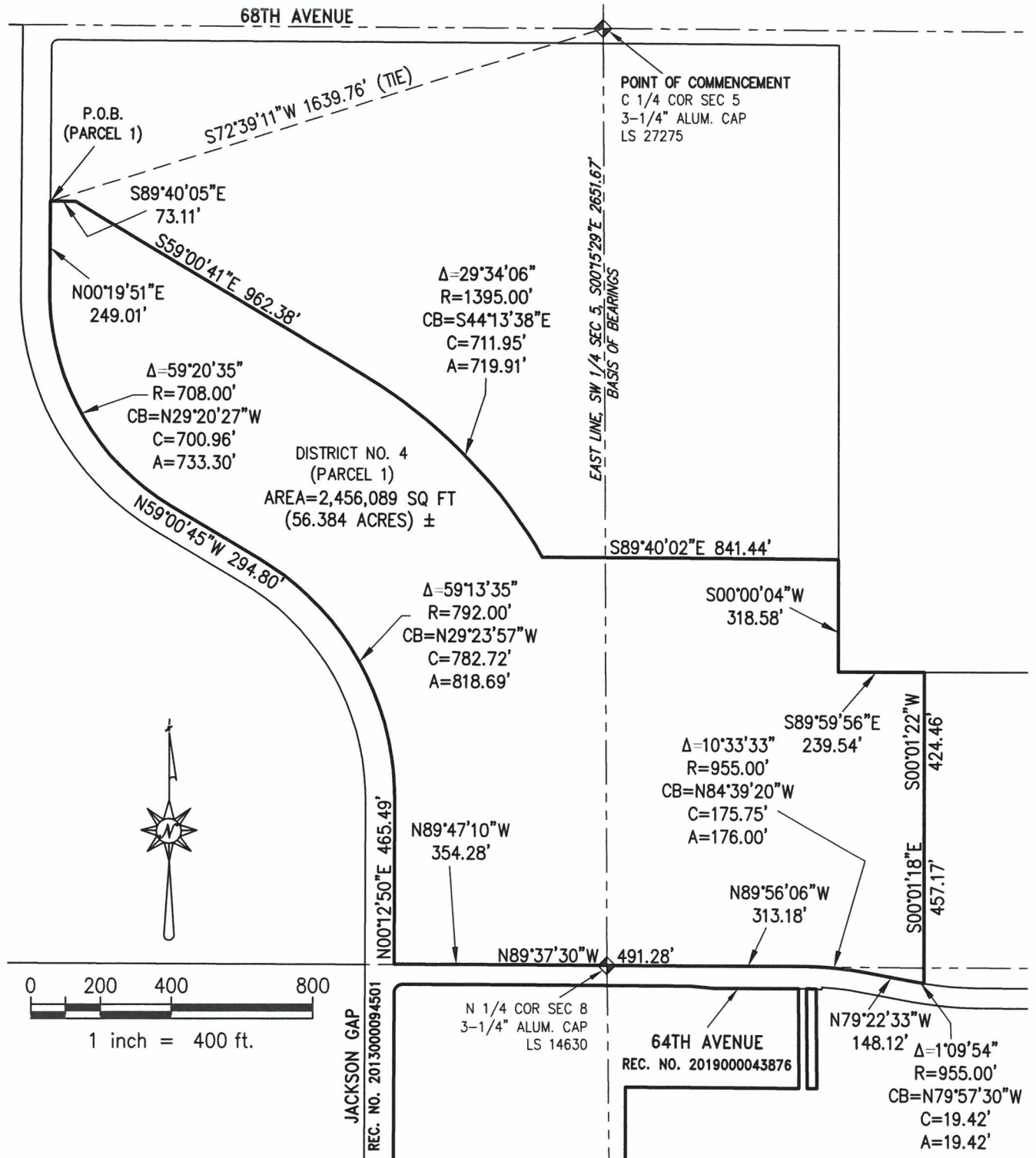
5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111  
Telephone: 303-751-0741

VICINITY MAP

DATE: 8/11/20

SHEET: 1 OF 3

# ILLUSTRATION FOR EXHIBIT A



This illustration does not represent a monumented survey. It is intended only to depict the attached legal description.



**MERRICK®**

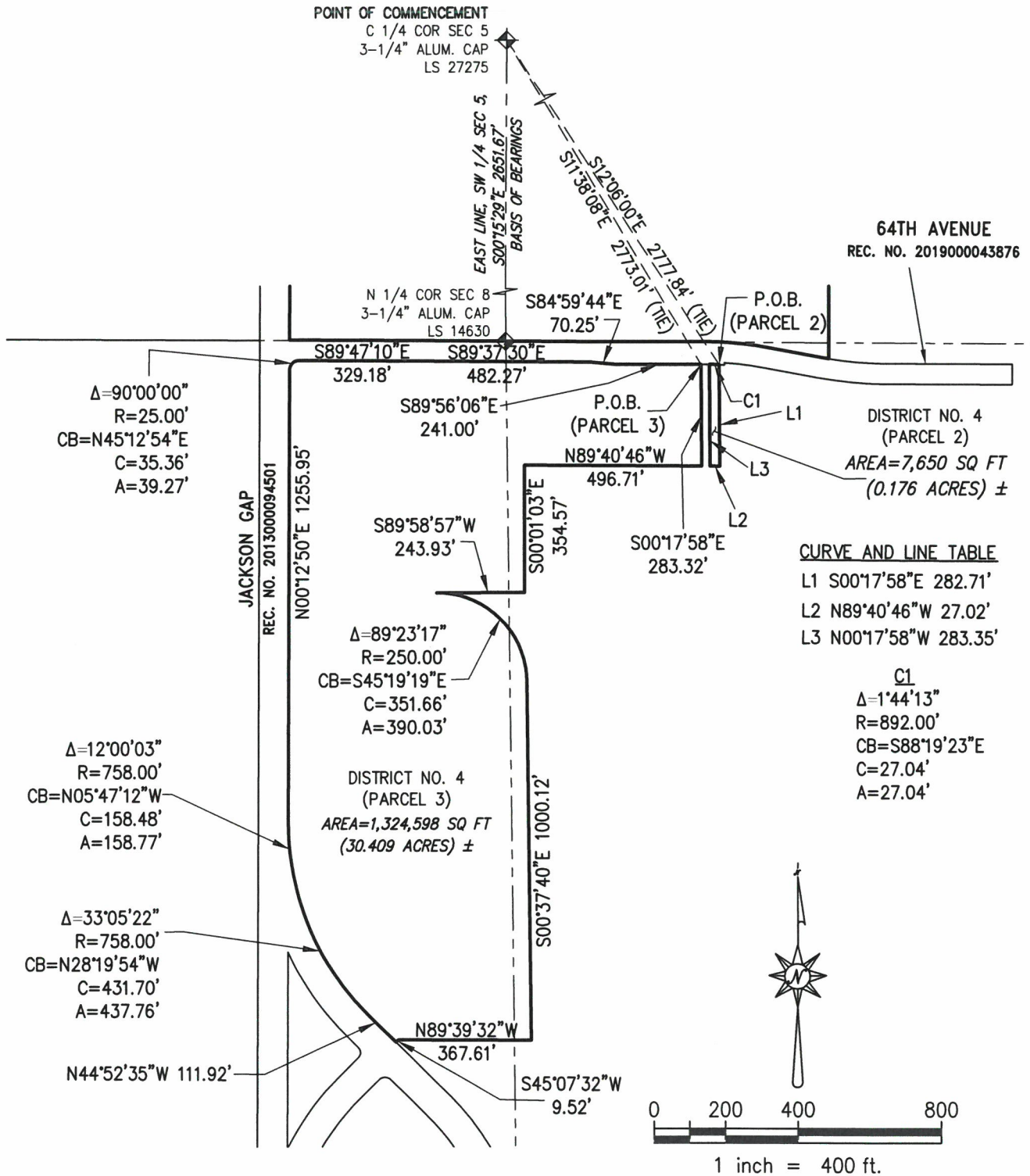
5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111  
 Telephone: 303-751-0741

VELOCITY METROPOLITAN DISTRICT NO. 4

DATE: 8/11/20

SHEET: 2 OF 3

# ILLUSTRATION FOR EXHIBIT A



This illustration does not represent a monumented survey. It is intended only to depict the attached legal description.

**MERRICK**  
5970 Greenwood Plaza Blvd., Greenwood Village, CO 80111  
Telephone: 303-751-0741

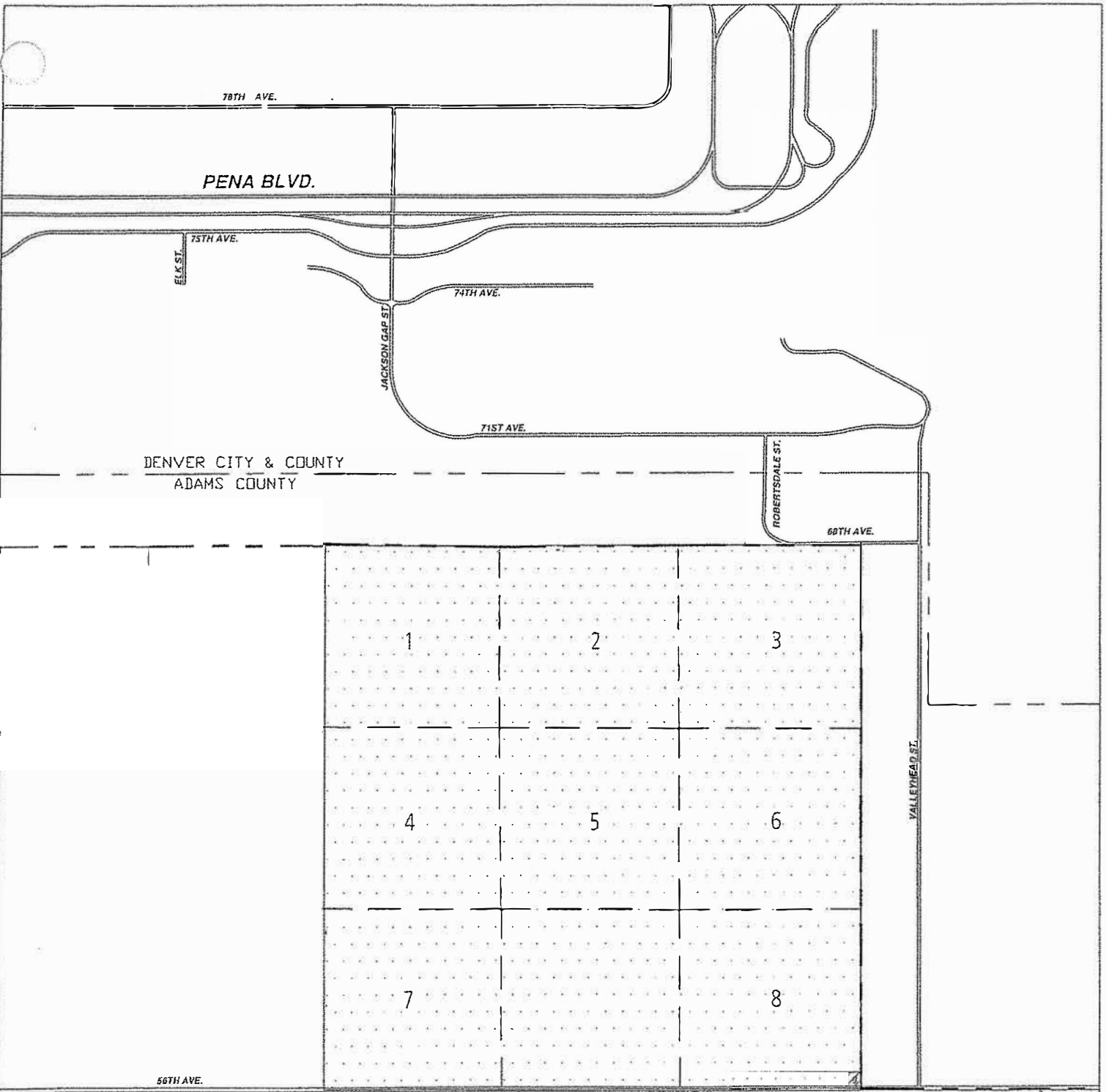
VELOCITY METROPOLITAN DISTRICT NO. 4

DATE: 8/11/20

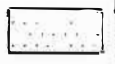
SHEET: 3 OF 3


**EXHIBIT C-2**


Inclusion Area Boundary Map



LEGEND

POTENTIAL INCLUSION AREA BOUNDARY 

AURORA CITY LIMITS 

COUNTY BOUNDARY 

SCALE 1"=2000'

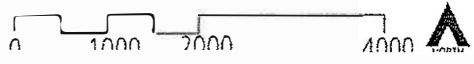


EXHIBIT C-2  
Velocity Metropolitan District  
Inclusion Area Boundary Map

**CIVITAS**  
1280 Franklin Street  
Denver, Colorado 80204  
Tel: 303.531.0200  
www.civitas.com

**EXHIBIT D**

Intergovernmental Agreement between the District and Aurora

**INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE CITY OF AURORA, COLORADO  
AND  
VELOCITY METROPOLITAN DISTRICT NO. 4**

THIS AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado (“City”), and VELOCITY METROPOLITAN DISTRICT NO. 4, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The City and the District are collectively referred to as the Parties.

**RECITALS**

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s First Amended and Restated Service Plan approved by the City on \_\_\_\_\_ (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District, as required by the Aurora City Code; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

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

**COVENANTS AND AGREEMENTS**

1. Operations and Maintenance. The Districts shall dedicate the Public Improvements (as defined in the Service Plan) to the City or other appropriate jurisdiction or owner’s association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto.

Any Fee imposed by the District for access to such park and recreation improvements shall not result in Non-District City residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the District. However, the District

shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with Non-District City residents to ensure that such costs are not the responsibility of District residents. All such Fees shall be based upon the District's determination that such Fees do not exceed reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Non-District City residents, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

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

3. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

4. Golf Course Construction. The District shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

5. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

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



Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the fee owner or owners of 100 percent of such property as provided in Section 32-1-401(1)(a), C.R.S.

8. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy of the Districts. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

9. Initial Debt. On or before the effective date of approval by the City of an Approved Development Plan (as defined in the Service Plan), the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

10. Total Debt Issuance. The District shall not issue Debt in excess of One Hundred Ninety-Five Million Dollars (\$195,000,000).

11. Fee Limitation. Each of the Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

12. Debt Issuance Limitation. The District shall not be authorized to incur any indebtedness until such time as the District has approved and executed the IGA and approved the imposition of the Aurora Regional Improvement Mill Levy (as defined in the Service Plan) upon all taxable property located within the boundaries of the District.

13. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

14. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with one or more of the Districts.

15. Bankruptcy. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

16. Dissolution. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

17. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District’s authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

18. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in V.A.1-14 or VII.B-G of the Service Plan shall be deemed to be material modifications to the Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

19. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into one or more intergovernmental agreements which shall govern the relationships between and among the Districts with respect to the financing,

construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

20. Annual Report. The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued, pursuant to the City Code and containing the information set forth in Section VIII of the Service Plan.

21. Regional Improvements. The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C of the Service Plan.

The District shall impose the ARI Mill Levy and shall convey it as follows:

(a) If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than thirty percent (30%) and no more than forty-nine percent (49%) of the board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement, regardless as to whether the City approves the execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority; or

(b) If the City and the District have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the District in accordance with such agreement; or

(c) If neither Section VI.A nor VI.B of the Service Plan is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under Section VI of the Service Plan and shall not expend such revenue until an intergovernmental agreement is executed between the District establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B of the Service Plan have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the District as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, the District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI. B of the Service Plan. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Section VI.A, B or C of the Service Plan, unless the City has agreed otherwise in writing; provided, however in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The District shall cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy described in Section VI of the Service Plan at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

22. Maximum Debt Mill Levy. The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

(a) For the portion of any aggregate District's Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 of the Service Plan; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) For the portion of any aggregate District's Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

(c) For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 of the Service Plan, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by

such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

23. Maximum Debt Mill Levy Imposition Term. The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI of the Service Plan. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

24. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District:                      Velocity Metropolitan District No. 4  
Icenogle Seaver Pogue, P.C.  
4725 S. Monaco St., Suite 360  
Attn: Alan D. Pogue  
Phone: (303) 292-9100

To the City:                              City of Aurora  
15151 E. Alameda Pkwy., 5th Floor  
Aurora, CO 80012  
Attn: Mike Hyman, City Attorney  
Phone: (303) 739-7030  
Fax: (303) 739-7042

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

25. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

26. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

27. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

28. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

29. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

30. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

31. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the City shall be for the sole and exclusive benefit of the District and the City.

32. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

33. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

34. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

35. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

VELOCITY METROPOLITAN DISTRICT  
NO. 4

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

CITY OF AURORA, COLORADO

By: \_\_\_\_\_  
Mike Coffman, Mayor

Attest:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM: \_\_\_\_\_



# CITY OF AURORA

## Council Agenda Commentary

<b>Item Title:</b> Renewal of Contract with Insight Investment for Investment Advisory Services
<b>Item Initiator:</b> Teresa Sedmak
<b>Staff Source/Legal Source:</b> Teresa Sedmak
<b>Outside Speaker:</b> Hans Hernandez
<b>Council Goal:</b> 2012: 6.0--Provide a well-managed and financially strong City

### COUNCIL MEETING DATES:

**Study Session:** N/A

**Regular Meeting:** N/A

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### ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session                       Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration  
Why is a waiver needed?n/a

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### PREVIOUS ACTIONS OR REVIEWS:

**Policy Committee Name:** Management & Finance

**Policy Committee Date:** 5/25/2021

### Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval     Does Not Recommend Approval
- Forwarded Without Recommendation     Recommendation Report Attached
- Minutes Attached     Minutes Not Available
-



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**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

In 2010, the City entered into a contract with MBIA Asset Management, since restructured as Cutwater Investor Services Corporation. Cutwater was acquired by BNY Mellon in 2015 and the firm now operates as Insight North America (Insight). While the firm's name and ownership have changed over the years, Mary Donovan, CFA has continued in her role as principal advisor to the City throughout the entire contractual relationship. Ms. Donovan and the Insight team has continued to provide the City with a high level of service, assisting the City in the navigation of the fixed income market and allowing enhanced returns through the strategic management of the City's investment portfolio.

The current contract between the City and Insight expires on June 30, 2021.

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**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

Insight provides the City with high quality, non-discretionary investment advisory services. These include but are not limited to: advising on portfolio composition; analyzing credit product (corporate securities) both prior to and after purchase; economic analysis; trade execution; and reporting. In addition, Insight assists the City in its updates to and maintenance of its investment policy.

In regard to portfolio management, Insight acts on a non-discretionary basis. In other words, while trade recommendations are presented to the City, they must be approved by appropriate staff prior to execution. Once trades have been executed, Insight provides regular updates on performance.

Of particular value to the City is the Insight's credit analysis and monitoring of the City's corporate holdings. Insight dedicated credit analysis staff performs extensive financial modeling and monitors the factors which can lead to a change in credit quality. Because the City's has a significant allocation in corporate securities, this credit analysis and monitoring is of critical importance in managing risk.

As outlined in the attached memo, the City conducted a survey of other municipalities related to their use of an investment advisor and fees associated with their services. The survey confirmed that the pricing of Insight's services are comparable to those of survey respondents and, based upon the significantly larger percentage of the City's corporate exposure, in line with expectations.

Staff recommends approval of an extension of its contract with Insight Investment, for a term of five (5) years.

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**QUESTIONS FOR COUNCIL**

Does the Committee recommend extending this contract?

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**LEGAL COMMENTS**

The Finance Department is authorized to procure agreements with experts in financial areas related to investment management. *See*, Purchasing Procedures Letter 1-3 section 3(A). Agreements of at least \$50,000.00 but less than \$2,000,000.00 which were not subject to any open, public, solicitation process, as well as the renewal or extension of those contracts, shall be authorized by city council. City Code Section 2-672(3)(b) & Section 2-674-2. (Hernandez)

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**PUBLIC FINANCIAL IMPACT**

YES       NO

**If yes, explain:** Indirect public financial impact as it relates to the overall financial health of the City.

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**PRIVATE FISCAL IMPACT**

Not Applicable       Significant       Nominal

**If Significant or Nominal, explain:**



**TO:** Investment Advisory Committee  
**THROUGH:** Terri Velasquez, Finance Director  
**FROM:** Teresa Sedmak, City Treasurer  
**DATE:** May 13, 2021  
**SUBJECT:** Investment Advisor Contract Renewal

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**History:**

In 2010, the City entered into a contract with MBIA Asset Management, since restructured as Cutwater Investor Services Corporation. Cutwater was acquired by BNY Mellon in 2015 and the firm now operates as Insight North America. While the firm's name and ownership have changed over the years, Mary Donovan, CFA has continued in her role as principal advisor to the City throughout the entire contractual relationship. Ms. Donovan and the Insight team has continued to provide the City with a high level of service, assisting the City in the navigation of the fixed income market and allowing enhanced returns through the strategic management of the City's investment portfolio.

The current contract between the City and Insight expires on June 30, 2021.

**Benefits of Utilizing an Investment Advisor:**

Enhanced yield through the investment in Corporate Securities: While credit products add yield to public portfolios, they are not without risk. Municipal investment advisors typically employ a dedicated credit analysis staff which evaluates issuers of corporate bonds. This entails extensive cashflow modeling, and an assessment of the factors which can typically lead to a change in credit quality. Utilizing that credit analysis, and an assessment of the relative value of an issuer's bonds, securities are evaluated for client suitability. Once corporate securities are placed in client portfolios, the credit staff monitors these securities and keeps clients apprised of credit events (i.e. changes in ratings or other risk considerations) and then advise in regard to appropriate actions. Most municipal entities do not employ staff with this expertise

Market access: Another benefit of contracting with an outside investment advisor relates to market access. While a municipal entity may be in the market for securities on an infrequent basis, advisors are in the markets on a daily basis. For that reason, they have the ability to identify opportunities take advantage of offerings before others become aware of them. Additionally, they utilize a substantial number of qualified broker/dealers, which assures competitive pricing and best execution of trades.

Enhanced Reporting and Performance Measurement: The Insight North America portal facilitates real-time access to portfolio holdings, valuation, and performance data for the municipality. Periodic reporting tools enable compliance with GASB and annual reporting standards. Finally, the investment advisor and

Insight team of economists provide broad market and economic analyses to city staff, the Investment Advisory Committee, and the general public on the city’s website.

**Pricing:**

Municipal investment advisory fees are typically assessed as a percentage of assets under management, and vary depending upon the composition of the portfolio being managed. For instance, a portfolio consisting of only U.S. Treasury and/or U.S. Agency securities requires less attention, from a credit perspective, than a portfolio which includes corporate products. The efforts and expertise required to analyze and monitor credit events and other factors related to corporate securities are factored into the fee arrangement.

In order to evaluate the cost the City pays for Insight’s services, staff recently surveyed other Colorado municipalities in regard to their arrangements. While many entities manage their portfolios in-house, a number of respondents utilize advisors for at least a portion of their holdings. The survey questions posed to other entities were:

- Does your entity utilize the services of an outside investment advisor? If so, please identify the firm providing these services.
- Does your advisor act on a discretionary or non-discretionary basis?
- What is the size of your portfolio?
- What percentage (approximately) of your portfolio management is outsourced?
- In basis points, how much are you being charged for these advisory services?
- What percentage of your portfolio is invested in corporate securities?
- Does your investment advisory analyze and monitor the corporate holdings in your portfolio?

Of those entities utilizing the services of an advisor, the survey results are summarized below:

<u>Name</u>	<u>Size</u>	<u>Corporate Exposure</u>	<u>Fees (bp)</u>	<u>Notes</u>
City of Aspen <sup>1</sup>	\$170mm	15.0%	6	
City of Aurora	\$593mm	28.8%	5	Liquidity managed in house
City of Brighton	\$169mm	3.7%	5.5	6 bp up to \$50mm. 5bp over \$50mm
City of Centennial	\$107mm	8.0%	7.5	8 bp up to \$25 mm. 7bp over \$25 mm
City of Northglenn <sup>1</sup>	\$82 mm	12.0%	11	
City of Westminster	\$290mm	2.5%	4.2	5 bp up to \$175 mm. 3 bp over \$175 mm
Douglas County	\$390mm	15.0%	Flat fee	Flat fee of \$5,833 per month
Metro Wastewater	\$225mm	8.0%	6.9	Graduated fees averaged across portfolio
RTD	\$800mm	4.0%	3.5	

<sup>1</sup> Also an Insight client

As illustrated in the above table, the advisory fees paid by the City are comparable to those of other entities and, based upon the significantly larger percentage of the City’s corporate exposure, in line with expectations.

DRAFT

Insight has recently notified the City that it is willing to extend their contract for up to five (5) years (through June 30, 2026) with pricing as follows:

First \$300 million;      5 basis points (0.05% of portfolio value)  
Over \$300 million:      3 basis points (0.03% of portfolio value)

With:

- \$2,500 per portfolio monthly minimum
- \$1,000 minimum for bond proceeds portfolios, such as the Series 2021 SEAM project fund.

Applied to the recent average portfolio value of \$550 million this fee arrangement would equate to approximately 4 basis points. This proposal would generate a savings of approximately 1 basis point or \$50,000 annually.

DRAFT

FOR INSTITUTIONAL INVESTORS ONLY. NOT TO BE DISTRIBUTED TO RETAIL CLIENTS.

This strategy is offered by Insight North America LLC (INA) in the United States. INA is part of Insight Investment. Performance presented is that of Insight Investment and should not specifically be viewed as the performance of INA. Please refer to the important disclosures at the back of this document.

City of Aurora

April 2021



## Cover letter

April 23, 2021

Ms. Terri Velasquez  
Director of Finance  
City of Aurora  
15151 East Alameda Parkway  
Fifth floor  
Aurora, CO 80012

RE: Investment Advisory Services Proposal

Dear Ms. Velasquez:

Insight Investment (Insight)<sup>1</sup> is pleased to present our proposal for investment management services for the City of Aurora (the City) and we value our long-standing relationship with the City. This proposal will demonstrate that Insight has the experience, credentials and resources to effectively manage funds for the City and meet the City's unique service requirements.

Insight is owned by The Bank of New York Mellon Corporation (BNY Mellon). As part of BNY Mellon's multi-boutique structure, the firm has the backing of a sound global financial institution for which asset management is a core strategic priority. Our clients are able to benefit from a specialist asset management firm, combined with the strength and stability of BNY Mellon, which includes extensive compliance and regulatory awareness.

Below we have outlined why we believe Insight is the best-qualified firm to perform the services as described in this proposal.

- **Extensive experience:** Insight has over 25 years' experience in managing portfolios for clients in the public sector in North America. We manage approximately \$20.4bn<sup>2</sup> in assets for public clients throughout North America, including \$1.8bn for 16 municipal entities in the state of Colorado as of December 31, 2020.
- **Industry-leading investment process:** Our Public Sector Group provides public entities' treasury staff with customized investment portfolios tailored to their individual needs and objectives. Insight's investment process for public sector accounts begins and ends with our focus on knowing and understanding our clients' objectives. We work with clients to review, develop and evolve investment policies and strategies with the aim of designing comprehensive, long-term investment management programs.

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<sup>1</sup>Insight is the corporate brand for certain companies operated by Insight Investment Management Limited (IIML). Insight includes, among others, Insight Investment Management (Global) Limited (IIMG), Insight Investment International Limited (IIL), Insight Investment Management (Europe) Limited (IIMEL) and Insight North America LLC (INA), each of which provides asset management services..

<sup>2</sup>As of December 31, 2020. Assets under management (AUM) are represented by the value of the client's assets or liabilities Insight is asked to manage. These will primarily be the mark-to-market value of securities managed on behalf of clients, including collateral if applicable. Where a client mandate requires Insight to manage some or all of a client's liabilities (e.g. LDI strategies), AUM will be equal to the value of the client-specific liability benchmark and/or the notional value of other risk exposure through the use of derivatives. INA is part of 'Insight' or 'Insight Investment', the corporate brand for certain asset management companies operated by IIML, as defined above. Advisory services referenced herein are available in the US only through INA. Figures shown in USD. FX rates as per WM Reuters 4pm spot rates.

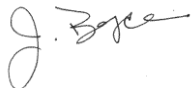


- **Rigorous risk management:** Risk management is a fundamental part of our investment process and is supported by a sophisticated infrastructure. Strong risk controls are integral to the management of these strategies.
- **Deep resources:** We have a well-resourced and deeply experienced fixed income team. Our Public Sector Group mandates are able to benefit from a team approach, underpinned by a global firm. Based in the US, our dedicated Public Sector Group investment team leverages the entire resources of the wider Insight business, including our 116-strong Fixed Income Group which includes our 43-strong credit analysis resource (as of December 31, 2020).

Mary Donovan, CFA, Senior Portfolio Manager would continue to serve as the primary contact and relationship manager for the City. Please contact her by phone at 303-209-9540 or via email at [mary.donovan@insightinvestment.com](mailto:mary.donovan@insightinvestment.com) if you have any questions or requests for additional information related to our asset management services.

We confirm that the information and data submitted are true and complete to the best of our knowledge. We hope that you find our proposal demonstrates that Insight has the people, investment process rigor and dedicated client service to continue to work with the City.

Yours sincerely,



Jack Boyce

Head of Distribution, North America

P: 1 212-365-3123

E: [jack.boyce@insightinvestment.com](mailto:jack.boyce@insightinvestment.com)

# Contents

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# 1. Organization and personnel

Insight has been serving US public sector clients for over 25 years through our heritage North American business, formerly Cutwater Asset Management (Cutwater), established in 1991. Cutwater was acquired by BNY Mellon in 2015 and the firm now operates under Insight. Insight was founded in 2002 as IIML and acquired Rothschild Asset Management Limited (RAM) in 2003. Insight itself became part of BNY Mellon in November 2009.

Insight is a registered investment advisor as defined and regulated by the SEC and the firm is registered with the Colorado State Division of Securities. Insight does not serve as a broker/dealer for our public sector clients and acts completely independent of any financial institution or securities brokerage firm as it related to our relationship with the City. There are no soft dollar relationships, commissions, or bonuses to disclose that are associated with the business conducted on behalf of the City and at no times does Insight take possession of the City's funds or investment securities.

Below we have provided the office that would continue to service the City.

## Denver, Colorado office:

<b>Address:</b>	100 Saint Paul Street, Suite 620 Denver, Colorado 80206
<b>Tel:</b>	303-209-9540
<b>Email:</b>	<a href="mailto:mary.donovan@insightinvestment.com">mary.donovan@insightinvestment.com</a>
<b>Website:</b>	<a href="http://www.insightinvestment.com">www.insightinvestment.com</a>

Insight's Public Sector Group has been working with public sector clients for over 25 years. Each public account has its own unique investment approach and risk tolerances.

Importantly, Insight understands that the activities of the public investor are governed by three key objectives:

- Safety
- Liquidity
- Yield

Within this context, we strive to create customized portfolios designed to meet each client's goals and risk tolerance. Insight is able to leverage its large firm resources and provide portfolio management expertise, within the framework of strict compliance controls, robust trade order management systems and comprehensive reporting.

Insight's investment process for public sector accounts focuses on knowing and understanding our client's objectives. The objectives are then combined with existing market conditions based on Insight's investment philosophy and process with the aim of building the optimal investment portfolio for our public clients.

## Staff commitment to the public sector and credentials of key personnel

Insight's investment team is built on specialist knowledge, experience and ability to generate attractive performance. Insight's Public Sector Group uses a team approach when managing portfolios, ensuring that team members are always available to assist the City's staff. Team members include Mary Donovan, CFA, Senior Portfolio Manager; Jason Celente, CFA, CTP, Senior Portfolio Manager; David Witthohn, CFA, CIPM, Senior Portfolio Specialist; and Gerard Berrigan, Head of Insurance and Intermediate. They would have direct responsibility for the account and would be the City's contacts for portfolio-related issues.

## Insight's public sector portfolio management team



**Mary Donovan, CFA**  
Senior Portfolio Manager

Mary joined Insight in 1991 (via predecessor company, Cutwater Asset Management). She is a senior portfolio manager and has worked in the financial services industry since 1989. Mary has responsibilities for the public sector group strategy. Additionally, she monitors the credit markets and economic conditions daily to develop active portfolio management strategies consistent with each client's investment objectives and cashflow needs. Her areas of expertise include US Treasury and high-grade corporate securities and bond swap analytics. Mary is a past president of the Colorado Treasury Management Association. She speaks regularly in the US on public funds asset management and is active in many US public finance associations. She holds a BS degree from the University of Colorado and is a CFA charterholder.



**David Witthohn, CFA, CIPM**  
Senior Portfolio Specialist

David joined Insight in 1997 (via predecessor company, Cutwater Asset Management) and has worked in the financial services industry since 1982. David's areas of expertise include portfolio management and statistical performance review. He has extensive years of experience in working with public entities on their investment portfolios and has additional experience in the areas of institutional mutual funds and bank portfolio management. He speaks frequently in the US on public funds asset management and is active in many public finance associations across the US. David holds a BA in Business Economics from the University of Pittsburgh and a Master of Science (MSF) in Finance from the University of Colorado. He is a CFA charterholder and also has the Certification for Investment Performance Measurement™ (CIPM).



**Jason Celente, CFA, CTP**  
Senior Portfolio Manager

Jason joined Insight in 1997 (via predecessor company, Cutwater Asset Management). He is a senior portfolio manager overseeing short duration and customized investment strategies for Insight's public sector group. Prior to this, Jason was an investment accountant for Cutwater's asset-liability portfolios and short-term mutual funds. He has a BS degree from Colgate University and an MBA from the Stern School of Business at New York University. Jason holds Series 7 and 63 licenses from the Financial Industry Regulatory Authority (FINRA) and is a CFA charterholder and holds the Certified Treasury Professional (CTP) designation from the Association for Financial Professionals.



**Gerard Berrigan**  
Head of Insurance and Intermediate

Gerard joined Insight in 1994 (via predecessor company, Cutwater Asset Management) and has worked in the financial services industry since 1984. Gerard's responsibilities include overseeing all aspects of portfolio management for insurance and Public Sector Group clients in North America. Previously, he worked at the Federal National Mortgage Association as a member of the Portfolio Management and Treasury Groups where he developed and applied expertise in ABS, MBS and portfolio hedging. Gerard also worked at First Boston Corp. developing and implementing investment strategies for the firm's public finance clients. He has a BS degree from Bucknell University and an MBA

from Columbia University. Gerard holds Series 7 and 63 licenses from the Financial Industry Regulatory Authority (FINRA).

## Client service team

We believe we can continue to offer the City a level of client service that matches our commitment to seeking to deliver attractive, consistent investment performance. Insight is committed to developing long-term relationships with our clients in order to find innovative solutions to their investment requirements. Client focus and liaison are key components to building a successful partnership. We seek to provide our clients with first-class client service. Not only does this mean regular contact, but going beyond that, support in terms of providing guidance and advice on your portfolio to discussions on performance, investment views and the markets in general.

Every client is appointed a client director who manages the overall relationship and serves as the client's primary and senior point of contact. For the City, Mary Donovan would continue to serve as the client director. In addition, Bertha Lui-McKee would continue to serve as the client service specialist, supported by Matt Logan. Bertha and Matt are responsible for the day-to-day service delivery including legal, documentation and operational aspects of your mandate.

## Scaled to further support your investment program

### CREDIT RESEARCH, IMPLEMENTATION AND TRADING



**David Averre**  
Head of Credit Analysis  
[David.Averre@insightinvestment.com](mailto:David.Averre@insightinvestment.com)



**David Hamilton, CFA**  
Head of Credit Analysis, New York  
[David.Hamilton@insightinvestment.com](mailto:David.Hamilton@insightinvestment.com)



**Jamie Anderson, CFA**  
Head of US Trading  
[Jamie.Anderson@insightinvestment.com](mailto:Jamie.Anderson@insightinvestment.com)



**Thomas VanDermark, CFA**  
Trading  
[Thomas.VanDermark@insightinvestment.com](mailto:Thomas.VanDermark@insightinvestment.com)



**Matthew Bodo**  
Portfolio Implementation Specialist  
[Matthew.Bodo@insightinvestment.com](mailto:Matthew.Bodo@insightinvestment.com)



**Kevin Loescher**  
Portfolio Implementation Specialist  
[Kevin.Loescher@insightinvestment.com](mailto:Kevin.Loescher@insightinvestment.com)

### CLIENT SERVICE AND SUPPORT



**Carl Mastroianni, CFA**  
Senior Product Specialist  
[Carl.Mastroianni@insightinvestment.com](mailto:Carl.Mastroianni@insightinvestment.com)



**Erin Holliday**  
Channel Marketing Specialist  
[Erin.Holliday@insightinvestment.com](mailto:Erin.Holliday@insightinvestment.com)



**Jenna Rivers**  
Head of Client Service  
[Jenna.Rivers@insightinvestment.com](mailto:Jenna.Rivers@insightinvestment.com)



**Bertha Lui-McKee, CPA**  
Senior Client Service Specialist  
[Bertha.Liu-McKee@insightinvestment.com](mailto:Bertha.Liu-McKee@insightinvestment.com)



**Matthew Logan, CAIA**  
Client Service Specialist  
[Matthew.Logan@insightinvestment.com](mailto:Matthew.Logan@insightinvestment.com)

### ACCOUNTING, REPORTING AND ESSENTIAL SERVICES



**Thomas Stabile**  
Head of Client Reporting  
and Fund Administration  
[Thomas.Stabile@InsightInvestment.com](mailto:Thomas.Stabile@InsightInvestment.com)



**Paul Adair**  
Guideline Management Analyst  
[Paul.Adair@InsightInvestment.com](mailto:Paul.Adair@InsightInvestment.com)



**Christopher Przymycki**  
Client Reporting Manager  
[Christopher.Przymycki@insightinvestment.com](mailto:Christopher.Przymycki@insightinvestment.com)

As of April 2021. Includes employees of INA which provides asset management services as part of Insight, the corporate brand for certain companies operated by IIML.

## Credit research

Our portfolio management team is further supported by our global credit analysis function led by David Averre, Head of Credit Analysis, while David Hamilton, as Head of Credit Analysis, North America, leads our US corporate bond analysis effort. Insight has extensive credit research resources. Within our Fixed Income Group, there are 43 investment professionals (as of December 31, 2020) with specific analytical responsibilities.

The Credit Analysis Team is responsible for analyzing companies which are issuers of investment grade, non-investment grade corporate bonds and leveraged loans. Analysts specialize in industry sectors where they determine the key business drivers of that sector and how these drivers will impact the individual companies within it. For each company, cashflow modeling forms a key element of an analyst's work, as does a detailed assessment of the factors which can typically lead to

a sharp change in credit quality such as the ability of a company to service debt when capital markets are shut, for example, the regulatory environment or corporate governance.

The role of an analyst is to formulate a clear fundamental credit opinion of the issuers for which they are responsible, delivering analysis, investment recommendations and trade ideas to portfolio managers by assessing the relative valuation of an issuer's bonds. They are responsible for recommending whether an issuer is appropriate for portfolios. Using this analysis as a foundation, analysts communicate investment ideas and sector views, making suitable buy/sell recommendations to the portfolio managers in order to adjust the portfolio strategy. They continuously monitor credit pricing and evaluate investment opportunities, offering advice and recommendations on existing or potential portfolio holdings.

## 2. Investment management approach

Managing our public sector client portfolios to meet the tenets of safety, liquidity and yield is fundamental to Insight's philosophy. Insight has extensive experience managing public sector portfolios and we understand the unique investment objectives and constraints associated with these assets. We are uniquely qualified to serve as advisor to the City and would continue to apply the depth of expertise of Insight as well as the strength of BNY Mellon for the benefit of the City.

Safety is the first stated objective and the portfolio and program are tailored to meet this guideline through the following:

- Assist the City with the update and maintenance of the investment policy
- Comply with approved investment policy guidelines, Colorado state law and City ordinances as they relate to investment advisory services
- Manage interest rate risk by actively adjusting portfolio duration to minimize market losses in rising rate environments and maximize return as rates fall
- Manage credit risk through the rigorous application of ongoing credit research
- Maintain a dedicated and seasoned Credit Team that is separate from the City's portfolio managers
- Implement a granular approach to credit exposure with a high degree of diversification
- Manage custodial risk by providing credit analysis for the banking partners and adhering to fundamental principles of safety including third-party safekeeping, perfected ownership of assets and delivery-versus-payment (DVP) trade settlement
- Provide notification of portfolio activity and obtain approval for non-discretionary transactions
- Provide pre-trade, post-trade and daily compliance review of portfolio holdings compared to policy guidelines

Liquidity is provided in the City's portfolio through the following:

- Assist the City with the development and maintenance of a detailed cashflow projections
- Structure the portfolio appropriately so maturities coincide with anticipated cashflow needs
- Maintain a laddered portfolio structure with periodic maturities to create regular liquidity
- Purchase large issues that enjoy an active secondary market in the event a sale is implemented
- Maintain a Treasury allocation in the portfolio which may provide liquidity in the event of an unexpected cashflow need

Yield should be maximized in the portfolio within the context of the objectives of safety and liquidity. Insight strives to add incremental yield through the following:

- Conduct ongoing economic analysis to develop and refine our view on interest rates
- Perform yield curve analysis to identify advantageous maturity horizons
- Perform relative value analysis to identify sectors of the market that are attractively priced
- Perform security analysis to identify specific issues that may benefit the portfolio
- Realign portfolio holdings as market conditions, interest rate expectations and credit conditions change
- Execute trades competitively with qualified broker/dealers by a seasoned team of trading professionals dedicated to ensuring best execution
- Separate duties related to portfolio management and trade execution to eliminate any conflicts of interest or perceived conflicts of interest

## Portfolio analysis

Insight's Public Sector Group strategy actively manages its clients' portfolios, targeting duration, sectors and individual securities that are appropriate for current and expected market conditions. The combination of securities in a portfolio is continually monitored and analyzed to determine the appropriate structure of a portfolio given current interest rate levels, the shape of the yield curve and the expected direction of interest rates and spread relationships.

Our specialist credit research analysts are responsible for providing issuer and sector recommendations to our portfolio managers. The team is arranged with each credit analyst taking responsibility for individual industry groups or specific sub-sectors within the credit asset class. Where an analyst is covering an industry, he/she will cover issuers within that industry across the entire rating spectrum from investment grade to high yield. Our credit research analysts are specialists, not generalists. Each has his/her own focused area of market expertise.

We screen the entire global credit universe for suitable issuers. To generate a targeted opportunity set, we specifically screen out, for example, companies where there is insufficient or inadequate financial reporting, limited or no access to management, or where the bonds no longer trade. This prevents us investing in situations where we do not have the necessary information to do the requisite credit work. We can also focus our resources more intently on the remaining coverage, which is split into surveillance and fundamental coverage, as follows:

- **Surveillance coverage:** This includes names which may offer potential as suitable investments but for various reasons, e.g. merger and acquisition (M&A) concerns, valuation, secondary market illiquidity, etc. do not warrant detailed further analysis required for fundamental coverage at the present time. Our analysts will stay on top of news flow relating to these issuers but may not have a fully updated credit opinion supported by a cashflow model. Should the Credit Team decide that such an issuer warrants intensive coverage, it will become part of the next category.
- **Fundamental coverage:** The analyst will formulate a clear fundamental credit opinion of the issuer. This is based on an understanding of the key drivers of a business which will include aspects such as the structure of the industry and how the issuer is positioned within it, the bargaining power of suppliers and customers, barriers to entry, the legal and regulatory environment and the quality of the issuer's management. We balance this against the strength of the issuer's balance sheet, its profitability and its ability to generate recurring free cashflow. Cashflow modeling is an important part of our analysis, allowing us to project forward to seek an understanding of how the company's credit profile could change in the coming years. Following the fundamental analysis, the analyst will assign an independent Insight credit rating to each issuer, indicating where the issuer's rating is expected to be in 12 to 18 months' time, and the forward-looking credit outlook (stable/improving/deteriorating/sharply deteriorating). All aspects of the fundamental credit opinion, including the cashflow model, the Insight credit rating and outlook, are updated on an ongoing basis.

## Landmine checklist

The final crucial step in our fundamental analysis is what we term the landmine checklist. i.e. those things that can cause a sudden, unexpected deterioration in an issuer's credit quality. The landmine checklist covers the following factors:



### Investment process – security selection: landmine checklist

Factor	Example
✓ Liquidity	▪ Assuming no access to capital markets in the next 24 months, what is the impact on the issuer's liquidity?
✓ Contingent liabilities	▪ What is the magnitude of the issuer's off balance sheet liabilities such as pension deficits, operating leases etc.?
✓ Regulatory risk	▪ To what extent is the issuer's industry subject to regulation and changes in regulation?
✓ Environmental, social, governance (E SG)	▪ Is the issuer properly managing environmental, social and governance risks?
✓ Leveraged buyout (LBO) risk	▪ Is the business likely to be subject to an approach from or a bid by private equity?
✓ Event risk	▪ Does the management have an appetite for debt financed M&A? Is the company's share price underperforming?

Each factor scored 1 (good) to 5 (bad)

These factors are scored on a scale of one to five, with higher numbers indicating more risk and scores of five indicating areas of significant concern. To assist us with our governance assessment and how the company responds to social and environmental issues, we use a quantitative framework incorporating data from MSCI, Vigeo, Sustainalytics and CDP. Unless all the components of our fundamental analysis and landmine checklist are analyzed and evaluated to the satisfaction of the credit analyst and the broader Credit Team, we will not consider a purchase for our portfolios. This strategy has proven highly successful in identifying credit deterioration early and avoiding issuers where there has subsequently been a sharp deterioration in credit quality. Should we identify a significant risk of default that is not already priced into a particular bond, we would look to sell out of the position at the first available opportunity.

With individual security and sector recommendations originating from our credit analysts, the responsibility of the portfolio managers is to set credit strategy and apply that strategy to client portfolios using the security/sector selection input of the Credit Analysis Team. Portfolio managers will evaluate the market valuation of recommended securities and sectors before purchase or sale. While our fixed income portfolios reflect the collective input of a number of specialists, the portfolio manager has discretion on the final portfolio construction and may, if they wish, go against the consensus.

For the City, Insight applies the depth of knowledge our Credit Team when utilizing credit related securities for the portfolio. The firm has significant resources in credit analysis and we have a global view and perspective. The credit-related securities in the portfolio are reviewed for compliance with policy guidelines on a pre-trade and daily basis, and any changes in credit ratings are communicated to the City along with a recommended course of action.

#### Daily procedures for portfolio review and client contact

Insight's Public Sector Group strategy employs an individualized approach to developing investment strategies. The parameters of this approach are based on each client's investment objectives and permitted investments and in concert with projected cash needs.

Such broad decision-making may be related to extending or shortening portfolio duration in anticipation of the future direction of interest rates. The portfolio management team also evaluates the relative value of certain sectors of the market in order to capture greater yield spread. On an ongoing basis, each portfolio manager then develops specific portfolio strategies within each client's unique investment guidelines and anticipated cashflow needs.

For the City, Insight has met formally and presented to the City's investment advisory committee quarterly. At these meetings, Insight provides a review of market conditions and portfolio structure, activity and performance. In addition to these

formal meetings, we discuss and review the City's investment policy, make recommendations for updates, and maintain the cashflow projections report. Insight reviews the bank credit for the City's banking and custody relationships and the approved broker/dealers with which Insight competitively transacts on behalf of the City.

In addition to formal meetings, client contact has been maintained on a regular basis with City staff. In our non-discretionary relationship, Insight is in frequent communication to discuss market conditions, cashflow needs and specific investment recommendations for the portfolio. This level of communication provides on-going opportunity to discuss changing market conditions and portfolio strategy with the City's finance team. Importantly, the conversations also keep Insight informed of any cashflow considerations that ultimately impact our investment recommendations. After an investment recommendation is approved by the City and a trade is executed, Insight provides confirmation of the trade via email with all details including the dealers contacted and the prices received.

Our process for client communication and formal meetings has proven successful in the past. As the City's needs may change and evolve, Insight would be pleased to discuss the specific requirements of the City in respect to the level and frequency of meetings.

### 3. Reporting

Insight views our ability to provide clear, accurate and comprehensive reporting as one of our competitive advantages. We will provide comprehensive monthly, quarterly and annual valuation and performance reporting, including benchmarks. The reports provide a complete accounting of portfolio activity and performance on both a fair value and amortized cost basis and can be used by the City to facilitate its compliance with GASB 31 and GASB 40 requirements.

For the amortized cost accounting, the components of income are the accrual of coupon income, the straight-line accretion of discount or amortization of premium, and any realized gain or loss for the period. The total income is spread over the average daily amortized cost value of the portfolio and performance is presented on a periodic or un-annualized basis.

For the fair value accounting, the components of income are the accrual of coupon income and the change in the principal value of the securities based upon the market pricing fluctuations. The total income is spread over the average market value of the portfolio holdings including accrued interest and performance is presented on a periodic or un-annualized basis.

The purchase yield report is provided on a monthly basis. This report details the yield on each portfolio holding based upon the price at the time of purchase.

For the City, Insight also provides a customized monthly credit report, a quarterly website report and a cashflow report. Recognizing that the City's needs may evolve over time, Insight would be pleased to discuss any new requirements with respect to our reported information or frequency.

## 4. Financial proposal

Insight is proposing the following fee per portfolio: 5 bps on first \$300m; 3 bps thereafter:

- \$2,500 per portfolio minimum monthly fee for the operating portfolio
- \$1,000 per portfolio minimum monthly fee for each bond proceeds portfolio

The fee proposal takes into account all fees that will be required in order for Insight to provide services in connection with the City's outlined scope of services. The City will bear the cost of custody which is separate from the Insight scope of services.

The fee is applied to the average market value including accrued interest of all assets in the portfolio, based upon an average of the prior and current month-end values. The fee shall be payable upon receipt of billing.

## Contact

Main contact	Mary Donovan
Title	Senior Portfolio Manager
Telephone	+1 303 209 9540
Email	<a href="mailto:mary.donovan@insightinvestment.com">mary.donovan@insightinvestment.com</a>
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Assets under management (AUM) represented by the value of the client's assets or liabilities Insight is asked to manage. These will primarily be the mark-to-market value of securities managed on behalf of clients, including collateral if applicable. Where a client mandate requires Insight to manage some or all of a client's liabilities (e.g. LDI strategies), AUM will be equal to the value of the client specific liability benchmark and/or the notional value of other risk exposure through the use of derivatives. Regulatory assets under management without exposures can be provided upon request. Unless otherwise specified, the performance shown herein is that of Insight Investment (for Global Investment Performance Standards (GIPS), the 'firm') and not specifically of Insight North America. A copy of the GIPS composite disclosure page is available upon request.

**Past performance is not a guide to future performance, which will vary.** The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes). Future returns are not guaranteed and a loss of principal may occur.

Targeted returns intend to demonstrate that the strategy is managed in such a manner as to seek to achieve the target return over a normal market cycle based on what Insight has observed in the market, generally, over the course of an investment cycle. In no circumstances should the targeted returns be regarded as a representation, warranty or prediction that the specific deal will reflect any particular performance or that it will achieve or is likely to achieve any particular result or that investors will be able to avoid losses, including total losses of their investment.

The information shown is derived from a representative account deemed to appropriately represent the management styles herein. Each investor's portfolio is individually managed and may vary from the information shown. The mention of a specific security is not a recommendation to buy or sell such security. The specific securities identified are not representative of all the securities purchased, sold or recommended for advisory clients. It should not be assumed that an investment in the securities identified will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed.

The quoted benchmarks within this presentation do not reflect deductions for fees, expenses or taxes. These benchmarks are unmanaged and cannot be purchased directly by investors. Benchmark performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison such as differences in volatility, and regulatory and legal restrictions between the indices shown and the strategy.

Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved.

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to consult their tax and legal advisors regarding any potential strategy or investment.

Information herein may contain, include or is based upon forward-looking statements within the meaning of the federal securities laws, specifically Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements

include all statements, other than statements of historical fact, that address future activities, events or developments, including without limitation, business or investment strategy or measures to implement strategy, competitive strengths, goals expansion and growth of our business, plans, prospects and references to future or success. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Words such as 'anticipate,' 'estimate,' 'expect,' 'project,' 'intend,' 'plan,' 'believe,' and other similar words are intended to identify these forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results or outcomes. Consequently, no forward-looking statement can be guaranteed. Our actual results or outcomes may vary materially. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

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# CITY OF AURORA

## Council Agenda Commentary

<b>Item Title:</b> Recommended Modifications to City Investment Policy
<b>Item Initiator:</b> Teresa Sedmak
<b>Staff Source/Legal Source:</b> Hans Hernandez
<b>Outside Speaker:</b> Mary Donovan, VP, Insight Investment
<b>Council Goal:</b> 2012: 6.0--Provide a well-managed and financially strong City

### COUNCIL MEETING DATES:

**Study Session:** N/A

**Regular Meeting:** N/A

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### ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session
- Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration  
Why is a waiver needed?n/a

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### PREVIOUS ACTIONS OR REVIEWS:

**Policy Committee Name:** N/A

**Policy Committee Date:** N/A

### Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval
  - Does Not Recommend Approval
  - Forwarded Without Recommendation
  - Recommendation Report Attached
  - Minutes Attached
  - Minutes Not Available
-



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**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

The City adopted an Investment Policy (the Policy) in 1988, which has been revised in years since, most recently in July of 2017. The Policy generally follows Colorado State Statutes. However, as a home-rule City, Aurora is authorized to invest in other securities or alternate investments which are permitted under the City Charter or by ordinance. As such, the City's policy varies from Colorado statutes in several categories, which are summarized in the attached spreadsheet.

The Policy serves to direct the investment of City funds. The primary objectives of the Policy are: safety of principal, liquidity of investments, and yield, in that order. In consideration of those objectives, the Policy dictates delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the City's funds. This Policy also defines the role and duties of the City's Investment Advisory Committee.

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**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

In consultation with the City's Investment Advisor, staff reviewed the current Policy and established several modifications for advancement to the Investment Advisory Committee and, with their recommendation, on through the City Council approval process. The proposed revisions will allow the City to pursue greater investment returns without significantly affecting its risk profile. Proposed changes are summarized on the memo attached.

Staff recommends approval of the proposed modifications to the Investment Policy.

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**QUESTIONS FOR COUNCIL**

Does the Committee recommend that this item move forward to Study Session?

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**LEGAL COMMENTS**

The investment of public funds shall be governed by the provisions of Section 24-75-601.1, C.R.S., except insofar as the same may be superseded by Section 2-595 of the City Code; provided, however, that nothing shall preclude the city from adopting an investment policy which is more restrictive than either the state statutes or applicable provisions of the City Charter or Code. City Code § 2-595(b). The City Council may adopt new City policies and amend existing City policies by resolution. City Charter Article 5-1. (Hernandez)

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**PUBLIC FINANCIAL IMPACT**

YES       NO

**If yes, explain:** Indirectly, only as it relates to the financial health of the City.

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**PRIVATE FISCAL IMPACT**

Not Applicable       Significant       Nominal

**If Significant or Nominal, explain:**

RESOLUTION NO. R2021-\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA,  
COLORADO, ADOPTING AN INVESTMENT POLICY

WHEREAS, the City of Aurora, Colorado, (the “City”), is a home rule municipality, organized and existing under Article XX, Section 6 of the Colorado Constitution and as such the City has authority to legislate and regulate its local affairs; and

WHEREAS, it is the role of the City Council of the City to establish policies regarding the operation of the City; and

WHEREAS, the Director of Finance and the Council Management and Finance Committee reviewed the proposed “Investment Policy” (the “Policy”), and they have recommended the adoption of the Policy attached to this Resolution; and

WHEREAS, the City Council finds and determines that it is in the best interests of the City and its citizens to adopt the Policy for the City for these purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. The City “Investment Policy” is hereby adopted in substantially the form filed with the City Clerk and attached to this Resolution as Exhibit A, presented at this meeting, with such technical additions, deletions, and variations as the City Attorney may deem necessary or appropriate and not inconsistent with this Resolution.

Section 2. All resolutions or parts of resolutions of the City of Aurora, Colorado, in conflict herewith are hereby rescinded.

Section 3. Any reconsideration of this Resolution by the City Council of the City is hereby waived.

RESOLVED AND PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
MIKE COFFMAN, Mayor

ATTEST:

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KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:



RLA

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HANOSKY HERNANDEZ,  
Assistant City Attorney

# INVESTMENT POLICY

## City of Aurora Colorado

The City of Aurora is a Colorado home rule municipality operating under its City Charter. The City functions under the direction of a City Manager who is appointed by City Council. Existing Colorado State Statutes and the City's charter provide Aurora with legal authority to promulgate and implement local standards for cash and investment management operations.

### I. PURPOSE

The purpose of this Investment Policy (the Policy) is to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the City of Aurora, Colorado (the City). This Policy also defines the role and duties of the City's Investment Advisory Committee. This Policy assumes that the City uses an external investment advisor. If the City does not have an investment advisor, the City's Finance Director will notify the Management & Finance Committee and recommend a course of action.

This Policy was adopted by City Council on ~~July 10, 2017~~XXXX XX, XXXX and it supersedes all previous investment policies of the City.

### II. SCOPE

This Policy governs all investment activities of the City with the exception of retirement and deferred compensation funds.

### III. BOND PROCEEDS

Unspent bond proceeds shall be invested in accordance with applicable state and local laws, the terms of the bond indenture, requirements of rating agencies and bond insurers, and this Policy. Every effort will be made to meet Internal Revenue Service (IRS) "safe harbor" requirements for competitive transactions. The City recognizes that the investment of bond proceeds may, from time to time, be subject to the provisions of Section 148 of the Internal Revenue Code governing arbitrage and all rules and regulations adopted pursuant thereto. Due to the legal complexities of arbitrage law and the necessary immunization of yield levels to correspond to anticipated cash flow schedules, the reinvestment of such debt issuance may, upon the advice of Bond Counsel or financial advisors, deviate from the maturity limitation provisions of this Policy with the approval of City Council.

### IV. AUTHORITY, PROCEDURES and CONTROLS

Section 11-10 of the City Charter and Section 2-206 of the City Code provide that the Finance Director shall have custody of public funds and investment securities. The Finance Director may delegate responsibility for investment of funds governed by this Policy. The current list of employees authorized by the Finance Director to execute investment transactions shall be maintained on file in the finance department. The Finance Director or designee shall maintain internal procedures for investing which provide appropriate investment and accounting controls which are judged adequate by the Finance Director and Controller. The investment activities and controls shall be audited by the city's Internal Auditor not less than every three years.

### V. INTENT

**A. Governing Law:** This Policy is subject to all applicable provisions of state law governing the investment of public funds, as amended by Section 2-595 of the City Code.

**B. Investment Risk:** The City recognizes that: (i) all investments bear risk of various kinds, (ii) a tradeoff exists between risk and return, (iii) a security's market value fluctuates with changes in interest rates and perceived credit-worthiness, and (iv) its investment portfolio always has an unrealized gain or loss which can be substantial.

**C. Pooling of funds:** City funds available for investment shall be pooled into a single account whenever feasible so that investing may be performed as efficiently as possible.

**VI. OBJECTIVES** - The objectives of the City's investment program, in order of their priority, shall be:

**A. Safety:** Preservation of principal is the primary objective of City investment activities and is the single most important factor in making investment decisions. The two most significant risks are:

1. *Credit Risk* is the risk of loss due to failure of the security issuer or backer, or market dislocations. Credit risk shall be limited by restricting the types of securities which may be purchased, their credit ratings, and through diversification to reduce exposure to any one security type or issuer.
2. *Interest Rate Risk* is the risk that the market value of securities in the portfolio will fall due to rising market interest rates. The City will mitigate this risk by holding most investments to their maturity date, by limiting the types and maturities of permitted securities and, when feasible, by selecting maturities of investments to coincide with large cash outflows.

**B. Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating cash needs. This shall be accomplished by maintaining short-term investments and liquidity accounts to meet anticipated cash flow needs. Investments shall be managed to avoid the sale of securities to meet foreseeable cash disbursements.

**C. Financial Management Goals:** The timing and form of investment purchases and sales shall be managed in a manner consistent with the City's financial management goals.

**D. Yield:** After the objectives of safety, liquidity and financial management goals are met, the investment portfolio shall be managed with the objective of attaining a market rate of return throughout interest rate cycles.

**VII. STANDARDS OF CARE**

**A. Prudence:** The City has a fiduciary responsibility to protect the assets of the City and to invest funds appropriately. The standard of care to be used by City officials shall be the "prudent person standard" as specified by CRS 15-1-304, which reads as follows:

"Standard for investments: In acquiring, investing, reinvesting, exchanging, retaining, selling, and managing property for the benefit of others, fiduciaries shall be required to have in mind the responsibilities which are attached to such offices and the size, nature, and needs of the estates entrusted to their care and shall exercise the judgment and care, under the circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of the property of another, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital. Within the limitations of the foregoing standard, fiduciaries are authorized to acquire and retain every kind of property, real, personal, and mixed, and every kind of investment, specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, stocks, preferred or common, securities of any open-end or closed-end management type investment company or investment trust, and participations in common trust funds, which men of prudence, discretion, and intelligence would acquire or retain for the account of another."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is without risk and that its investment activities are a matter of public record. Accordingly, the City recognizes that losses will occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City. Therefore, investments may be sold prior to their maturity date if it is determined that it is in the best interest of the City to do so. Sales prior to maturity may also be made for financial management purposes. Sales shall not be made to speculate upon future market trends.

The Finance Director, and other authorized persons acting in accordance with established procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the City Council and appropriate action is taken to control adverse developments Management & Finance Committee with an outline of the action taken.

**B. Ethics and Conflicts of Interest:** City staff authorized to execute investment transactions shall refrain from

personal business activity that conflicts with, or creates the appearance of conflicting with, the proper execution and management of the City's portfolio, or that could impair their ability to make impartial decisions. They shall disclose any material interests in or involvement with financial institutions with which the City conducts investment business. Such staff shall not undertake personal investment transactions with the same individuals with whom investment transactions are made on behalf of the City, and shall subordinate personal transactions to those of the City. Such staff shall be familiar with and comply with Administrative Policy Memorandum 3-22 or its successor - "Conflict of Interest, Appearance of Impropriety, and Gifts.

### **VIII. SELECTION OF BROKER/DEALERS**

The Finance Director or designee shall develop and maintain a list of banks and securities dealers approved for securities transactions initiated by the City, and it shall be the policy of the City to purchase securities only from those authorized firms. Broker/dealers will be selected on the basis of their expertise in public investing and their ability to provide service to the City's account. To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a Primary Dealer within its holding company structure,
2. Report voluntarily to the Federal Reserve Bank of New York,
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

The City may engage the services of investment advisory firms to assist in the management of the Portfolio. Such investment advisors may utilize their own list of approved broker/dealers; however, the list shall comply with the criteria listed above and shall be provided to the City on an annual basis or upon request.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria for commercial paper in the Suitable and Authorized Investments section of this Policy.

### **IX. SAFEKEEPING and TRANSACTION SETTLEMENT**

The Finance Director or designee shall approve one or more financial institutions to provide securities safekeeping services for the City. All investment securities purchased by the City will be held in third-party safekeeping by the City's safekeeping agent. The City's safekeeping agent will be required to furnish the City a list of holdings on at least a monthly basis. The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking, and commercial practices.

### **X. COMPETITIVE TRANSACTIONS**

Securities purchases and sales will be executed after obtaining at least two competitive bids or offerings whenever feasible. If the City is offered a security for which competitive offerings cannot be obtained, quotations for comparable securities will be documented.

### **XI. SUITABLE AND AUTHORIZED INVESTMENTS**

It is the intent of the City that the following list of authorized securities be strictly interpreted. Any deviation from this list must be pre-approved by City Council. Maturity limits shall apply as of settlement date and shall be those specified in State statute except as modified herein and authorized by ordinance. Diversification requirements shall apply as of settlement date to the total portfolio excluding bond proceeds and shall be based upon market values. Credit criteria shall apply as of trade date. Credit ratings shall apply first to the security being purchased and second, if the security itself is unrated, to the issuer, provided the security contains no provisions subordinating it from being a senior debt obligation of the issuer. Investments downgraded below minimum ratings shall be reported to the Management & Finance Committee with an outline of the action taken.

Except as specifically defined in this Policy, all investments of the City shall be made in accordance with the following state and local laws: C.R.S. 11-10.5-101 et seq, Public Deposit Protection Act; C.R.S. 11-47-101 et

seq, Savings and Loan Association Public Deposit Protection Act; C.R.S. 24-75-601 et seq, Funds - Legal Investments; C.R.S. 24-75-701 et seq, Investment Funds - Local government Pooling; C.R.S. Section 31-25-301 et seq, Finance-Municipal Treasurer; and Section 2-595 of the City Code, as the same are from time to time amended.

As authorized by state statute or ordinance and as limited by this policy, the following types of securities and transactions are eligible for use by the City:

- A. United States Treasury Obligations:** Treasury bills, Treasury notes, Treasury bonds, and Treasury STRIPS (Separate Trading of Registered Interest and Principal Securities) with maturities not exceeding seven years.
- B. Federal Agency and Instrumentality Securities:** Excluding mortgage pass-through securities, any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: the federal farm credit bank, the federal land bank, a federal home loan bank, the federal home loan mortgage corporation, the federal national mortgage association, the export-import bank, the Tennessee Valley Authority, the government national mortgage association, the world bank, or an entity or organization that is not listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. Subordinated debt shall not be purchased. Federal Agency and Instrumentality securities shall not exceed 75% of the City's total portfolio with no more than 25% in any one issuer and are limited to a maximum maturity of seven years.
- C. Domestic Corporate Debt and Foreign Corporate Bonds:**  
The following guidelines apply to investments in domestic corporate bonds, foreign corporate bonds, commercial paper and bankers acceptances:

- Securities must be dollar denominated.
- Securities shall be subject to a valid registration statement on file with the SEC or issued under section 3(a)(2) or 3(a)(3) of the Securities Act of 1933.
- The aggregate investment shall not exceed 50% of the portfolio.
- No more than 3% may be invested in any one issuer.
- Securities must be rated by at least two Nationally Recognized Statistical Rating Organizations (NRSRO).
- Subordinated debt shall not be purchased.

**Domestic corporate bonds** issued by a corporation or bank organized and operating within the United States.

- Securities rated at least A- or the equivalent may be purchased for a maximum maturity of 3 years.

**Foreign corporate bonds** issued in Canadian and Australian markets only, as approved by Council resolution. ~~The following guidelines apply to investments in domestic and foreign corporate bonds:~~

- No more than ~~45~~10% each may be invested in obligations of Canada or Australia, for a maximum combined exposure to foreign corporate bonds of ~~30~~20%.
- ~~No more than 30% may be invested in domestic corporate bonds.~~
- Securities rated at least ~~AA-~~A- or the equivalent may be purchased for a maximum maturity of ~~5~~3 years.
- ~~Up to 10% may be purchased and held in securities rated A+ or the equivalent with a maximum maturity of 2 years.~~

**Commercial Paper** issued by domestic corporations and rated at least A-1 or the equivalent with an original maturity of 270 days or less.

**Eligible Bankers Acceptances** issued by FDIC insured state or national banks and rated at least A-1 or the equivalent with an original maturity of 180 days or less.

**D. Repurchase Agreements** with a termination date of 180 days or less collateralized by U.S. Treasury obligations, Federal Instrumentality or Federal Agency securities with a final maturity not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the Master Repurchase Agreement as modified by the City's Master Repurchase Agreement Annex. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held by the purchaser, a third-party custodian, or the purchaser's trustee or safekeeping agent, and the market value of the collateral securities shall be marked-to-market daily. Repurchase Agreements shall be entered into only with dealers that have executed a Master Repurchase Agreement with the City and have a rating of at least BBB- or the equivalent.

**E. Reverse Repurchase Agreements** may be used in amounts up to 10% of the portfolio and maturities up to 30 days for cash management purposes. Reverse repurchase agreements for longer terms or greater amounts must be approved by resolution of City Council and shall not be used to leverage the City's investment portfolio. Reverse repurchase agreements approved by resolution of City Council to provide interim funding of capital acquisitions shall not exceed \$100 million or 18 months maturity. The City considers repurchase agreements as sales and purchases of securities rather than as collateralized loans; however, securities underlying repurchase agreements are referred to as 'collateral' for the purpose of this Policy. Reverse repurchase agreements shall be entered into only with dealers that have executed a Master Repurchase Agreement with the City and have a rating of at least BBB- or the equivalent.

**F. General Obligation Bonds and Revenue Bonds** of any state of the United States, the District of Columbia, or any political subdivision, institution, department, agency, instrumentality or authority of such a governmental entity with a maximum maturity not to exceed 5 years. If the debt is an obligation of this state or any political subdivision of this state it must be rated at least A- or the equivalent by at least two NRSROs. If the security is an obligation of any of other state or political subdivision of any other state it must be rated at least AA- or the equivalent by at least two NRSROs, and up to 10% may be held in issues rated at least A- or the equivalent by at least two NRSROs with maturities not to exceed two years. The aggregate investment in municipal bonds may not exceed 30% of the City's total portfolio with no more than 3% held in the obligations of any one general obligation issuer or of any one revenue bond project.

**G. Securities of Governmental Service or Facility Providers Serving the City of Aurora or the Aurora Urban Renewal Authority:** Securities of governmental entities, including without limitation special districts organized under Article 1, Title 32, C.R.S., which entities provide facilities or services for public projects undertaken by the City or the Aurora Urban Renewal Authority, provided that:

- The aggregate amount of such investments does not exceed 5% of the City's investment portfolio.
- Exposure to any one issuer shall not exceed 5% of the City's investment portfolio.
- The combination of General Obligation and Revenue Bonds (item F) and Securities of Governmental Service or Facility Providers Serving the City of Aurora or the Aurora Urban Renewal Authority (item G) shall not exceed 30% of the investment portfolio.
- The City Manager, in consultation with City Council, certifies that the improvements or services provided by such entity benefit a public project undertaken by the City or the Aurora Urban Renewal Authority by providing street access, utility or communication service, offsite infrastructure or other necessary amenities not being provided by the City.

**H. Securities of the City of Aurora and the following:**

- Securities of a taxing unit of the City
- Securities of a special improvement district of the City
- Certificates of participation or other securities evidencing rights in payments to be made by



- the City under a lease, lease-purchase agreement, or similar arrangement
- Securities of the Aurora Urban Renewal Authority

Notwithstanding anything in this Policy to the contrary, securities may be purchased pursuant to this paragraph only upon recommendation by the Finance Director, a finding by the City Manager and a resolution adopted by City Council that such purchase is:

1. financially appropriate, including liquidity considerations
2. consistent with the financial management goals of the City, including, but not limited to, managing variable rate risk; and
3. not made for the purpose of discharging such securities. Written notice of such recommendation and finding and the reasons therefore shall be provided to the City Council forthwith.

I. **Certificates of Deposit** with a maturity not exceeding five years from the date of purchase. CDs shall not exceed 25% of the portfolio. Deposits in each bank shall be limited to the lesser of one percent of the bank's assets or ten percent of its equity capital. To qualify as a depository, financial institutions must pass a credit review developed by the Finance Department, be listed as eligible depositories by the State Banking Commissioner and must collateralize these certificates of deposit in accordance with:

- i. C.R.S. Section 11-10.5-101, et. seq., The "Public Deposit Protection Act of 1975"
- ii. C.R.S. Section 11-47-101, et. seq., The "Savings and Loan Association Public Deposit Protection Act"

J. **Local Government Investment Pools** authorized under C.R.S. 24-75-702 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of \$1.00 per share; 3) limit assets of the pool to those authorized by state statute; 4) have a rating of AAA or the equivalent by at least one NRSRO. The City may invest up to 10% of its portfolio in each such pool and combined exposure to local government investment pools and money market mutual funds shall not exceed 50% of the portfolio.

K. **Money Market Mutual Funds** registered under the Investment Company Act of 1940 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of \$1.00 per share; 3) limit assets of the fund to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAA or the equivalent by at least one NRSRO. The City may invest up to 10% of its portfolio in each such fund and combined exposure to money market mutual funds and local government investment pools shall not exceed 50% of the portfolio.

## XII. INTER-FUND LOANS

The City may enter into an inter-fund loan arrangement in accordance with the interfund loan policies and with prior approval of City Council. In such event, the City shall document all terms of the inter-fund loan, including maturity, par value, interest rate, and coupon payment dates. The interest rate shall be determined within the context of current market conditions.

## XIII. INVESTMENT LIMITATIONS

### A. Diversification

The City will seek to maintain an investment portfolio which is diversified by maturity, type of security, corporate industry and, except for US government obligations, by issuer. The following maximum percentages of the portfolio devoted to each security type and to each obligor summarize, but do not modify, the investment restrictions which appear above. Diversification guidelines for the portfolio are as follows:

<b><u>Instruments:</u></b>	<b><u>Maximum % of Portfolio</u></b>	<b><u>Maximum % Per Issuer</u></b>
U.S. Treasury Obligations	100%	None
Federal Agency and Instrumentality Securities	75%	25%
Foreign Corporate Bonds	<del>30</del> 20%	3%
<del>Domestic Corporate Bonds</del>	<del>30%</del>	<del>3%</del>
Domestic Corporate Bonds, Foreign Corporate Bonds, Commercial Paper and Bankers Acceptances	50%	3%
Repurchase Agreements	None	None
Reverse Repurchase Agreements	None	None
General and Revenue Obligations	30%	3%
Securities of Governmental Service or Facility Providers Serving the City of Aurora or the Aurora Urban Renewal Authority	5%	5%
General and Revenue Obligations and Securities of Governmental Service or Facility Providers Serving the City of Aurora or the Aurora Urban Renewal Authority in the aggregate	30%	3%/5%
Securities of the City of Aurora	None	None
Time Certificates of Deposit	25%	None
Local Government Investment Pools	50% (with MMMFs)	10%
Money Market Mutual Funds	50% (with LGIPs)	10%

## B. Maturity

Unless matched to a specific cash flow requirement or approved by City Council, the City will not invest in securities maturing more than seven years from the date of trade settlement. The weighted average final maturity of the portfolio, exclusive of flex repos maturing in more than one year and investments funded by specifically identified sources having a term greater than five years, shall not exceed three years.

## C. Liquidity

To the extent possible, investments shall be matched with anticipated cash flows and known future liabilities.

## XIV. PERFORMANCE BENCHMARKS

The portfolio shall seek to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints and cash flow requirements. The Finance Department shall develop and maintain appropriate portfolio performance benchmarks, which may include the 1-3 Year Treasury Index for total return performance comparisons.

## **XV. INVESTMENT ADVISORY COMMITTEE**

The City shall maintain an Investment Advisory Committee that consists of the Finance Director, [City Treasurer, Manager, Debt, Treasury and Investments](#), a member of the City's Internal Audit staff, a City Manager appointee, and volunteers not employed by the City who are or have been investment professionals. This Committee shall meet at least quarterly to review and advise on investment portfolio composition, strategies, performance, and the current and future investment environment. The committee may also assist in the selection and performance review of investment advisors or managers used by the City.

Committee volunteers shall be appointed for staggered three-year terms, and may be reappointed. The Finance Director or designee shall solicit Committee nominees and may accept unsolicited nominees as well. The Finance Director shall recommend nominees to the Management and Finance Committee, which shall make the final selection.

## **XVI. INVESTMENT ADVISORS AND MANAGERS**

The Finance Director may use investment advisors or managers who may be delegated non-discretionary authority to advise on or manage all or any portion of the investment portfolio. Investment advisors shall serve at the pleasure of the Finance Director. If the Finance Director decides not to use an investment advisor or manager, the Management and Finance Committee must be informed in a timely manner. Corporate and foreign securities and municipal obligations may be purchased only when an external advisor is engaged to provide credit advice on such debt.

## **XVII. REPORTING**

The Finance Director or designee shall submit an investment report to the City Council and City Manager at least quarterly. This report shall include a list of all City investments, summary information including total face and book values of investments, weighted average maturity and yield, the benchmark's yield, realized and unrealized gain or loss, the percentage of the total face value invested in each security type compared to limits established herein, and a summary discussion of recent market conditions and investment strategy.

## **XVIII. POLICY UPDATES**

The Management and Finance Committee of Council shall review this Policy at least every other year.

## **XIX. INSURANCE COVERAGE OR BONDING OF STAFF**

The City shall obtain bonding or scheduled insurance coverage for staff having authority to draw upon City bank accounts, initiate wire transfers of funds, or execute investment transactions.

**APPENDIX I**  
**DEFINITIONS OF INVESTMENTS**

**United States Treasury Obligations** - Interest-bearing, stripped, or discount debt securities issued by the U.S. government. They are direct obligations of the U.S. government with the highest degree of liquidity and are considered free from credit risk. Stripped principal or interest securities have no interest payments, so their only payment is return of face value at maturity.

**Government Agency Obligations** - Interest-bearing, stripped, or discount debt securities issued by agencies of the U.S. government. Most are direct obligations of the U.S. government and carry its “full faith and credit guarantee”. These include GNMA, TVA, and SBA.

**Government Instrumentality Obligations** - Interest-bearing, stripped, or discount debt securities issued by agencies of the U.S. government which are not direct obligations of the U.S. government and do not carry its full faith and credit guarantee. However, the federal government has previously demonstrated it will support its agencies in times of stress. These include FHLB, FFCB, FNMA, FHLMC, and FAMCA.

**Certificates of Deposit** - Interest bearing deposits in financial institutions. Maturities range from seven days to several years. The interest rate is established at issuance and is usually paid semi-annually. Compounding terms differ at each bank.

**Corporate Securities** - debt securities issued by private corporations which obligate a corporate issuer to repay the face amount of the bond plus interest.

**Commercial Paper** - Unsecured promissory notes issued for a specific amount to mature in 270 days or less. It is issued by corporations, financial institutions and other issuers, usually sold at a discount and can be purchased directly or through dealers.

**Bankers Acceptances** - Short-term discount instruments used to finance the import, export or domestic shipment of goods or the storage of readily marketable staples. They are issued by U.S. and foreign banks and sold at a discount. They are secured by the issuing bank, the company shipping the goods, and the goods themselves.

**Repurchase Agreements** (Repos) - A transaction between a securities dealer and an investor in which a dealer sells the security to an investor with an agreement to buy the security back from the investor at a price that will result in a predetermined yield to the investor. The investor is providing the dealer short-term funds, while the dealer is providing the investor with securities as collateral. Repurchase agreements are done overnight, for a specified number of days, or as a continuing open contract.

**Reverse Repurchase Agreements** (mirror image of repos) - An investor holding securities in its portfolio sells them to a dealer with an agreement to buy them back at a specific time and price. Reverse repurchase agreements are done overnight, for a specified number of days, or as a continuing open contract. In a cash emergency, this transaction would provide the City with cash for the duration of the transaction, and would eliminate the need to sell securities in possibly unfavorable market conditions.

**Municipal General Obligations** - Securities issued by state and local governments or their agencies which carry the full faith credit, and taxing power of the issuing entity securing the payment of principal and interest. These securities are backed by the issuer’s resources and its ability to levy taxes.

**NRSRO** Nationally Recognized Statistical Rating Organization or credit rating agencies

**Money Market Mutual Funds** - Professionally managed portfolios of short-term money-market securities with daily liquidity which are subject to the SEC’s rule 2a-7.

**Local Government Investment Pools** - Professionally managed funds designed to meet municipal regulations. They hold short-term money-market securities with daily liquidity.

**Primary Dealer** – A securities dealer authorized to trade directly with the Federal Reserve Bank of New York.



**TO:** Investment Advisory Committee  
**THROUGH:** Terri Velasquez, Finance Director  
**FROM:** Teresa Sedmak, City Treasurer  
**DATE:** May13, 2021  
**SUBJECT:** Modifications to City Investment Policy

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**Background:**

The City adopted an Investment Policy (the Policy) in 1988, which has been revised in years since, most recently in July of 2017. The Policy generally follows Colorado State Statutes. However, as a home-rule City, Aurora is authorized to invest in other securities or alternate investments which are permitted under the City Charter or by ordinance. As such, the City’s policy varies from Colorado statutes in several categories, which are summarized in the attached spreadsheet.

The Policy serves to direct the investment of City funds. The primary objectives of the Policy are: safety of principal, liquidity of investments, and yield, in that order. In consideration of those objectives, the Policy dictates delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the City’s funds. This Policy also defines the role and duties of the City’s Investment Advisory Committee.

**Suggested Modifications:**

In consultation with the City’s Investment Advisor, staff reviewed the current Policy and established several modifications for advancement to the Investment Advisory Committee and, with their recommendation, on through the City Council approval process. The proposed revisions will allow the City to pursue greater investment returns without significantly affecting its risk profile. Proposed changes are summarized below:

Section VII. Standards of Care: Language was modified to state that the Finance Director, and other persons acting in accordance with established procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the Management & Finance Committee with an outline of the action taken.

Section X1. Suitable and Authorized Investments. Language from state statute has been added, such that; Credit ratings shall apply first to the security being purchased and second, if the

security itself is unrated, to the issuer, provided the security contains no provisions subordinating it from being a senior debt of the issuer.

Section X1(c). Domestic Corporate Debt and Foreign Corporate Bonds:

- Domestic corporate bonds.
  - This class of Suitable and Authorized investments are currently limited to a 30% limit. It is proposed that this limit be removed. The aggregate limit on investment in domestic and foreign corporate securities remains at 50% of the portfolio, as stated in the same section.
  - Ratings requirements for domestic corporate bonds in the current policy are at least AA- or the equivalent may be purchased for a maximum maturity of 5 years. It is proposed that the language be modified such that “Securities rated at least at least A- or the equivalent may be purchased for a maximum maturity of 3 years.”
  
- Foreign corporate bonds:
  - Ratings requirements for foreign corporate bonds in the current policy are at least AA- or the equivalent may be purchased for a maximum maturity of 5 years. It is proposed that the language be modified such that “Securities rated at least at least A- or the equivalent may be purchased for a maximum maturity of 3 years”.
  - Current policy limits Canadian and Australian exposure to 15 percent. It is recommended that the limit be reduced to 10 percent each, for a maximum of 20% total exposure.

Section XIII. Investment Limitations. The table has been modified to remove the 30% limit on domestic corporate bonds and to reflect the 20% limit on investments in foreign securities.

Section XIV. Performance Benchmarks: Language was modified to: The portfolio shall seek to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints and cash flow requirements. The Finance Department shall develop and maintain appropriate portfolio performance benchmarks, which may include the 1-3 Year Treasury Index for total return performance comparisons.

Section XV. Investment Advisory Committee. The title “Manager, Debt, Treasury and Investments” has been changed to City Treasurer.

Comparison of investment policy and Colorado state statute guidelines for certain authorized investments

Prepared for the City of Aurora by Insight Investment, February 2020

Description	Colorado Revised State Statute	City of Aurora Investment Policy	Variance from State Statute
<b>Treasury Obligations</b>			
Maturity limits	5 years	7 years	longer maturities allowed
<b>Federal Agency and Instrumentality Securities</b>			
Maturity limits	5 years	7 years	longer maturities allowed
Diversification limits	n/a	75% total maximum; 25% maximum per issuer	diversification requirements added
<b>Corporate Securities</b>			
Rating requirement	A1, P1 or F1 or the equivalent by 2 NRSROs for money market instruments	A-1 or the equivalent by 2 NRSROs for CP and BA securities	
Maturity limit	n/a	CP max maturity 270 days; BA max maturity 180 days	maturity limited on money market securities
Rating requirement	AA- or Aa3 or the equivalent by 2 NRSROs for any other type of security	AA- or the equivalent by 2 NRSROs	
Maturity limit	3 years	5 years	longer maturities allowed
Rating requirement	n/a	A+ or the equivalent by 2 NRSROs for up to 10% of portfolio	lower credit exposure allowed
Maturity limit	n/a	2 years	
Diversification limits	50% maximum combined book value 5% maximum book value per issuer	50% maximum combined book value 3% maximum book value per issuer	diversification requirement increased
	n/a	30% maximum domestic corporate bonds	diversification requirement added
	n/a	30% maximum combined exposure Canada and Australia	diversification requirement added
	n/a	15% maximum exposure in either Canada or Australia	diversification requirement added
<b>Negotiable Certificates of Deposit</b>			
	Included as bank security and subject to corporate bond criteria	not authorized	investment not authorized
<b>Other guidelines for corporate securities</b>			
Ratings apply to security, then issuer	yes	rating language referencing issuer not included	ratings apply to security
SEC registered or exempt	n/a	yes	SEC registration or exemption required
<b>Municipal bonds - revenue and general obligation issues</b>			
Rating requirement	A- or A3 or its equivalent by 2 NRSROs for Colorado entities	A- or the equivalent by 2 NRSROs for Colorado entities	
Maturity limit	5 years to maturity or optional redemption date that has been exercised	5 years	longer maturity refunded issues not authorized
Rating requirement	AA- or Aa3 or its equivalent by 2 NRSROs for any other entities	AA- or the equivalent by 2 NRSROs for any other entities	
Maturity limit	5 years to maturity or optional redemption date that has been exercised	5 years	longer maturity refunded issues not authorized
Rating requirement	n/a	A- or the equivalent by 2 NRSROs for up to 10% of the portfolio	lower credit exposure allowed
Maturity limit	n/a	2 years	
Diversification limits	n/a	30% maximum combined exposure 3% maximum per GO issuer or revenue bond project	diversification requirement added diversification requirement added
<b>Municipal bonds - certificate of participation or other security evidencing rights in payments to be made by a school district under a lease, etc.</b>			
	yes	not authorized	investment not authorized
<b>Local Government Investment Pools (LGIP)</b>			
Diversification limits	n/a	50% maximum combined exposure LGIP and MMMF	diversification requirement added
	n/a	10% maximum per fund	diversification requirement added
<b>Money Market Mutual Funds (MMMF)</b>			
Diversification limits	n/a	50% maximum combined exposure LGIP and MMMF	diversification requirement added
	n/a	10% maximum per fund	diversification requirement added



# CITY OF AURORA

## Council Agenda Commentary

<b>Item Title:</b> Internal Audit 1st Quarter 2021 Progress Report Against Audit Plan
<b>Item Initiator:</b> Wayne C. Sommer, Internal Audit Manager
<b>Staff Source/Legal Source:</b> Hanosky Hernandez Perez
<b>Outside Speaker:</b> n/a
<b>Council Goal:</b> 2012: 6.0--Provide a well-managed and financially strong City

### COUNCIL MEETING DATES:

**Study Session:** n/a

**Regular Meeting:** n/a

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### ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session
- Information Only
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Approve Item with Waiver of Reconsideration  
Why is a waiver needed?[Click or tap here to enter text.](#)

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### PREVIOUS ACTIONS OR REVIEWS:

**Policy Committee Name:** Management & Finance

**Policy Committee Date:** 4/27/2021

### Action Taken/Follow-up: *(Check all that apply)*

- Recommends Approval
  - Does Not Recommend Approval
  - Forwarded Without Recommendation
  - Recommendation Report Attached
  - Minutes Attached
  - Minutes Not Available
-



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**HISTORY** *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

The Management and Finance Committee function as the Audit Committee for the City. Internal Audit provides a quarterly update of progress against their annual audit plan

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**ITEM SUMMARY** *(Brief description of item, discussion, key points, recommendations, etc.)*

Internal Audit will provide an update on progress against the 2021 Annual Audit Plan as well as the status of outstanding audit recommendations, and other items relevant to Internal Audit operations. Additionally, Internal Audit staff will present the results of the Economic Development Incentives engagement previously requested by the M&F Committee.

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**QUESTIONS FOR COUNCIL**

None.

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**LEGAL COMMENTS**

The city charter requires that the city manager shall keep the council advised of the financial condition and future needs of the city and make such recommendations to the council for adoption as he may deem necessary or expedient. Providing information regarding the activities of the internal audit department fulfills these purposes. This item is informational only. (See, Aurora City Charter Art. 7-4 (f)). (Hernandez).

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**PUBLIC FINANCIAL IMPACT**

YES       NO

**If yes, explain:** n/a

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**PRIVATE FISCAL IMPACT**

Not Applicable       Significant       Nominal

**If Significant or Nominal, explain:** n/a

# Internal Audit Report



## 2021 Office of the Internal Auditor Operations Report

For the quarter ended March 31, 2021

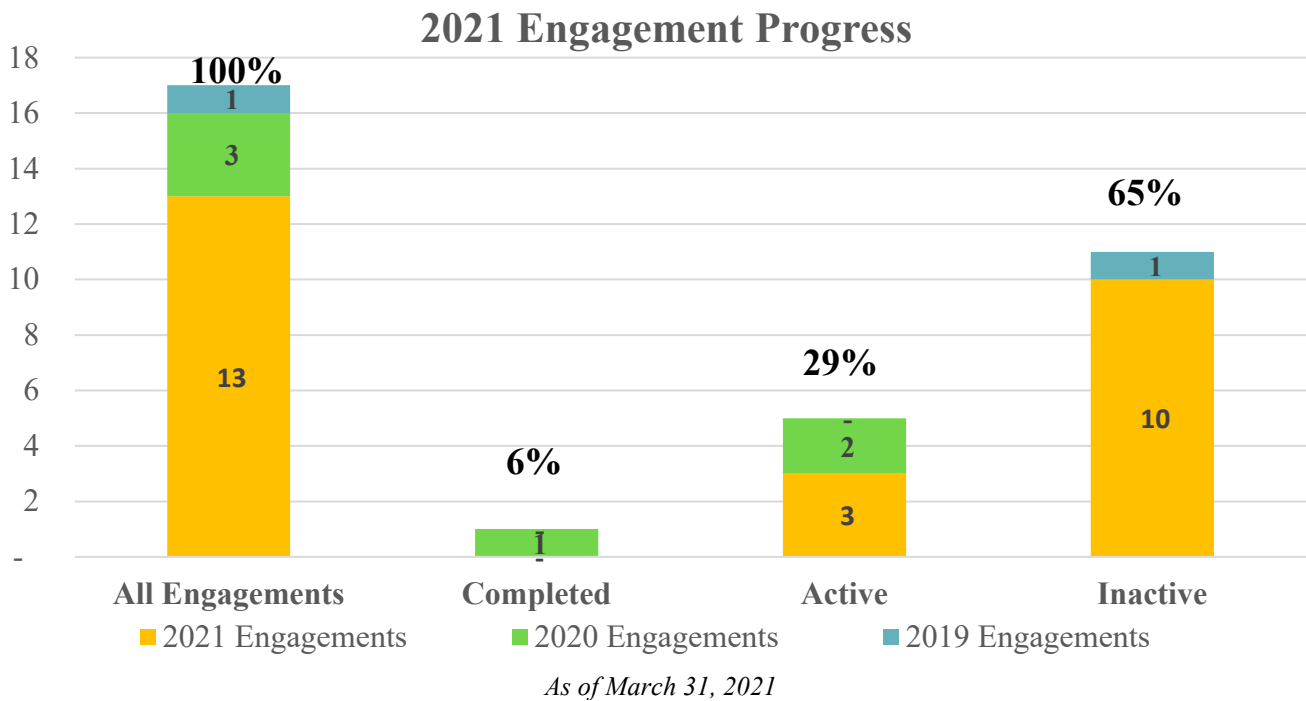




## 2021 ENGAGEMENT PROGRESS SUMMARY

Through March 31, Internal Audit has completed 6% of scheduled engagements (18% for Q1 2020); another 29% are currently active (47% for Q1 2020). In total, 35% of all our possible engagements are either active or were completed in the first quarter (65% for Q1 2020.) Of the active engagements, we anticipate five being completed in the second quarter (APD Property and Evidence, APD Vice and Narcotics, AEDC Financial Incentives, and APD K-9 Part 1. As of the time of this writing, we have added APD Property and Evidence Change of Command as required due to staffing changes in Property and Evidence oversight. This too should be completed in Q2.)

At this same time last year, we had been only mildly impacted by pandemic. We were fully staffed, and the Internal Audit Manager had not yet assumed the Recovery Manager role. As of the time of this report, Internal Audit is once again fully staffed, Michelle Crawford having filled the Internal Police Auditor position and Laiba Saqib having started with the City as a Staff Auditor on March 22, 2021. The Internal Audit Manager is spending more time on Internal Audit matters this quarter. Laiba will begin her first engagement in May having completed her onboarding tasks and having received her laptop and hardware.



## Agile Engagements

Internal Audit applies its own custom agile approach to our engagements. This approach brings valuable information to our clients more quickly than the traditional approach through a report provided at the end of each milestone.

This is an explanation of our Milestones:

**Team Preparation:** *Ensure that the engagement team can properly conduct the engagement.*

**Client Evaluation:** *Gain a deeper understanding of the client's operating environment and client issues that may affect the engagement objectives and that may influence subsequent engagement procedures.*

**Process Controls and Efficiency:** *Determine whether appropriate process controls exist and whether processes are efficient.*

**Risks:** *Assess the impact of identified risks on the engagement objectives, scope, and on the objectives test work procedures.*

**Planning and Preparation Finalization:** *Determine the final engagement objectives, scope, and objectives test work procedures.*

**Objectives Test Work:** *Obtain sufficient evidence to afford a reasonable basis for conclusions on the engagement objectives.*

**Reporting:** *Summarize the results of our engagement procedures and our related conclusions, findings, and recommendations in a clear and concise report that addresses all engagement objectives.*

**Wrap Up:** *Complete all administrative tasks necessary for a complete and orderly closeout of the engagement.*

2021 Operations Report—For the quarter ended March 31, 2021

In the table below, purple shading shows completed milestone work; hatched cells represent milestones in progress; and, orange shading represents future milestone work and the projected quarter in which that work is anticipated. This information is as of March 31.

Engagements	Milestones							
	1. Team Preparation	2. Client Evaluation	3. Internal Controls	4. Risk Evaluations	5. Preparation Finalization	6. Objectives Test Work	7. Reporting	8. Wrap Up
Succession Planning Survey		TBD						
AEDC Incentives							Q2	Q2
APD Versadex Case Management	COMPLETED							
APD Property and Evidence							Q2	Q2
APD Vice and Narcotics		Q2	Q2	Q2	Q2		Q2	Q2
Marijuana Enforcement	Q2	Q2	Q2	Q3	Q3	Q3	Q3	Q3
P-card Transactions Monitoring	Q2 and throughout the year							
AFR Culture Survey Follow Up	Q2	Q2	Q2	Q2	Q2	Q2	Q3	Q3
Payroll and HR Selected Process Reviews	TBD							
Planning Administration Culture Follow Up	Q2	Q2	Q2	Q2	Q2	Q2	Q3	Q3
Audit of Mayor and Council Expenses	Q3 and throughout the year							
Court Case Management	TBD							
Police: APD K-9 Part 1								Q2
Police: K-9, Part 2	TBD							
Police: CCJRA Compliance	Q2	Q2	Q2	Q2	Q3	Q3	Q3	Q3
Police: Crisis Intervention	Q3							
Police: Senate Bill 217 Compliance	Q3							

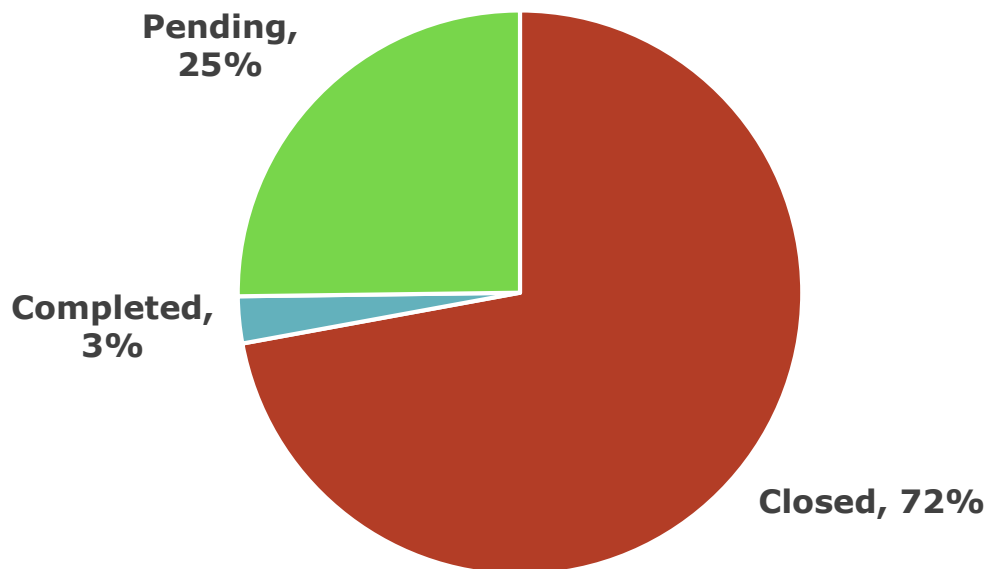
## **Other Matters**

**Staff Professional Development:** All staff is on track to complete their annually required 40 hours (minimum) of continuing professional training for 2021.

## RECOMMENDATIONS

We maintain and track the implementation status of our audit recommendations in our TeamMate audit software. The chart below displays the status of recommendations as of March 31, 2021. As of that date, 25% (27% for Q1 2020) of all audit recommendations issued remained incomplete (Pending.) That number is lower than the 28.6% reported at the end of calendar 2020. The total number of recommendations in the system increased by six (6) during the quarter. The table that follows outlines the status of outstanding audit recommendations by engagement. Internal Audit regularly monitors the progress made on these recommendations.

Audit Recommendations Status as of March 31, 2021



**Closed:** Client management has approved the implementation. No further action is necessary.

**Completed:** The client has implemented the recommendation and is waiting for client management’s final approval.

**Pending:** Implementation is not completed.



## 2021 Operations Report—For the quarter ended March 31, 2021

Report Release Date	Audit Plan Year	Engagement Name	Closed	Completed	Pending	Grand Total
January 2016	2015	Payroll and HR Audit	14		1	15
September 2017	2016	Citywide Physical Security Assessment	14		9	23
March 2018	2016	Fire Department Overtime	21		1	22
April 2017	2016	Overall Disaster Preparedness Assessment	10		1	11
September 2017	2016	Core 4 Culture Impact Assessment	3		1	4
May 2018	2017	Lethal and Less Lethal Weapons Inventory and Control Review	11		7	18
May 2019	2018	Fleet Management Operational Review	23		11	34
October 2019	2018	Purchasing Operations Review-Part 1	1		5	6
November 2018	2018	Overall Disaster Preparedness: Recommendations Follow-up	3		4	7
February 2020	2019	Grant Administration Processes	4		12	16
November 2020	2019	Purchasing Card Transaction Propriety			10	10
October 2019	2019	Planning Administration Culture Survey	3	1	10	14
October 2019	2019	House Aurora Partnership	5	5	3	13
July 2020	2019	Dispatch Culture Survey (Follow-Up)		1	3	4
September 2020	2020	APD - Body Worn Camera Compliance			10	10
January 2021	2020	APD - Versadex Case Management			6	6
<b>Engagements with pending recommendations</b>			112	7	94	213
<i>Subtotal as a percentage of grand total</i>			53%	3%	44%	100%
<b>Closed and completed</b>			157	3	0	160
<i>Subtotal as a percentage of grand total</i>			98%	2%	0%	100%
<b>Totals all recommendations</b>			269	10	94	373
<i>Subtotal as a percentage of grand total</i>			72%	3%	25%	100%

### Implementation Notes

#### 2015 Payroll and HR Audit

- Implementation is in process; the final recommendation is pending the implementation of a new technology platform. We expect completion when the new solution is in place.

#### 2016 Citywide Physical Security Assessment

- The newly hired Physical Security Manager is addressing the remaining outstanding recommendations. We expect continued progress throughout 2021.

#### 2016 Fire Department Overtime

- The final recommendation relates to establishing performance measures for overall performance. This will be addressed during the City's strategic planning process expected to be concluded in 2021.

2016 Overall Disaster Preparedness Assessment

- Revised completion dates are Q4 2021. Internal Audit completed a follow-up engagement on the original audit recommendations: see *2018 Overall Disaster Preparedness: Recommendations Follow Up* below.

2016 Core 4 Culture Impact Assessment

- Human Resources is addressing the recommendations in Q4 2021.

2017 Lethal and Less Lethal Weapons Inventory and Control Review

- A new inventory system has been selected and is in the final stages of implementation. We expect the completion of all recommendations in 2021.

2018 Fleet Management Operational Review

- Implementations were delayed awaiting Wi-Fi installation by the Information Technology Department; this is outside of Fleet's control. IT efforts have been redirected due to the pandemic demands.

2018 Purchasing, Part 1

- Implementation is in process; revised target dates are in Q3 2021.

2018 Overall Disaster Preparedness: Recommendations Follow Up

- Implementation is in progress; revised target dates are in Q3 2021.

2019 Grant Administration Processes

- Implementation is in progress. Finance is developing new procedures and training for release in the first quarter of 2021.

2019 Purchasing Card Transaction Propriety

- Implementation is in progress.

2019 Planning Administration Culture Survey

- Planning has been making consistent progress in addressing the recommendations. A follow-up engagement is scheduled to begin in Q2 2021.

2019 House Aurora Partnership

- New Homelessness Manager and the new Housing and Community Services Director are making progress on reimagining this program and implementing recommendations.

2019 Dispatch Culture Survey (Follow Up)

- Implementation is in process.

2020 APD – Body Worn Camera Compliance

- Implementation is in process. APD is in the process of selecting a new BWC vendor. Updates to the BWC Policy are working through the APD approval process.

2020 APD – Versadex Case Management

- Implementation is in process.

## INTERNAL AUDIT TEAM

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### **Wayne Sommer** | Internal Audit Manager

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Wayne is a Certified Public Accountant (CPA) and a Chartered Global Management Accountant (CGMA) with 41 years of diverse work experience. He began his career as an auditor for KPMG in Washington, DC (then known as Peat Marwick Mitchell and Co), with specialization in not-for-profit entities and financial institutions. He spent the next seven years in various financial and management capacities at a Northern Virginia savings bank. Prior to coming to the City of Aurora, Wayne spent 23 years at the International City/County Management Association (ICMA) in Washington, DC with 14 of those as Director, Administration and Finance (CFO), and the last nine working in executive management roles performing strategic planning, business development, and organizational change and development. Wayne also managed ICMA's U.S. Programs, which offered research and consulting products and services to local governments, the private sector, and the Federal government. Wayne has been with the City of Aurora since May 2014.

**Professional Associations:** American Institute of Certified Public Accountants; Institute for Internal Auditors; Association of Local Government Auditors; Government Finance Officers Association

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### **Michelle Crawford** | Internal Audit Senior—Police Auditor

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Michelle is a Certified Internal Auditor (CIA), a Certified Fraud Examiner (CFE), Certified in Risk Management Assurance (CRMA), and has 14 years of experience in governmental auditing. She received her Bachelor's in business administration at the University of Montana and her Master's in accountancy from Missouri State University. Upon graduation from Missouri State University, she started her career at the Missouri State Auditor's office as a Staff Auditor I and progressed over the next seven years to a Senior Auditor. As an auditor with the State Auditor's office, she conducted performance audits of local governments and worked on the statewide Single Audit. Michelle has been with the City of Aurora since October 2014.

**Professional Associations:** Association of Certified Fraud Examiners; Institute for Internal Auditors; Association of Local Government Auditors; Government Finance Officers Association

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### **Sheree Van Buren** | Internal Audit Staff

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Sheree is a Certified Internal Auditor (CIA) with 11 years of audit experience. She graduated from Colorado State University in 2010 with a Bachelor of Science in Business Administration – Accounting degree. Prior to joining the City of Aurora, she spent three years as an Audit Associate with PwC, LLP. During this time, Sheree worked in the financial services industry, performing year-end financial statement audits for local and international investment companies.

**Professional Associations:** Institute for Internal Auditors; Association of Local Government Auditors; Government Finance Officers Association; National Forum for Black Public Administrators; Black Employees for a Better Aurora

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**Laiba Saqib** | Internal Audit Staff

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Laiba earned a Master of Professional Accounting (MPAcc) degree from the Metropolitan State University of Denver (MSU Denver) in 2021. She received her Bachelor's in Accounting also from the Metropolitan State University of Denver. During her undergrad degree, Laiba interned as an internal audit intern for the Audit Division at the Colorado Department of Transportation (CDOT). After graduation, Laiba took a job as a tax auditor at the Colorado Department of Revenue and started her graduate degree. During her master's program, Laiba worked as the internal auditor for the University as a semester-long project. Laiba has been with the City of Aurora since March 2021.

**Professional Associations:** Institute for Internal Auditors; Association of Local Government Auditors

## Appendix A: Completed Engagement Summary Reports

- Aurora Police Department: Versadex Case Management Engagement



The Executive Summary should be interpreted within the context of the complete engagement report.

## BACKGROUND

The Aurora Police Department (APD or Department) uses the Versadex public safety system. The Department has used Versadex for over 20 years.

Versadex has a full suite of modules from records management to property and evidence tracking to case management.

January 2021

## Versadex Case Management

### SCOPE

The scope of our work covered activities from May 1, 2019 through May 31, 2020.

### OBJECTIVES

Our objective was to determine whether APD is using the Versadex case management functions appropriately (by following leading practices), efficiently, and effectively.

### CONCLUSIONS

We believe that APD should invest time in completing important primary steps to ensure the Versadex system operates as intended and that APD staff have the knowledge to use the system.

## KEY RECOMMENDATIONS AND RESPONSE

### RECOMMENDATIONS

Internal Audit recommended a dedicated Versadex system team, training, and consistent case management policies.

### RESPONSE

APD Management agrees with the recommendations.

Internal Audit issued an internal memo to the concerned Department.



**Economic Development  
Incentives Tracking**







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## Auditor's Conclusion

May 6, 2021

Internal Audit has completed the Economic Development Incentives Tracking engagement. We conducted this engagement at the request of the Management and Finance Committee.

The audit objectives were:

- Determine whether Planning and Development Services' processes for tracking active economic development jobs incentives are effective.
- Determine whether the Planning and Development Services' workbook for tracking active economic development jobs incentives is accurate.

To these ends, Internal Audit:

- Interviewed staff,
- Reviewed processes,
- Compared the tracking data to the agreements,
- Recalculated tracking workbook formulas for accuracy,
- Compared workbook progress data to submitted compliance reports,
- And employed other methods as needed.

Based on our engagement procedures, we conclude that the processes for tracking incentives are ineffective, and the workbook for tracking active economic development jobs incentives is inaccurate and incomplete.

We also conclude that a lack of documented policies and procedures governing the program and the absence of clear and comprehensively defined roles, responsibilities, and expectations for Planning and Development, City Council, and the Aurora Economic Development Council contributed to these issues noted above. These must be addressed going forward.

We have detailed the issues and our recommendations in subsequent sections of this report. We acknowledge the cooperativeness of the Development Services Manager, Project Manager, along with Vice President of the Aurora Economic Development Council.



Wayne C. Sommer, CPA, CGMA  
Internal Audit Manager

## Audit Profile

### Audit Team

Wayne Sommer, CPA, CGMA – Internal Audit Manager

Sheree Van Buren, CIA –Supervising Auditor

Michelle Crawford, M.Acct, CIA, CFE, CRMA –Lead Auditor

### Background

This audit focused on economic incentives paid under Section 130-298 of the City’s Sales and Use Tax Ordinance. The City’s Primary Job Creation and Retention Incentives policy<sup>1</sup> documents the program’s intent. We have included the purpose, eligibility, and assistance sections from the policy below.

**Purpose:** The City is authorized to provide economic development incentives under Section 130-298 of the city’s Sales and Use Tax Ordinance. These types of incentives are used to attract or retain employers within the City and create or retain primary jobs. A primary job is one in which 50% or more of the product or service produced by the job is exported outside of the regional economy. Creation and retention of these types of jobs increase income in the local economy which can be spent on local goods and services and produce tax revenues for the City.

**ELIGIBLE PROJECTS:** Projects considered for incentives must create or retain primary jobs within the City. Examples of the City’s targeted primary industries include bioscience, aerospace and defense, renewable energy, and transportation logistics. The project must be considering alternative locations outside the city.

**ASSISTANCE:** All incentives are performance-based. Qualified businesses may receive a partial rebate of net new sales and use taxes on eligible construction materials and equipment over a defined number of years. Only a partial rebate of these taxes is given to assure that the City will receive some net new tax dollars to help pay for City services. Incentives are provided at the sole discretion of City Council and are subject to approval by the Aurora City Council at a public meeting.

The economic development incentive program provides both rebates and waivers of sales and use taxes to businesses that create primary jobs. The agreements with businesses include requirements for the creation of a certain number of jobs, which varies by agreement.

The Planning and Development Services Department (PDS) administers the program. The Aurora Economic Development Council (AEDC) serves as a liaison and primary

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<sup>1</sup> The full document is included in Appendix A.

contact between the City and businesses. Per the AEDC contract with the City (as of 2018), AEDC is responsible for tracking the compliance obligations for companies receiving incentives recommended by AEDC to City Council. A process map of the incentives process is included in Appendix B.

The Development Services Division of PDS is responsible for the administration of the incentives program. Based on the PDS worksheet, below are statistics for active and inactive agreements:

<b>Data as of 12/31/2020</b>	<b>Active Agreements</b>	<b>Inactive Agreements</b>	<b>Totals</b>
Number of agreements	17	2	19
Value of agreements	\$19,484,804.00	\$3,505,500.00	\$22,990,304.00
Rebates Paid	\$395,855.88	\$0	\$395,855.88
Waivers Paid	\$406,013.84	\$0	\$406,013.84

The City has paid 3% of the total value of agreements via rebates and waivers.

## Scope

Our work scope covered all active economic development jobs incentives agreements between July 1, 2019, and June 30, 2020.

## Milestone Reports

Milestone 1 Engagement Letter  
 Milestone 2 Client Evaluation  
 Milestone 3 Process Controls and Efficiency  
 Milestone 4 Risks  
 Milestone 5 Revised Engagement Letter (if issued)  
 Test work

## Issued Date

July 23, 2020  
 December 16, 2020  
 December 16, 2020  
 December 16, 2020  
 None issued  
 May 6, 2021



**Milestone 2 Report**  
Economic Development Incentives Tracking

December 16, 2020

**BACKGROUND**

In Milestone 2, we gain a deeper understanding of the client's operating environment and client issues that may affect the engagement objectives, and that may influence subsequent engagement procedures. We accomplish this by reviewing policies, procedures, and performance measures.

<b>PROCEDURES</b>	<b>CONCLUSIONS</b>
<ul style="list-style-type: none"><li>Review policies and procedures</li></ul>	There is only one policy relating to the economic development jobs incentives program—the job creation policy—and it does not address all aspects of the program or leading practices.
<ul style="list-style-type: none"><li>Review performance measures</li></ul>	There are no performance measures for the overall economic development jobs incentives program.

## Issue Details

### ISS.1 – Policies lack some leading practices

Planning and Development Services lacks complete written policies and procedures governing economic incentives for jobs.

The only documented policy for economic incentives for jobs is the *Primary Job Creation and Retention Incentives Policy* (the Policy.) It is an overarching document that details the purpose, eligible projects, assistance, additional considerations, and examples of performance standards. Various other documents address requirements and responsibilities. We reviewed leading practices and compared them to the Policy and various agreements. We identified several areas where leading practices are not followed.

The Government Finance Officers Association (GFOA) best practice guide *Establishing an Economic Development Incentive Policy*<sup>2</sup> identifies elements that an incentive policy should include. The GFOA also recognized steps to ensure effective administration of development agreements.<sup>3</sup> Below is our comparison of the GFOA's best practices to the Policy and agreements.

Agreements with the Aurora Economic Development Council (AEDC) and businesses receiving incentives include information related to performance standards, compliance, and monitoring.

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<sup>2</sup> <https://www.gfoa.org/materials/establishing-an-economic-development-incentive-policy>

<sup>3</sup> <https://www.gfoa.org/materials/administering-economic-development-agreements>

<b>GFOA Leading Practice</b>	<b>How Policy and agreements meets or does not meet leading practice</b>	<b>Compliance status</b>
<u>Goals and Objectives of Economic Development</u> —An incentive policy should include goals and measurable objectives to create context and accountability for the use of incentives.	The Policy documents the goal of attracting or retaining employers within the City and creating or retaining primary jobs.	Complies with leading practices.
<u>Financial Incentive Tools and Limitations</u> —An incentive policy should define the types of incentives, any limitations on their use, and identify the funding sources.	Policy addresses the type of incentives (partial rebate of sales and use taxes on eligible construction and equipment), use of the incentives for creation or retention of primary jobs <sup>4</sup> , and funding sources (sales and use taxes.)	Complies with leading practices.
<u>Evaluation Process</u> —An incentive policy should outline a clearly defined evaluation process, including: <ul style="list-style-type: none"> <li>• how a proposal measures up to criteria,</li> <li>• comparison of the cost of the incentive against the benefits,</li> <li>• evaluation of the impact on the tax base and revenue,</li> <li>• analysis of the impact of a project on existing businesses,</li> <li>• determination if the project would proceed if the incentive were not provided, and</li> <li>• a list of required documentation for the application and the members of the review team.</li> </ul>	The Policy does not address evaluation processes outside of City Council approval at a public meeting. A Policy detailing the minimum criteria used to evaluate incentives creates a consistent process and comparison basis for setting future incentives.	Does not comply with leading practices.

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<sup>4</sup> Policy defines primary job as one in which 50% or more of the product or service produced by the job is exported outside of the regional economy.



<b>GFOA Leading Practice</b>	<b>How Policy and agreements meets or does not meet leading practice</b>	<b>Compliance status</b>
<p><u>Performance Standards</u>—An incentive policy should require specific performance standards, remedies if standards are not achieved, and the ability to recover the cost if the financial benefits do not materialize.</p>	<p>The Policy refers to frequently included standards in agreements, including specific performance standards, payment of incentives, and penalties or claw-backs if standards are not met.</p> <p>While business agreements appear to address performance standards, there are no written procedures for claw-backs of payments. There are also no requirements for a higher-level of approval from the Development Services Manager or Planning Director.</p> <p>The Policy addresses performance standards but lacks details related to claw-back processes.</p> <p>The current AEDC agreement requires quarterly performance reports regarding the creation of primary jobs through Development Services; however, the City lacks performance measures for the jobs incentives program to determine its success and benefit to the City.</p>	<p>Partially complies with leading practices.</p>

<b>GFOA Leading Practice</b>	<b>How Policy and agreements meets or does not meet leading practice</b>	<b>Compliance status</b>
<p><u>Monitoring and Compliance</u>—An incentive policy should include the process for monitoring and compliance, including:</p> <ul style="list-style-type: none"> <li>• regular monitoring,</li> <li>• identifying responsibility for monitoring and compliance,</li> <li>• reviewing performance standards,</li> <li>• determining if goals are achieved, and</li> <li>• identifying when the governing board receives status updates.</li> </ul>	<p>While the agreement with AEDC states that AEDC will track compliance obligations for employers receiving economic development agreements from Aurora facilitated by AEDC, the City’s Policy and other agreements do <u>not</u> address monitoring and compliance procedures; do not clearly identify who is responsible for monitoring and compliance; nor do they include processes for regular updates.</p>	<p>Does not comply with leading practices.</p>
<p><u>Monitoring Deviations from the Agreement</u>—Effective administration of incentive programs includes processes to detect deviations or timely noncompliance.</p>	<p>The Policy, agreements, and processes do not address monitoring for deviations or processes to detect noncompliance.</p>	<p>Does not comply with leading practices.</p>
<p><u>Staff Capacity</u>—Effective administration of incentive programs includes identifying the staff capacity required to monitor agreements properly.</p>	<p>The Policy does not identify staff responsible for monitoring to ensure the needed capacity is met. While the AEDC agreement notes they will track compliance for agreements they facilitate, there are no City processes to ensure that the capacity for monitoring is adequate. The processes do not address staff capacity.</p>	<p>Does not comply with leading practices.</p>
<p><u>Conclusion of Agreement</u>—Effective administration of incentive programs includes ensuring a final resolution to outstanding items.</p>	<p>The processes do not address procedures for the agreement's conclusion.</p>	<p>Does not comply with leading practices.</p>

The National State Auditors Association identified leading practices in carrying out economic development efforts.<sup>5</sup> Management Analysis and Reporting includes processes that management should apply on a periodic basis such as:

- Evaluation of the extent of staff compliance with policies and procedures. The Policy does not address this and is not in compliance with this leading practice.
- Reliability of program data. The Policy and agreements do not address the evaluation of the reliability of data and are not in compliance with this leading practice.
- Evaluation of the efficiency of programs. The Policy and agreements do not address this evaluation and are not in compliance with this leading practice.

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<sup>5</sup>[https://www.nasact.org/files/News\\_and\\_Publications/White\\_Papers\\_Reports/NSAA%20Best%20Practices%20Documents/2004\\_Economic\\_Development.pdf](https://www.nasact.org/files/News_and_Publications/White_Papers_Reports/NSAA%20Best%20Practices%20Documents/2004_Economic_Development.pdf)

A *Policy* is a direct link between an organization's *Vision* and its day-to-day operations. Policies identify the key activities and provide a general strategy to decision-makers to handle issues as they arise. This is accomplished by providing limits and alternatives that can be used to guide the decision-making process for overcoming problems.

*Procedures* provide a clear, required, and easily understood plan of action for implementing a policy. A well-written procedure will help eliminate common misunderstandings by identifying responsibilities and establishing boundaries for those charged with execution. Good procedures allow managers to control events in advance and prevent the organization (and employees) from making costly mistakes.<sup>6</sup>

## Recommendation

We recommend Planning and Development Services develop written policies and procedures for the jobs incentive program and address missing leading practices identified within our audit. Procedures should include performance measures for all aspects of the job incentives program.

## Management Response

The Development Services Division will work with the Aurora Economic Development Council (AEDC) to incorporate missing evaluation procedures and performance measures within the contract between the City and AEDC. The division will also work with the City Council to determine the additional policy guidelines that they would like included within the policy guidelines.

*Estimated Implementation Date:* September 1, 2021

*Issue Owner:* Development Services Manager

*Issue Final Approver:* Planning Director

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<sup>6</sup> <http://www.pcg-services.com/are-your-policies-and-procedures-a-barrier-to-growing-yourcompany/>



**Milestone 3 Report**  
Economic Development Incentives Tracking

December 16, 2020

**Internal Controls**

In Milestone 3, we determine whether appropriate process controls exist for key processes and whether processes are efficient. We accomplish this by flowcharting and performing walkthroughs of critical processes and identifying missing controls and process inefficiencies.

<b>PROCEDURES</b>	<b>CONCLUSIONS</b>
<ul style="list-style-type: none"><li>Flowchart critical processes and evaluate for missing or weak internal controls, efficiency issues, and IT-related issues.</li></ul>	Controls are missing from critical processes. We have included recommendations below.
<ul style="list-style-type: none"><li>Determine any impact on test work procedures.</li></ul>	There is no impact on test work procedures.

## Issue Details

### ISS.2 – Missing Monitoring Procedures and Controls

There are no documented monitoring procedures, and the current process lacks controls. Per the agreement with the City, the Aurora Economic Development Council (AEDC) is responsible for tracking compliance by businesses with which they facilitated agreements for the City. The City has not included requirements outlining what constitutes tracking. Development Services is responsible for monitoring AEDC's compliance with its contract with the City. Development Services lacks methods for monitoring AEDC for compliance.

AEDC reviews the businesses' supporting documentation and, for newer agreements, certifies the accuracy of information. While the business agreements outline the process for on-site reviews, there is no current procedure to ensure reviews occur.

Without clear instructions and guidance, tracking and monitoring may not be adequate. The lack of guidance and procedures increases the risk that the City pays incentives to businesses that did not meet the requirements.

### Recommendation

We recommend Development Services create a checklist or form to document their reviews of AEDC's compliance with their agreement. Additionally, Development Services should work with AEDC to create a checklist for monitoring business requirements, including a minimum number of site visits over the agreement term.

### Management Response

Development Services will work with AEDC to create a form to document their review of compliance with their agreement. Development Services will work with AEDC to create a checklist for monitoring each business based upon the specific requirements and will require a minimum number of site visits over the agreement term.

*Estimated Implementation Date:* September 1, 2021

*Issue Owner:* Development Services Manager

*Issue Final Approver:* Planning Director



**Milestone 4 Report**  
Economic Development Incentives Tracking

December 16, 2020

**Risk**

In Milestone 4, we assess the impact of identified risks on the engagement objectives, scope, and planned test work procedures. We accomplish this by discussing risk in critical areas with the client and comparing it to leading practices.

<b>PROCEDURES</b>	<b>CONCLUSIONS</b>
<ul style="list-style-type: none"><li>• Assess IT Risk</li></ul>	No IT risks identified
<ul style="list-style-type: none"><li>• Assess Governance Risk</li></ul>	We did not consider a review of governance risk to be necessary given the limited engagement objectives.
<ul style="list-style-type: none"><li>• Assess Fraud Risk</li></ul>	We did not identify any additional fraud risks or other general risks that would impact the planned audit objectives or test work procedures.



**Test Work Report**  
Economic Development Incentives Tracking

May 6, 2021

**Objectives Test Work**

During test work, we seek to obtain sufficient competent evidential matter to afford a reasonable basis for conclusions on the engagement objectives. We accomplish this by performing tests, data analysis, and any other means necessary.

<b>Objectives</b>	<b>CONCLUSIONS</b>
Determine if the Development Services’ workbook tracking active economic development jobs incentives is accurate.	Information contained within the Development Services workbook was inaccurate or outdated for some agreements. See recommendations below.
Determine if Development Services’ processes for tracking active economic development jobs incentives are effective.	The Development Services’ tracking process currently in place is not effective. Development Services’ lacks procedures for tracking incentives and ensuring compliance with agreements. See recommendations below.



## Issue Details

Findings and recommendations relating to policies and procedures were included in Milestones 2 and 3.

### ISS.3 –Management of the waiver process lacked sufficient care and attention

The process to account for sales and use taxes waived at the time of payment is insufficient. For this incentive program, the City either waives the sales and use tax when the taxes are paid at the permit center or pays a rebate back to the business following the City's financial process. The City did not track the waivers at the permit counter<sup>7</sup> in any software system.

We attempted to reconcile the waiver amounts listed in the Planning and Development Services (PDS) tracking sheet to waiver forms, reconciliations from Tax and Licensing, or permit section documentation. We were unable to reconcile the waiver amounts due to inadequate documentation.

For three businesses that received waivers, PDS was unable to provide any documentation supporting the waiver amounts. For another business, the documentation provided had waiver amounts that differed across the documentation. Altogether, the documentation was inadequate or nonexistent for \$398,941.22 in waivers reviewed.

<b>Business and agreement date</b>	<b>Total waivers adequately documented</b>	<b>Total waivers lacking adequate documentation</b>	<b>Comments</b>
Business 1, 10-22-12	\$0	\$1,817.00	PDS had no supporting documentation for the waiver. The business also received a rebate.
Business 3, 3-21-12	\$46.87	\$3,414.20	PDS had no supporting documentation for a portion of the waiver.
Business 4, 3-7-12	\$0	\$111,231.00	PDS had no supporting documentation for the waiver. The business also received a rebate.
Business 6, 3-28-12	\$0	\$282,479.02 <sup>8</sup>	Support for waiver was inadequate. The amount of the waivers is approximate due to conflicting information. Business also received a rebate.

<sup>7</sup> The permit counter is staffed and managed by the Building Inspection Division in Public Works.

<sup>8</sup> This waiver amount is approximate as the documentation provided showed different amounts as follows: \$292,497.33, \$282,479.02, and \$289,504.88. We used the amount that Planning believed was most accurate.

Per Planning and Development Services, the sales and use tax waivers were typically issued at the beginning of the business's building construction, prior to full business operations. As a result, companies did not always meet job requirements at the time of the waiver.

Without adequate documentation supporting how much in taxes the City waived, we cannot ensure that waived amounts followed agreements. Additionally, if the City decided to claw back payments, the amount waived would be needed to calculate the clawback payment required.

## Recommendation

We recommend the City discontinue waiving taxes at the point when business taxes are paid. Waivers could resume when the City can effectively track waivers of taxes within a software system and has procedures to ensure businesses met contractual requirements before waiving taxes.

## Management Response

PDS concurs with this recommendation. Staff has communicated to AEDC that waivers make it difficult to enforce provisions of the agreement. As a matter of practice for the last several years, AEDC has not offered waivers as they have negotiated with companies seeking incentives. Staff will work to update policies to remove waivers from incentives.

*Estimated Implementation Date:* July 1, 2021

*Issue Owner:* Development Services Manager

*Issue Final Approver:* Planning and Development Services Director

## ISS.4 - Non-compliance with agreements

The business agreements include requirements for supporting documentation and compliance reports for incentive payments. Planning and Development Services (PDS) provided us with their supporting documentation and compliance reports for active agreements with payments/waivers. The supporting documentation was inadequate, and compliance reports were not received from the incentivized businesses or were missing elements.

As noted in Milestone 3, PDS lacks documented procedures for monitoring agreements and details of the Aurora Economic Development Council's monitoring responsibilities.

We reviewed the support for compliance with the agreement and documented a summary and details below.

<b>Business</b>	<b>Jobs requirement met?</b>	<b>City made payment by time frame?</b>	<b>Adequate supporting documentation for payment(s)?</b>	<b>Compliance report(s) received annually?</b>	<b>Compliance report(s) included all required elements?</b>	<b>Auditor Comments</b>
1	No	Yes	Yes	No	No	PDS provided adequate documentation for the rebate payment. Still, PDS provided no documentation for the \$1,817 in waived taxes (amount per PDS tracking spreadsheet). PDS provided no compliance reports.
2	Yes	Yes	Yes	Yes	Yes	AEDC performed the monitoring for this business. PDS provided us an email from the Aurora Economic Development Council requesting the City to make payment to the business. AEDC shared the documentation and compliance reports they received with us, which were adequate and complete.

<b>Business</b>	<b>Jobs requirement met?</b>	<b>City made payment by time frame?</b>	<b>Adequate supporting documentation for payment(s)?</b>	<b>Compliance report(s) received annually?</b>	<b>Compliance report(s) included all required elements?</b>	<b>Auditor Comments</b>
3	Yes	N/A	No	No	No	The City waived taxes of \$46.87 in 2012; PDS provided adequate documentation for this waiver. PDS provided no documentation for additional waivers totaling \$3,461.07 (amount per the PDS tracking spreadsheet.) The compliance report for 2012 addressed all required areas. PDS provided no further compliance reports.
4	Yes	Yes	Yes	No	No	PDS provided adequate documentation for the rebate paid. Compliance reports for 2014-2017 were not complete, and PDS provided no compliance reports for 2018-2019.

<b>Business</b>	<b>Jobs requirement met?</b>	<b>City made payment by time frame?</b>	<b>Adequate supporting documentation for payment(s)?</b>	<b>Compliance report(s) received annually?</b>	<b>Compliance report(s) included all required elements?</b>	<b>Auditor Comments</b>
5	Yes	No	Yes	Yes	No	PDS provided adequate documentation for the rebate paid. The City did not make the payment within the 30 days as required by the agreement. Compliance reports were missing elements.

<b>Business</b>	<b>Jobs requirement met?</b>	<b>City made payment by time frame?</b>	<b>Adequate supporting documentation for payment(s)?</b>	<b>Compliance report(s) received annually?</b>	<b>Compliance report(s) included all required elements?</b>	<b>Auditor Comments</b>
6	No	No	No	No	No	PDS provided inadequate documentation for waivers and rebates paid to the business. Compliance reports for 2015 and 2019 were missing. Compliance reports for 2016-2018 were missing elements. This business never met their job requirements but received over \$300,000 in rebates and waivers. We cannot verify the exact dollar amount of waivers received due to a lack of supporting documentation and conflicting documentation. PDS acknowledged that the business did not meet the required job numbers in the provided documents, but a rebate was still approved.

Without documented procedures for monitoring, including criteria, the process is inconsistent, and non-compliance can occur. Also, the City issued waivers and a rebate payment to at least one business that never met its job requirements.

## Recommendation

We recommend Planning and Development Services complies with its responsibilities in agreements and ensures that businesses are complying with theirs<sup>9</sup>.

## Management Response

PDS concurs with the recommendation provided in the audit. Policies will be revised to provide clear guidance on performance measures that must be met for incentive payments to be remitted. Additionally, clearer responsibilities are needed within the professional services agreement between the City and AEDC, and future agreements will reflect those clarified responsibilities. Going forward, businesses that are not meeting the requirements of their incentive agreements will be discussed with city council to determine appropriate recourse.

*Estimated Implementation Date:* August 31, 2021

*Issue Owner:* Development Services Manager

*Issue Final Approver:* Planning and Development Services Director

## ISS.5 – Tracking spreadsheet inaccurate and incomplete

Planning and Development Services (PDS) created an Excel spreadsheet to track various development programs, including the Economic Development Incentives program. Our review of the spreadsheet concluded that some of the program data was incomplete and not always current.

### Spreadsheet accuracy

The spreadsheet includes multiple economic development programs. We reviewed formulas for accuracy across the entirety of the programs listed on the spreadsheet. The spreadsheet included numerous broken formulas. One broken formula was due to trying to sum together values in cells that had letters or words instead of numbers. Excel has requirements for structuring formulas; some formulas lacked the correct structure and consequently did not work. The spreadsheet also included blank columns. The spreadsheet design did not make it easy to follow the information flow.

Totals on the spreadsheet did not efficiently use formulas; this method increases the risk of including or excluding relevant data as data is added to the spreadsheet. Summary results also did not detail what was summarized. Some of the summaries for the rebates tracking program did not include all related numbers. These summary results in the spreadsheet may not be complete. There were also formulas within the spreadsheet that served no apparent purpose.

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<sup>9</sup> The need to document procedures was addressed in Milestone 3.

Utilizing separate tabs for each program would eliminate the need to add cells and allow for better formulas and other analytical tools such as pivot tables. Labeling totals and summaries would provide clarity on what PDS is tracking and why.

#### Inclusion of all active agreements

To verify recent agreements were included within the spreadsheet, we used keyword searches in Council agendas and minutes to identify contracts. We reviewed the period from January 2019 through December 2020. All agreements identified were included in the tracking spreadsheet. The Aurora Economic Development Council (AEDC) provided us with their tracking list of active contracts. We compared this to the PDS spreadsheet, and all active agreements on the AEDC list were in the PDS spreadsheet. The tracking spreadsheet included all recent agreements we were able to identify.

#### Accuracy of rebate and waiver amounts

The City pays businesses a rebate of sales and uses taxes paid or grants a waiver of the taxes when the company pays them at the permit counter. We compared the rebate amounts showing "paid" in the spreadsheet to the City's financial system for active agreements. The information agreed for four of five businesses.

Waivers were handled via manual records and not recorded in any software system. We cannot verify that the tracking spreadsheet includes all tax waivers due to the methods used to process the waivers. We discussed this in more detail in **ISS. 3**.

#### Program and agreement data

Data within the spreadsheet is incomplete or inaccurate.

The spreadsheet data included a column for public purpose description (jobs creation); however, not all cells included this information. A column for action items is not up to date; some action items dated back to 2017 with no updates. The column for expected expiration is blank for most agreements.

We compared four critical areas of the spreadsheet information for job incentives to agreements for active or recently terminated contracts. This review included:

- *Types of incentives:* Agreements and spreadsheet agreed.
- *Agreement date:* Three of eighteen dates differed between agreement and spreadsheet.
- *Incentive amount:* One of eighteen amounts differed between agreement and spreadsheet; the difference was \$125.
- *Jobs required at the end of the agreement:* Three of eighteen job amounts differed between the agreement and spreadsheet.

The tracking spreadsheet is the only mechanism in place to track all the program data in one location. The data is not aggregated anywhere else; consequently, the spreadsheet must include all information, and PDS must update the spreadsheet on a timely basis. Inaccurate and incomplete data within the spreadsheet could misrepresent program results and agreement statuses when reporting to the taxpayer's, City Management, and City Council.



The City could damage relationships with businesses by underpaying the amounts expected by businesses due to inadequate tracking of payments. Without detailed and accurate monitoring, the City risks losing money by overpaying agreement amounts. This is a crucial document for managing the incentives program and the necessity for maintaining its accuracy and currency cannot be understated.

## Recommendation

We recommend Planning and Development Services improve the spreadsheet as follows:

- Track each incentive program separately.
- Include detailed descriptions of results and summaries.
- Utilize formulas, pivot tables, and other analytical tools.
- Update inaccurate information in the spreadsheet.
- Develop procedures to update each spreadsheet promptly; and
- Develop processes to review the spreadsheet at least annually for accuracy and completeness.

## Management Response

PDS concurs with the audit recommendations and will work with AEDC to better and more consistently track the active agreements and associated supporting documentation particularly that documentation which is collected and managed by AEDC under the terms and conditions of their professional services agreement with the City.

*Estimated Implementation Date:* June 30, 2021

*Issue Owner:* Development Services Manager

*Issue Final Approver:* Planning and Development Services Director

## ISS.6 - Agreement concerns

Our review of the tracking spreadsheet and related agreements identified some concerns with the handling of agreements.

### Approval date

The date of one agreement was before Council approval. City Council approved the agreement on November 18, 2019; the agreement date was November 7, 2019. The City's signatures on the contract are dated May and June 2020. It is unclear why there is a large gap in time from when Council approved the agreement in November 2019 and the final signors signed in June 2020. Responsibility for tracking the signatures and finalization of agreements resides in each department. Tracking the contract through its various approval stages is essential to ensure its timely and complete approval.

### Tracking agreements

Agreements are kept in hard copy or on a shared drive. The incentive agreements are in effect for long periods, on average about ten years. As personnel and roles

change, utilizing technology to retain and track agreement information centrally can ensure the data is readily available.

### Effective dates

Each agreement includes language that the taxpayer's failure to execute the agreement by the effective date makes the offer null and void. For some contracts, the taxpayer did not sign by the agreement effective date or lacked a signature date to verify compliance. The City signed and approved all agreements without amending the effective dates. The City needs to comply with the requirements in its contracts or reconsider including such wording.

## Recommendation

We recommend:

- Training for Planning and Development Services staff on responsibilities regarding agreements, including compliance with effective dates and dates on signatures.
- Enter all agreements into the Agreement Control System managed by the Finance Department.
- Working with the City Attorney's Office on the effective date wording to ensure this section's intent and purpose is clear.

## Management Response

PDS concurs with the recommendations of the audit. Discrepancies between effective and signature dates will be reconciled and noted on the tracking spreadsheet.

*Estimated Implementation Date:* December 31, 2021

*Issue Owner:* Development Services Manager

*Issue Final Approver:* Planning and Development Services Director

### ISS.7 – Clawback process inadequate

Planning and Development Services (PDS) has no documented procedures for handling the recoupment of payments due to non-compliance by the business. As a result, while the City requested one business repay funds for non-compliance, we found no record that a payment was received.

Business 6 did not comply with their jobs requirements but received waivers and a rebate of over \$300,000. After seven years of non-compliance, the City sent a letter in July 2019 requesting partial repayment. There was no documented follow-up by PDS staff to ensure the payment was received. When we inquired in January 2021, PDS was unaware there was no record of receipt of the payment. Without adequate procedures to seek the return of funds for non-compliance, the City may not be repaid funds as required in agreements.

## Recommendation

We recommend PDS develop and implement written procedures for tracking payment receipt when the City enacts the agreements' clawback sections. We also recommend

Planning work with the City Attorney's Office to obtain the referenced payment owed to the City.

## Management Response

PDS concurs with the recommendations. Staff will work to update policies as to how to address clawback provisions in agreements, including how to document and addresses businesses that fail to honor clawback provisions within agreements.

*Estimated Implementation Date:* June 30, 2021

*Issue Owner:* Development Services Manager

*Issue Final Approver:* Planning and Development Services Director

## ISS.8 – Agreement with AEDC needs updating

The City has an agreement with the Aurora Economic Development Council (AEDC). AEDC is currently required to track compliance for agreements they facilitate. As noted in Milestone 2 and 3 reports, the City lacks documented criteria for what AEDC is required to monitor and for which economic development rebate agreements AEDC has responsibility. Per the agreement AEDC must also provide various types of financial information and business reports. The City does not have procedures to ensure that the documents are received as required.

### Business agreement compliance

During our review of business compliance with agreements, the support for one business was an email from AEDC. AEDC reviewed the business payment request and support it received and provided an email to the City requesting the City make the payment. The AEDC email addressed some, but not all, of the compliance elements. At our request, we were able to review the business request and supporting information, verifying the business complied with its requirements. The City has not provided AEDC a reporting template or checklist to use when reviewing businesses' supporting information and reports. Without this information, the City cannot easily determine if AEDC has verified all the required information.

Business incentive agreements include required compliance reports. The compliance reports typically require an itemized list of employees, which contain personally identifiable information. AEDC reviews this documentation but does not provide copies to the City, due to the sensitive nature of the information. The AEDC agreement does not address whether AEDC must retain all documentation for agreements in accordance with City record retention requirements. Unless this is addressed, the City may not be in compliance with record retention laws.

### AEDC compliance

The agreement with AEDC requires monthly financial reports, a copy of the annual independent audit, a business plan annually, quarterly performance reports regarding job creation, and a yearly report on economic development agreements' previous year statuses. The current practice is haphazard as AEDC provides some of these documents during City committee meetings or only at the City's request.

The City lacks procedures to ensure they are receiving all documentation as required. The City needs to ensure that necessary items in its agreement are received or update the agreement's terms to specify when, where and how records can be provided.

## Recommendation

We recommend:

- The City develops a reporting template for AEDC verifying businesses met all compliance requests prior to payment.
- Planning and Development Services works with the City Clerk and City Attorney's Office to develop a record retention schedule for incentive agreements and supporting documentation.
  - The City determines whether AEDC will adhere to the retention schedule or provide copies of support directly to the City for retention.
- The City updates the AEDC agreement specifying what reports and information AEDC must provide, when it must be provided and how it must be provided.
- The City updates the AEDC agreement's language to specify if an annual report of prior year activity is required or if a yearly update is sufficient. These reports should be sufficient for the City to determine whether it is receiving sufficient value for its investment. The City should also define terminology such as "status."

## Management Response

PDS concurs with the audit recommendation and has been working collaboratively with AEDC to continue updating contracts, policies, and procedures to more effectively track and administer the program. Staff will utilize the audit recommendations to develop another set of revisions to the AEDC Agreement as well as develop the report templates outlined. Staff will also work with the Clerk to develop a record retention schedule.

*Estimated Implementation Date:* December 31, 2021

*Issue Owner:* Development Services Manager

*Issue Final Approver:* Planning and Development Services Director

# Appendix A

## PRIMARY JOB CREATION AND RETENTION INCENTIVES: POLICY GUIDELINES (approved November 18, 2013)

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**PURPOSE:** The City is authorized to provide economic development incentives under Section 130-298 of the city's Sales and Use Tax Ordinance. These types of incentives are used to attract or retain employers within the City and create or retain primary jobs. A primary job is one in which 50% or more of the product or service produced by the job is exported outside of the regional economy. Creation and retention of these types of jobs increase income in the local economy which can be spent on local goods and services and produce tax revenues for the City.

**ELIGIBLE PROJECTS:** Projects considered for incentives must create or retain primary jobs within the City. Examples of the City's targeted primary industries include bioscience, aerospace and defense, renewable energy and transportation logistics. The project must be considering alternative locations outside the city.

**ASSISTANCE:** All incentives are performance based. Qualified businesses may receive a partial rebate of net new sales and use taxes on eligible construction materials and equipment over a defined number of years. Only a partial rebate of these taxes is given to assure that the City will receive some net new tax dollars to help pay for City services. Incentives are provided at the sole discretion of City Council and are subject to approval by the Aurora City Council at a public meeting.

### ADDITIONAL CONSIDERATIONS:

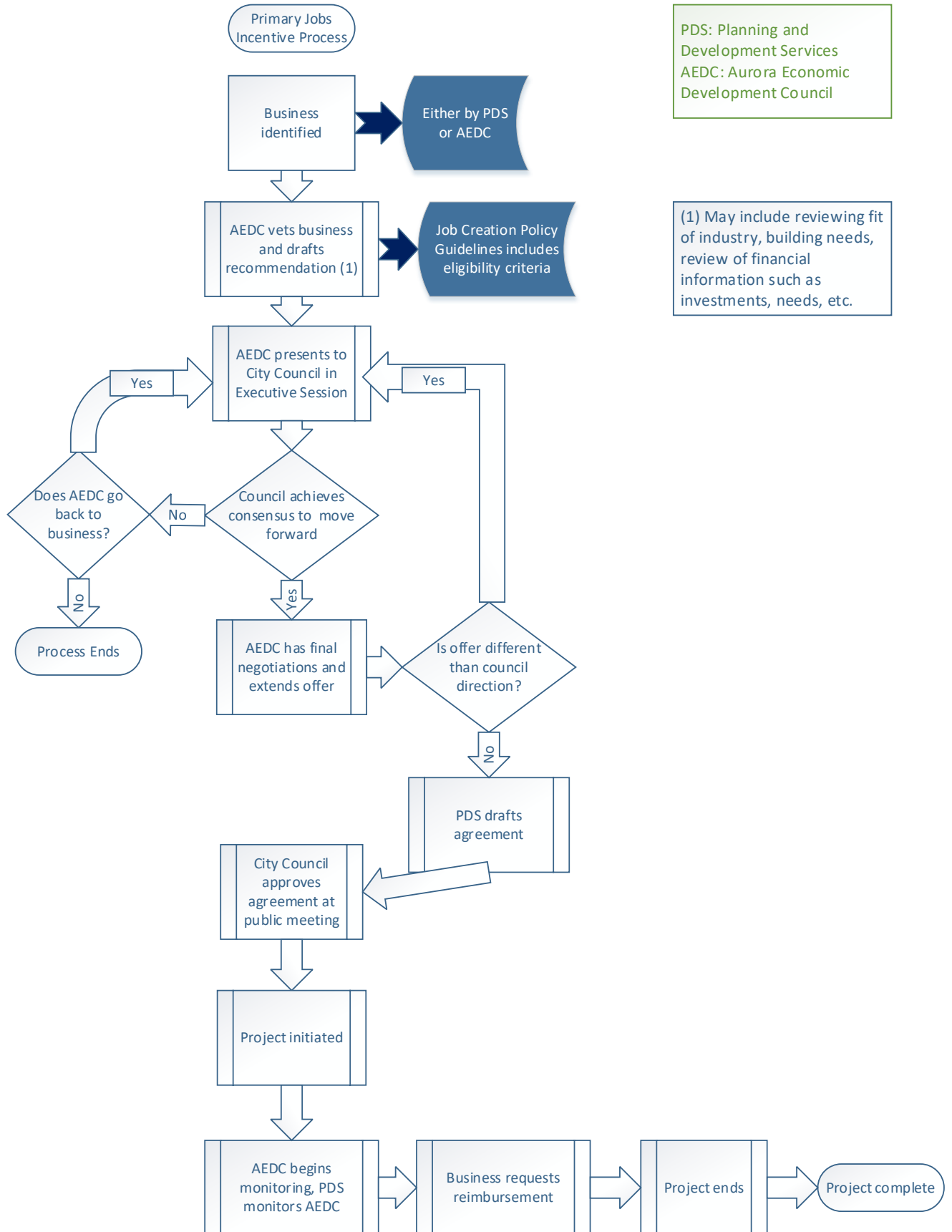
- **Capital Investment:** The extent to which the business will generate additional tax revenue for the city, county, and state is considered.
- **Jobs/Wages:** The number and average wage rate of the primary jobs created and/or retained is considered as part of the benefit that the local economy will receive.
- **Public Benefit:** Projects that help to accomplish other City goals and objectives, or which provide substantial public benefit may be considered.
- **Provision of Health Benefits:** The extent to which the business provides health benefits to its employees is considered.

**PERFORMANCE STANDARDS:** A formal contract is signed between the city and the business receiving incentives with specific performance standards. Typically, incentives are paid on an annual basis after the company certifies that it has met the required performance standards for the year. Businesses which do not achieve or maintain these standards during the full term of their agreement are subject to penalties including the claw-back of a portion of previously paid incentives. The following standards are frequently included within the agreements for primary job incentives:

- 1) The length of time during which the company intends to operate within the city; a minimum of 10 years is usually the required term.
- 2) The creation and maintenance of a predetermined minimum number of jobs. This number may vary with different types of businesses. The business must maintain a minimum number of jobs in order to continue to receive incentives.
- 3) The extent to which the business intends to encourage its employees to reside within the city and to recruit new employees from residents of the city. The county workforce centers are available to assist the business with the hiring process to help achieve this goal.
- 4) The extent to which the company in the normal course of its operations will promote Aurora as its business location, where appropriate.
- 5) Compliance of the business with all applicable zoning and other federal, state, county, and city statutes, rules, regulations, and ordinances.

## **Appendix B**

Below is a process map for administering incentives. We developed this map with input from the Planning and Development Services staff and the Vice President of the Aurora Economic Development Council.



PDS: Planning and Development Services  
 AEDC: Aurora Economic Development Council

(1) May include reviewing fit of industry, building needs, review of financial information such as investments, needs, etc.