



Re: Proposed Amendments to Service Plans for West Mountain, West Meadow, and Byers View Metropolitan Districts

1. Introduction. In 2004, the Town of Fraser ("Town") approved the Consolidated Service Plan for the West Mountain, West Meadow, and Byers View Metropolitan Districts (the "Districts"). In 2005, the Town approved the First Amended and Restated Consolidated Service Plan for the Districts ("Amended Service Plan"). Service plan approval is a statutory requirement for the creation of a Title 32 special district—both single service districts (e.g., fire, water, sanitation, etc.) and multi-service districts (metropolitan districts). The Districts are currently operating under the 2005 First Amended Service Plan.

Whenever there is a material modification to an existing service plan, a formal amendment is required and the approval process for the amendment is substantially similar to the process of initial approval of a service plan. The Districts initially proposed certain amendments to the 2005 First Amended Service Plan and, through initial discussions with the Town, have agreed to include additional changes to their original proposals to arrive at the versions that are now before the Town Board for formal consideration.

2. Initial Proposals. The initial proposed service plan amendments focused on the separation of West Mountain from Byers View and West Meadow, and changed the terms of each plan moving forward. The separation of West Mountain included dividing West Mountain into 5 separate districts and setting a new debt limit of \$200 million, collectively, for the West Mountain Districts. The initial proposals also removed the issuance and maturity deadlines for bonded debt as well as the 5 mill limitation for operations and maintenance for all three Districts.

The current 2005 Amended Service Plan contains a debt limit of \$99 million for all three Districts. In the initial proposals, the \$99 million debt limit would remain for Byers View and West Meadow, while the separated West Mountain would have its own debt limit of \$200 million.

After the Town Board's review and analysis of the initial proposals, along with considering public comments on the proposals, the Town Board suggested numerous revisions to the proposed service plans. The primary concern of the Town in addressing the proposed service plan amendments was to ensure the amendments addressed the unique circumstance of having only a portion of West Meadow being developed, while all other areas within the Districts remain undeveloped. The Districts were amenable to addressing the Town's concerns and provided updated proposals for formal consideration.

3. Current Proposals. The updated proposals not only have made general changes applicable to the service plan amendments impacting the undeveloped property, but now also propose

dividing the current West Meadow District into 3 separate districts in order to limit the impact of the proposed changes on the developed property within West Meadow.

Under the current proposals, the current West Meadow District will be divided into West Meadow, GP North Meadow, and GP South Meadow. The newly proposed West Meadow will encompass all of the currently developed property within the Districts and will primarily remain subject to the terms of the current 2005 Amended Service Plan. GP North Meadow and GP South Meadow, along with Byers View, would operate under a separate newly proposed service plan that is substantially similar in terms to the newly proposed service plan for the West Mountain Districts. A summary of the substantive terms of each proposed plan is below:

- a. West Meadow:
 - i. Remains subject to all terms of current 2005 Amended Service Plan
 - ii. Changes debt limit to \$24 million
 - iii. Changes legal boundaries to only cover currently developed or sold properties
 - iv. Remains subject to 50 mill debt limit and 5 mill operations and maintenance limit
- b. GP North Meadow, GP South Meadow, Byers View:
 - i. Operates under new consolidated service plan specific for these Districts
 - ii. Debt limit set at \$85 million
 - iii. Covers approximately 119 acres of undeveloped property that reflects the remainder of the original West Meadow District and accounts for the relocation of Byers View
 - iv. Adds Park and Recreation services to include parks, trails and open space improvements
 - v. Includes issuance deadline of December 31, 2048 and maturity deadline of December 31, 2088 for long term debt obligations
 - vi. Includes aggregate mill levy cap of 55 mills, with 50 mill debt limit and 5 mill operations and maintenance limit
 - vii. Permits adjustments of the debt mill levy if there is a change in the basis for property assessment after 2023
 - viii. Includes limitation of developer reimbursement agreements to a term of 20 years and a cap of 8% simple interest
- c. West Mountain:
 - i. Operates under new consolidated service for all 5 districts, West Mountain and West Mountain Nos. 2-5
 - ii. Debt limit set at \$200 million
 - iii. Covers approximately 1,019 acres of undeveloped property that is the same property identified as the original West Mountain District with the addition of one parcel that was included in 2008
 - iv. Adds Park and Recreation services to include parks, trails and open space improvements
 - v. Includes issuance deadline of December 31, 2048 and maturity deadline of December 31, 2088 for long term debt obligations
 - vi. Includes aggregate mill levy cap of 55 mills, with 50 mill debt limit and 5 mill operations and maintenance limit

- vii. Permits adjustments of the debt mill levy if there is a change in the basis for property assessment after 2023
- viii. Includes limitation of developer reimbursement agreements to a term of 20 years and a cap of 8% simple interest
- ix. Apportions \$700,665 of current developer notes to the newly proposed West Mountain Districts

In addition, while not expressly called out in the amendment, approximately \$25.2 million in currently issued developer notes will remain with the newly proposed West Meadow District. This reflects the costs incurred in developing the property within the newly proposed West Meadow District.

4. Board Consideration. Pursuant to the Special District Act, the Town may take the following actions at the hearing called for considering the newly proposed service plans:
- a. Approve with or without condition or modification; or
 - b. Disapprove; or
 - c. Conditionally approve subject to the submission of any additional information that the Board of Trustees may require and that relates to the proposed amendments.

The Board can place any condition on its approval which is legal, and rationally related to the proposed plan and impact of the plan on the community and future taxpayers. The statutory considerations for approval include the following:

- a. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.
 - b. The existing service in the area to be served by the proposed special district is inadequate for present and projected needs.
 - c. The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries.
 - 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.
5. Staff Recommendation. Based on the current terms of the Service Plan Amendments, staff is comfortable recommending approval of the Amendments and related Intergovernmental Agreements (IGA's) conditioned on the Districts' execution of the proposed IGA's at the Districts' first meeting following service plan approval. The Board may also consider applying any additional relevant conditions to the approval based on the testimony at the hearing, as permitted by state law. The approval of these Service Plan Amendments does not impact the Town's continuing authority over the development of the property covered by the Amendments.