



NICOLE PEYKOV  
DIRECT DIAL: (303) 839-3715  
npeykov@spencerfane.com

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**VIA E-MAIL**

Fraser Board of Trustees  
Attn: Antoinette McVeigh, Town Clerk  
153 Fraser Avenue  
Fraser, CO 80442  
amcveigh@town.fraser.co.us

Fraser Board of Trustees  
Attn: Michael Brack, Town Manager  
153 Fraser Avenue  
Fraser, CO 80442  
mbrack@town.fraser.co.us

**Re: First Amendment to Amended and Restated Consolidated Service Plan for West Mountain Metropolitan District, West Meadow Metropolitan District, and Byers View Metropolitan District (“First Amendment”)  
Service Plan for West Mountain Metropolitan District and West Mountain Metropolitan District Nos. 2-5 (“West Mountain Service Plan”)  
Service Plan for Byers View Metropolitan District, GP North Meadow Metropolitan District, and GP South Meadow Metropolitan District (“Byers View Service Plan”)**

Dear Board of Trustees:

This office represents West Mountain Metropolitan District, West Meadow Metropolitan District, and Byers View Metropolitan District (collectively, the “Districts”). The purpose of this letter is to reiterate our request and the underlying basis as presented at the Board of Trustees’ special meeting on April 26, 2023.

We are requesting that the Board of Trustees (“Board”) approve the First Amendment, the West Mountain Service Plan, and the Byers View Service Plan (“Request”). We first submitted our Request on July 1, 2022. Following our submittal, we engaged with the Town’s staff, its consultants, outside counsel to the Town, residents, homeowners, and taxpayers. After receiving input from these parties and upon request of the Town, we revised the First Amendment such that the terms of the original service plan remain in effect for the West Meadow Metropolitan District. To honor the request of residents and the Town, the

West Meadow Metropolitan District will have a reduced debt limit of \$24,000,000. It is important to note that West Meadow Metropolitan District has issued its bonds within this limit and no further bond issuances are anticipated by that District. The powers, rights, authority and limitations of West Meadow Metropolitan District are not changing in any way under the First Amendment, and the maximum mill levies that may be imposed on the property within the West Meadow Metropolitan District are not changing. The residents, homeowners, and taxpayers have requested autonomy for West Meadow Metropolitan District and that request is accomplished through the First Amendment. The West Meadow Metropolitan District is an example of a successful and completed development that should now exist on its own while the rest of the project continues to develop.

The second part of our request relates to the undeveloped property within the remainder of the project. Almost twenty years have passed since the Board approved the original service plan and approximately 1,138 of the 1,220 total acres within the project remain undeveloped. As the Town is aware, the housing collapse of 2008 and the slow housing development in the years following that collapse caused a significant delay in the development of the project. The original service plan places restrictions on when the Districts may issue debt and when the Districts must discharge debt. Due to the significant delays that were outside of the developer's control, it is apparent that these deadlines need to be adjusted to address the almost twenty-year delay in development and the future unknown pace of development. Under the West Mountain Service Plan and the Byers View Service Plan, the debt issuance deadline will be 2048 instead of 2030 and the debt maturity deadline will be 2088 instead of 2050. As with West Meadow, the developer intends to build out each district using developer financing. The district benefitting from the constructed public improvements will issue debt to reimburse the developer once the property within the district contains sufficient value to allow for cost-efficient bond financing. As demonstrated over the last 20 years, the pace of development is cyclical and difficult to predict so the new service plans provide the flexibility to allow the districts to be able to issue debt until 2048. The districts will have to discharge the debt the earlier of 2088 or forty years from the date of debt issuance. Accordingly, our request is substantially similar to what the Board approved in 2005 with adjustments to reflect the current status of the project and is in line with accepted standards for district financing.

Third, to further accommodate the unknown pace of development, we are requesting to divide the undeveloped property into eight separate districts – West Mountain Metropolitan District, West Mountain Metropolitan District Nos. 2-5, Byers View Metropolitan District, GP North Meadow Metropolitan District, and GP South Meadow Metropolitan District (the "Undeveloped Districts"). History and experience have shown that the pace of development is difficult to predict, especially in mountain communities which are more sensitive to market fluctuations. Dividing the undeveloped property into eight separate districts will allow each phase of the project to be more efficiently financed. Each district will issue its own bonds to finance the public infrastructure that benefits the properties within that district. This structure is favorable to property owners because it restricts the public infrastructure for which the property owners will be responsible instead of requiring all property owners to be responsible for the costs of the entire project. This also allows for the earlier transition of these district boards to residents while allowing development to proceed as planned.

The record at the April 26, 2023 meeting included these requests and explanations and established how the criteria set forth in the Special District Act are met. Other issues unrelated to the statutory criteria were presented and discussed that deviated from these criteria. As presented at that meeting, pursuant to

Section 32-1-203(2), C.R.S., the Board must only consider whether each of the following criterion was presented:

- (a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.**

The proposed public improvements are not available through the County, Town, or other governmental entity. Without the Undeveloped Districts, the property will likely remain undeveloped. Metropolitan districts are a tool used to lower the costs of public infrastructure and in this case, are needed to make the development of the property possible.

- (b) The existing service in the area to be served by the proposed special district is inadequate for presented and projected needs.**

The undeveloped property lacks the public infrastructure that is necessary to develop the property and there are no other entities in the area that will finance and construct the needed infrastructure.

- (c) The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries.**

The Undeveloped Districts will ensure the public improvements are constructed within a reasonable time for the benefit of the community, and the Undeveloped Districts' involvement will lower the costs of the public improvements through tax-exempt financing.

- (d) The area to be included in the proposed special district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.**

The Undeveloped Districts will be limited to issuing debt within the confines of the West Mountain Service Plan and Byers View Service Plan. The Undeveloped Districts will be limited to the amount each can reasonably pay from the revenue derived from its debt service mill levy (which is capped at 50 mills) and other legally available revenue. The financial plans, which have been reviewed and approved by the Town Attorney, Special Counsel, and the Town's Financial Consultant, are examples of how the Undeveloped Districts may finance the public improvements.

Under Section 32-1-203(2.5), C.R.S., the Town may also consider whether:

- (a) Adequate service is not, or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including special districts within a reasonable time and on a comparable basis.

The proposed public improvements and services are not available through the County, Town, or other existing municipal or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis.

- (b) The facility and standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section 32-1-204(1).

As stated in the Service Plans, all proposed facilities and services will be designed and constructed at a minimum in accordance with the standards and specifications set forth by the Town in the Town Code and/or applicable public entity that will be responsible for the maintenance and operation of the public improvements.

- (c) The proposal is in substantial compliance with a master plan adopted pursuant to Section 30-28-106, C.R.S.

The Request is in substantial compliance with any applicable master plan.

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

The Town provides and is anticipated to provide water and wastewater services to the project and therefore the Request is in compliance with any applicable long-range water quality management plan.

- (e) The creation of the proposed special district will be in the best interests of the area proposed to be served.

The public improvements and services are not available to the community through the County, Town, or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis. Approval of the Request will ensure the public improvements and other services are sufficient and constructed within a reasonable time and cost-efficient manner for the benefit of the property owners, residents, and taxpayers located in the community.

The criteria set forth in Section 32-1-203(2) and 203(2.5), C.R.S., are the only criteria the Board may consider when determining whether to approve the Request. The underlying development plans and entitlements of the property are not among the criteria the Board is allowed to consider. The approval of a service plan does not affect or influence whether property will be developed as residential, commercial, open space, parks, etc. Instead, the approval of a service plan allows for the utilization of certain public financing tools that are available to governmental entities and to utilize the metropolitan district to provide services such as operating and maintaining trails, parks, and open space. Approving the First Amendment, the West Mountain Service Plan, and the Byers View Service Plan will not change any requirements for the developer to obtain the Town's approval regarding the development and zoning of the underlying property.

As stated by the Town Attorney and Special Counsel at the April 26, 2023 meeting, the criteria the Board is required to consider have been adequately established and addressed. The Town's Attorney, Special Counsel, the Town's Financial Consultant, and the Town's Engineering Consultant reviewed the First Amendment, the West Mountain Service Plan, and the Byers View Service Plan. Town staff, the Town

Attorney, and Special Counsel recommend the Board approve the First Amendment, the West Mountain Service Plan, and the Byers View Service Plan as presented. Failure to approve our request will result in West Meadow Metropolitan District remaining connected to the undeveloped property, will increase the costs of financing the public infrastructure that is needed for the rest of the project, and will impair the construction and affordability of much needed housing within the Town.

Please also feel free to contact our office if you have any questions or concerns. Thank you.

Sincerely,  
SPENCER FANE LLP

*/s/ Nicole Peykov*  
Nicole Peykov

cc: Kent Whitmer, Town Attorney  
John Chmil, Special Counsel for Town of Fraser