

***TOWN COUNCIL***

***MEETING***

***PACKET***

**December 16, 2019**



## Town Council

**Agenda**  
**Monday, December 16, 2019**  
**Town Hall, Council Chambers**  
**450 So. Parish Avenue**  
**7:00 PM**



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**MISSION STATEMENT-** *“The mission of the government of the Town of Johnstown is to provide leadership based upon trust and integrity, commitment directed toward responsive service delivery, and vision for enhancing the quality of life in our community.”*

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*Members of the audience are invited to speak at the Council meeting. Public Comment (item No. 5) is reserved for citizen comments on items not contained on the printed agenda. Citizen comments are limited to three (3) minutes per speaker. When several people wish to speak on the same position on a given item, they are requested to select a spokesperson to state that position. If you wish to speak at the Town Council meeting, please fill out a sign-up sheet and present it to the Town Clerk.*

**1) CALL TO ORDER**

A) Pledge of Allegiance

**2) ROLL CALL**

**3) AGENDA APPROVAL**

**4) PROCLAMATIONS AND PRESENTATIONS**

**5) PUBLIC COMMENT (three-minute limit per speaker)**

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*The “Consent Agenda” is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any Council member wishes to have an item discussed or if there is public comment on those ordinances marked with an \*asterisk. The Council member may then move to have the subject item removed from the Consent Agenda for discussion separately.*

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**6) CONSENT AGENDA**

A) Town Council Meeting Minutes – December 2, 2019

B) December Financial Statements

C) **2<sup>nd</sup> Reading** Ordinance Number 2019-167, An Ordinance Replacing Chapter 4 of the Johnstown Municipal Code Concerning Town Revenue and Finances

D) Water and Sewer Service Agreement - Mowery Development LLC

E) Resolution 2019-30, Approving the Final Plat for Thompson River Ranch Filing No. 10

F) Consider Thompson River Ranch Filing No. 10 Subdivision Development and Improvement Agreement

G) Consider Thompson River Ranch Filing No. 10 Water and Sewer Service Agreement

H) Resolution 2019-31, Approving Oil and Gas Operator Agreement and Encroachment License Between The Town of Johnstown and Kerr McGee Oil and Gas Onshore LP

I) Poudre Valley REA Franchise Agreement Extension

**7) TOWN MANAGER REPORT**

**8) TOWN ATTORNEY REPORT**

**9) OLD BUSINESS**

**10) NEW BUSINESS**

A. **Public Hearing** – Resolution 2019-32 Approving the Consolidated Service Plan for Vista Commons Metropolitan District Nos 1-4

B. Resolution 2019-33 A Resolution Adopting Town of Johnstown Comprehensive Financial Management Policies Superseding Resolution No. 2017-10 to the Extent of a Conflict; Superseding and Replacing Resolution 2018-23

C. Johnstown Village Storm Water



**11) EXECUTIVE SESSION**

**12) COUNCIL REPORTS AND COMMENTS**

**13) MAYOR'S COMMENTS**

**14) ADJOURN**

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## **Work Session**

- A. Nick Wharton, Town of Severance Administrator, Broadband Presentation
- B. Felsburg, Holt & Ullevig – 402 Transportation Study



### **NOTICE OF ACCOMODATION**

If you need special assistance to participate in the meeting, please contact the Town Clerk at (970) 587-4664. Notification at least 72 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to the meeting.

## **TOWN COUNCIL AGENDA COMMUNICATION**

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**AGENDA DATE:** December 16, 2019

**ITEM NUMBER:** 6A-I

**SUBJECT:** Consent Agenda

**ACTION PROPOSED:** Approve Consent Agenda

**PRESENTED BY:** Town Clerk, Town Manager, Finance Director and Planning Director

**AGENDA ITEM DESCRIPTION:** The following items are included on the Consent Agenda, which may be approved by a single motion approving the Consent Agenda:

- A) Town Council Meeting Minutes – December 2, 2019
- B) November Financial Statements
- C) **2<sup>nd</sup> Reading** – Ordinance Number 2019-167, An Ordinance Replacing Chapter 4 of the Johnstown Municipal Code Concerning Town Revenues and Finances  
*Chapter 4, Revenue and Finance, Articles I through IX has not been modified from its original presentation to Council. This Ordinance replaces the existing Chapter 4 Revenue and Finance, Articles I through VII. Substantial changes include fund modification, redirection of use tax for vehicles, ability to commingle funds, elimination of \$1.00 sales tax, requirements established for use tax on construction, amount of use tax earmarked for capital projects decreased to 1%, development deposit agreements were eliminated, lodging certifications were added and a section for unclaimed property was added.*
- D) Water and Sewer Service Agreement – Mowery Development LLC  
*Enclosed for Council's review and approval is a Water and Sewer Service Agreement for a project known as "Ironwood Shops, by Mowery Development. This project is located at 2534, on the north side of the private drive addressed off of Larimer Parkway. The agreement was compiled by town engineers and attorneys, and is in full compliance with Town code.*
- E) Resolution 2019-30 Approving the Final Plat for Thompson River Ranch Filing No. 10  
*Resolution 2019-30 Resolution 2019-30, Clayton Properties Group II, submitted an application to the Town of Johnstown for approval of a Final Plat for Thompson River Ranch Filing No. 10. The Planning and Zoning Commission held a public hearing on January 24, 2018 and recommended approval with conditions. On December 2, 2019 Council held a public hearing and approved the Final Plat with conditions. Resolution 2019-30 lists the conditions.*
- F) Consider Thompson River Ranch Filing No. 10 Subdivision Development and Improvement Agreement  
*The Subdivision Development and Improvement Agreement outlines the obligation of the developer with respect to planned public and private improvements required with development of Filing No. 10. Special considerations related to this development are defined in Section B-3, which has been reviewed by Staff, including:*
  - *Completion of the community building and swimming pool, described and depicted in the Final Development Plan A & B for Thompson River Ranch, Filing No. 1, approved June 5, 2006, on or before the issuance of 500 certificates of occupancy by the Town, beyond those issued for Thompson River Ranch Filings 1, 3, and 4, or by June 20, 2023, whichever is earlier; and*
  - *Completion of High Plains Boulevard / LCR 3 improvements within Town Limits to the Hillsborough Ditch crossing, to an Interim Arterial standard, as well as intersection/access improvements to LCR*

18, on or before the 120<sup>th</sup> building permit is issued, exclusive of Filing 1, 3, 4, and 9.

- G) Consider Thompson River Ranch Filing No. 10 Water and Sewer Service Agreement  
*The Water and Sewer Service Agreement presented has been reviewed through legal, engineering and administration for compliance.*
- H) Resolution 2019-31 Approving Oil and Gas Operator Agreement and Encroachment License Between The Town of Johnstown and Kerr McGee Oil and Gas Onshore LP  
*As directed in the motion to approve a formal resolution is included with the agreement memorializing the approval of the contractual agreement. Resolution 2019-31 on December 2, 2019, after due notice published in the Johnstown Breeze, the Town Council held a public hearing concerning approval of the Oil and Gas Operator Agreement and Encroachment License (“Agreement”) between the Town and Kerr-McGee Oil & Gas Onshore LP, which, among other matters, allows the Operator to construct up to seventy (70) wells on three (3) well pad sites and obtain administrative approval of the siting of the wells on the conditions that, among others: (i) the Operator apply for a special use permit for each well with the Town Manager and comply with obligations contained in the Agreement and in the Johnstown Municipal Code, including, among other applicable provisions, Article XI of Chapter 17 of the Code, as amended from time to time (ii) the Operator comply with the Colorado Oil and Gas Conservation Commission’s rules, regulations and procedures and (iii) the Operator comply with the best management practices set forth in the Agreement.*
- I) Poudre Valley REA Franchise Agreement Extension  
*The attached document represents the First Amendment to the Town of Johnstown and PVREA Franchise Agreement. This amendment will provide for an extension of the existing agreement that was set to expire on December 31, 2019. Specifically, the amendment will provide for a 4 month extension to complete the franchise update and preserves the terms and conditions of the existing franchise agreement with PVREA.*

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**LEGAL ADVICE:** The entire Consent Agenda may be approved by a motion of the Town Council approving the Consent Agenda, which automatically approves each and every item listed on the Consent Agenda. If a Council member wishes to have a specific discussion on an individual item included with the Consent Agenda, they may move to remove the item from the Consent Agenda for discussion.

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**FINANCIAL ADVICE:** N/A

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**RECOMMENDED ACTION:** Approve Consent Agenda

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**SUGGESTED MOTION:**

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**For Approval:** I move to approve the Consent Agenda.

**For Denial:**

# **Council Minutes**

The Town Council of the Town of Johnstown met on Monday, December 2, 2019 at 7:00 p.m. in the Council Chambers at 450 S. Parish Avenue, Johnstown.

Mayor Lebsack led the Pledge of Allegiance.

#### Roll Call:

Those present were: Councilmembers Berg, Lemasters, Mellon, Molinar Jr. and Young

Those absent were: Councilmember Tallent.

Also present: Avi Rocklin, Town Attorney, Matt LeCerf, Town Manager, Marco Carani, Public Works Director, Kim Meyers, Planning and Development Director, Mitzi McCoy, Finance Director and Brian Phillips, Police Chief.

#### Agenda Approval

Councilmember Mellon made a motion seconded by Councilmember Lemasters to approve the Agenda as submitted. Motion carried with a unanimous vote.

#### Consent Agenda

Councilmember Berg made a motion seconded by Councilmember Molinar Jr. to approve the Consent Agenda with the following item being tabled to January 6, 2019, Second Reading Ordinance Number 2019-165, An Ordinance Amending Chapter 18 of the Johnstown Municipal Code to Adopt the 2018 Building Codes. Items included on the Consent Agenda were:

- November 18, 2019 Council Meeting Minutes
- Payment of Bills
- Second Reading Ordinance Number 2019-166, An Ordinance Amending Section 13-27 of the Johnstown Municipal Code Concerning Sewer Tap Fees for Multi-Family Residential Dwelling Units
- Consider Resolution 2019-26, Approve Final PUD Development Plan for Johnstown Farms Filing No. 3
- Consider Johnstown Farms III Subdivision and Development Improvements Agreement
- Consider Johnstown Farms III Water and Sewer Service Agreement

Motion carried with a unanimous vote.

#### Manager Report

Town Manager Matt LeCerf queried Council on their position to allow an extension to the acquisition deadline for Johnstown Village, LLC and if they approve to allow the Town Manager to sign the Amendments to Subdivision Development and Improvement Agreement and Water and Sewer Service Agreement that was included in the Council Packet. Council had no objections.

New Business

A. Public Hearing – Thompson River Ranch Filing #10 Final Plat – This is a request for final plat approval for approximately 6.87 acre property. Filing 10 is the next filing in the Thompson River Ranch Subdivision with 40 single family lots proposed. The property is zoned PUD-MU.

Mayor Lebsack opened the public hearing at 7:35 p.m. Mr. Roger Hollard, representing Oakwood Homes addressed Council on the project. Having no other public comments the public hearing closed at 7:55 p.m.

Councilmember Lemasters made a motion seconded by Councilmember Berg to approve the Thompson River Ranch Filing No. 10 Final Plat with the following conditions: 1) Landscaping, signage, street lighting and related improvements are subject to the approved construction drawings, Thompson River Ranch Design Guidelines, and the PUD Final Development Plan as may be approved by the Planning & Development Director. 2) A Water and Sewer Service Agreement, and a Development Agreement be approved by Town Council, executed by both parties, and recorded concurrently with the Final Plat. 3) The Developer pay the storm water development fee and use tax on construction materials 2 weeks prior to construction. Motion carried with a unanimous vote.

B. Initial Consideration for the Subdivision Development and Improvement Agreement (DA) and the Water and Sewer Service Agreement for Thompson River Ranch Filing #10 – The proposed Subdivision Development and Improvement Agreement outlines the obligations of the developer with respect to planned public and private improvements required with development of Filing No. 10. The Water and Sewer Service Agreement is the standard agreement. No formal approval was taken at this time. Approval will be scheduled at the next regular Town Council meeting.

C. Public Hearing – First Reading – Consider Ordinance No. 2019-167 An Ordinance Replacing Chapter 4 of the Johnstown Municipal Code Concerning Town Revenue and Finances – Ordinance Number 2019-167 replaces the existing Chapter 4 Revenue and Finance, and replaces it with a revised Chapter 4 Revenue and Finance.

Mayor Lebsack opened the Public Hearing at 8:00 p.m. and heard from staff. Having no comments closed the hearing at 8:07 p.m.

Councilmember Mellon made a motion seconded by Councilmember Young to approve Ordinance 2019-167, an Ordinance Replacing Chapter 4 of the Johnstown Municipal Code Concerning Town Revenue and Finances. Motion carried with a unanimous vote.

D. Public Hearing – An Oil and Gas Operator Agreement and Encroachment License Between the Town of Johnstown and Kerr-McGee Oil and Gas Onshore LP – This agreement allows Kerr-McGee to establish well sites at 3 locations within the Town's corporate limits. This agreement will supersede Section 17-200 of the Johnstown Municipal Code related to a

Special Use Permit and allow for final administrative approval. The applicant shall comply with all other terms and conditions of Chapter 17, Article XI – Oil and Gas Exploration and Production. The agreement also requires the operator to maintain certain standards regarding; noise, odor, lighting and road repairs and contains specifications for access roads and mud tracking. The Town will also receive necessary right of way along Highway 60 and I-25, portion of High Plains Boulevard and a segment south on Parish and WCR 44.

Mayor Lebsack opened the Public Hearing at 8:09 and heard from the applicant. Mr. Roger Hollard representing Oakwood Homes spoke in favor of the agreement, having no further comments the hearing was closed at 8:41 p.m. Councilmember Berg made a motion seconded by Councilmember Mellon to approve the Oil and Gas Operator Agreement and Encroachment License between the Town of Johnstown and Kerr-McGee Oil & Gas Onshore LP as presented, and direct the Town Attorney to prepare a resolution of approval. Motion carried with a unanimous vote.

E. Consider Resolution 2019-27 – A Resolution Amending the Fiscal Year 2019 Budget and Appropriating Additional Sums of Money to Defray Expenses and Transfers in Excess of Amounts Budgeted for the Town of Johnstown, Colorado – Councilmember Lemasters made a motion seconded by Councilmember Young to approve Resolution 2019-27. Motion carried with a unanimous vote.

There being no further business to come before Council the meeting adjourned at 9:03 p.m.

Mayor

Town Clerk

# **November Financial Statements**

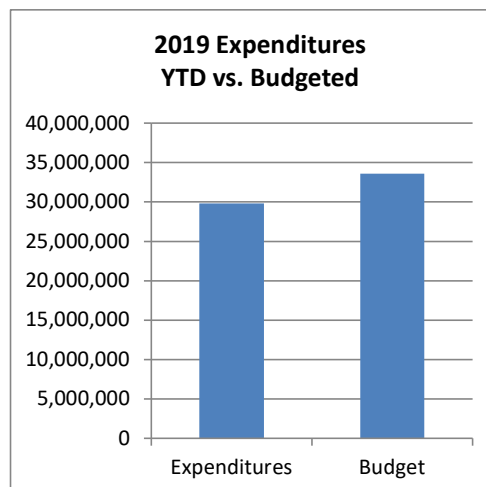
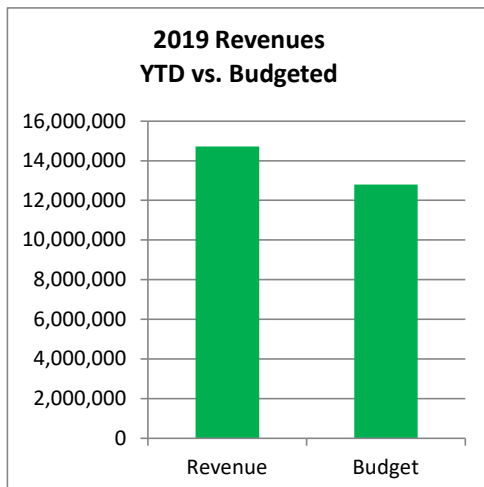


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - General Fund  
Period Ending November 30, 2019  
Unaudited

<b>General Fund</b>	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance	47,000,521	47,000,521	
<b><u>Revenues:</u></b>			
Taxes & Fees	11,826,571	10,722,500	110.3%
Licenses & Permits	534,377	499,500	107.0%
Charges for Services	697,924	681,600	102.4%
Fines & Forfeitures	205,343	143,600	143.0%
Intergovernmental	850,632	630,800	134.8%
Earnings on Investment	304,977	75,000	406.6%
Miscellaneous Revenue	306,218	53,000	577.8%
Total Operating Revenues	14,726,042	12,806,000	115.0%
<b><u>Expenditures:</u></b>			
Legislative	56,166	78,900	71.2%
Judicial	44,974	51,100	88.0%
Elections	15	19,300	0.1%
Administration	489,914	569,969	86.0%
Planning & Zoning	243,393	605,383	40.2%
Police	2,172,498	2,698,965	80.5%
Inspections	163,303	189,000	86.4%
Streets	1,366,618	1,577,032	86.7%
Cemetery	24,036	42,900	56.0%
Animal Control	34,598	93,400	37.0%
Senior Coordinator	65,912	76,400	86.3%
Parks	57,683	64,400	89.6%
Library	433,125	2,180,554	19.9%
Contingent	155,816	468,700	33.2%
Transfers Out	24,485,976	24,846,000	98.6%
Total Expenditures	29,794,026	33,562,003	88.8%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>(15,067,983)</b>	<b>(20,756,003)</b>	
<b>Ending Fund Balance*</b>	<b>31,932,538</b>	<b>26,244,518</b>	

\* - Unaudited

92% of the fiscal year has elapsed

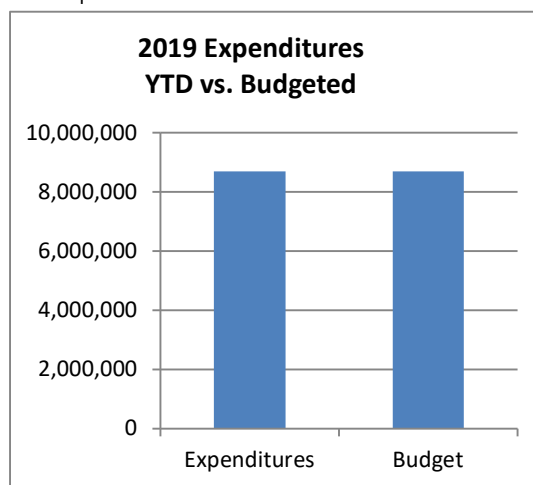
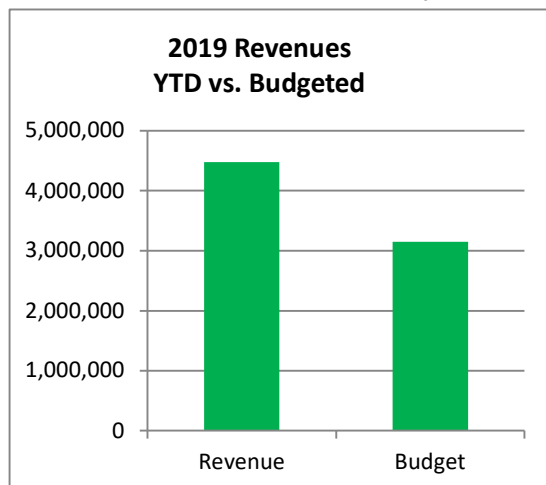


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Water Fund  
Period Ending November 30, 2019  
Unaudited

<b>Water Fund</b>	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Cash Balance	23,352,537	23,352,537	
<b><u>Revenues:</u></b>			
Charges for Services	2,735,431	2,745,000	99.7%
Total Operating Revenues	2,735,431	2,745,000	99.7%
<b><u>Expenses:</u></b>			
Administration	285,308	441,100	64.7%
Operations	1,852,986	2,403,287	77.1%
Capital Outlay	5,854,826	5,854,826	100.0%
Depreciation	310,574	-	
Transfers Out	-	-	
Total Operating Expenses	8,303,694	8,699,213	95.5%
Operating Income (Loss)	(5,568,263)	(5,954,213)	
<b><u>Non-Operating Revenues (Expenses)</u></b>			
Tap Fees	424,450	-	
Capital Investment Fees	503,240	-	
Misc. Revenues	524,466	305,000	172.0%
Interest Expense	287,186	100,000	287.2%
Total Non-Operating Revenues (Expenses)	1,739,343	405,000	429.5%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenses</b>	<b>(3,828,920)</b>	<b>(5,549,213)</b>	
<b>Ending Cash Balance*</b>	<b>19,523,616</b>	<b>17,803,324</b>	

\* - Unaudited

92% of the fiscal year has elapsed

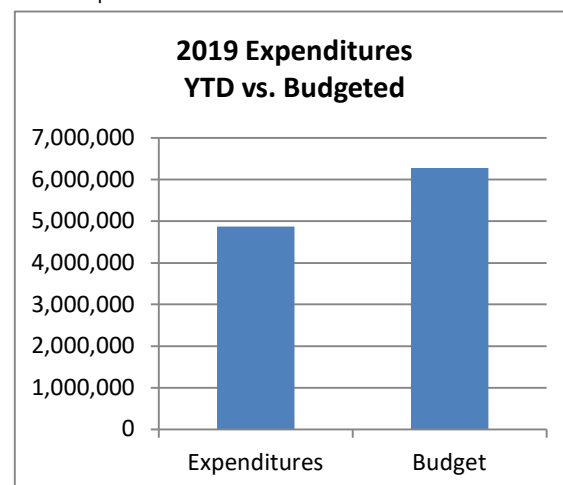
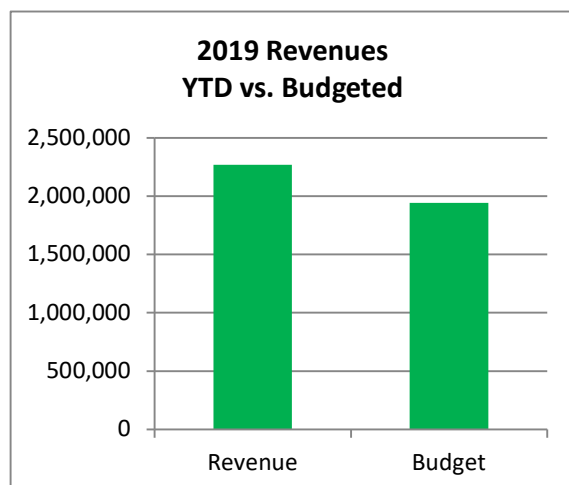


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Sewer Fund  
Period Ending November 30, 2019  
Unaudited

<b>Sewer Fund</b>	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Cash Balance	11,008,048	11,008,048	
<b><u>Revenues:</u></b>			
Charges for Services	1,870,020	1,880,000	99.5%
Miscellaneous Revenue			
Total Operating Revenues	1,870,020	1,880,000	99.5%
<b><u>Expenses:</u></b>			
Administration	410,225	1,086,000	37.8%
Operations	1,136,473	2,043,000	55.6%
Capital Outlay	3,145,174	3,145,174	100.0%
Depreciation	176,918	-	
Total Operating Expenses	4,868,791	6,274,174	77.6%
Operating Income (Loss)	(2,998,771)	(4,394,174)	
<b><u>Non-Operating Revenues (Expenses)</u></b>			
Capital Improvement Fees	325,160	-	
Misc. Revenues	17,991	12,500	143.9%
Interest Expense	53,275	50,000	106.6%
Total Non-Operating Revenues (Expenses)	396,426	62,500	634.3%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenses</b>	<b>(2,602,345)</b>	<b>(4,331,674)</b>	
<b>Ending Cash Balance*</b>	<b>8,405,702</b>	<b>6,676,374</b>	

\* - Unaudited

92% of the fiscal year has elapsed

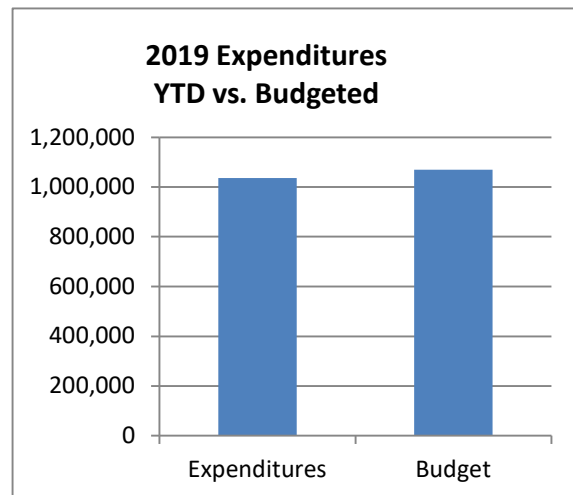
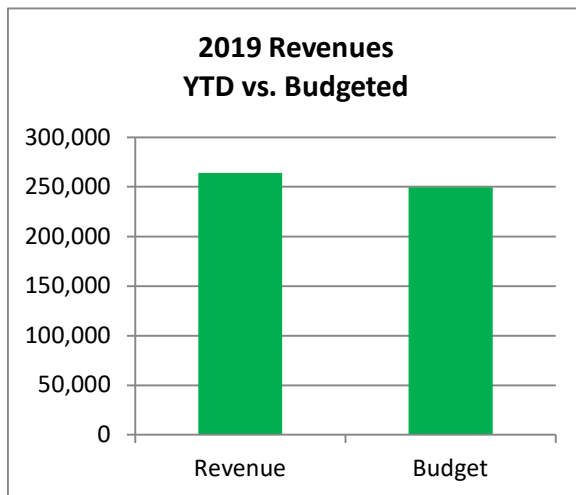


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Conservation Trust Fund  
Period Ending November 30, 2019  
Unaudited

<b>Conservation Trust Fund</b>	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance	2,652,161	2,652,161	
<b><u>Revenues:</u></b>			
Taxes & Fees	182,534	157,500	115.9%
Intergovernmental	72,118	72,000	100.2%
Earnings on Investment	9,263	15,000	61.8%
Miscellaneous	198	5,000	4.0%
Total Operating Revenues	264,114	249,500	105.9%
<b><u>Expenditures:</u></b>			
Operations	35,990	70,000	51.4%
Capital Outlay	1,000,000	1,000,000	100.0%
Total Expenditures	1,035,990	1,070,000	96.8%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>(771,876)</b>	<b>(820,500)</b>	
<b>Ending Fund Balance*</b>	<b>1,880,286</b>	<b>1,831,661</b>	

\* - Unaudited

92% of the fiscal year has elapsed

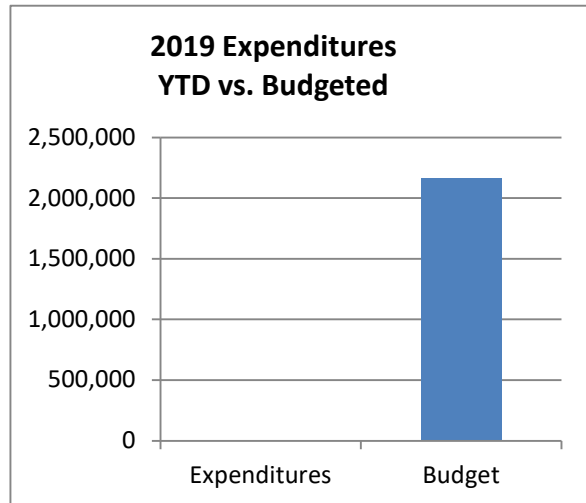
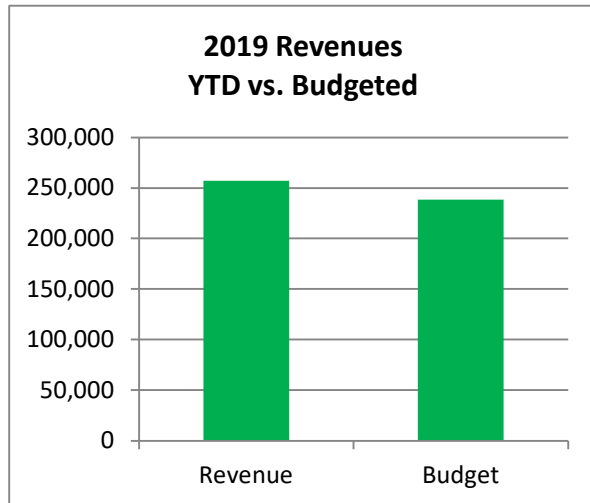


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Contingent Fund  
Period Ending November 30, 2019  
Unaudited

<b>Contingent Fund</b>	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance	1,964,383	1,964,383	
<b><u>Revenues:</u></b>			
Earnings on Investment	32,269	13,500	239.0%
Transfers In	225,000	225,000	100.0%
Total Operating Revenues	257,269	238,500	107.9%
<b><u>Expenditures:</u></b>			
<i>Transfers Out</i>	-	2,161,900	0.0%
Total Expenditures	-	2,161,900	0.0%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>257,269</b>	<b>(1,923,400)</b>	
<b>Ending Fund Balance*</b>	<b>2,221,652</b>	<b>40,983</b>	

\* - Unaudited

92% of the fiscal year has elapsed

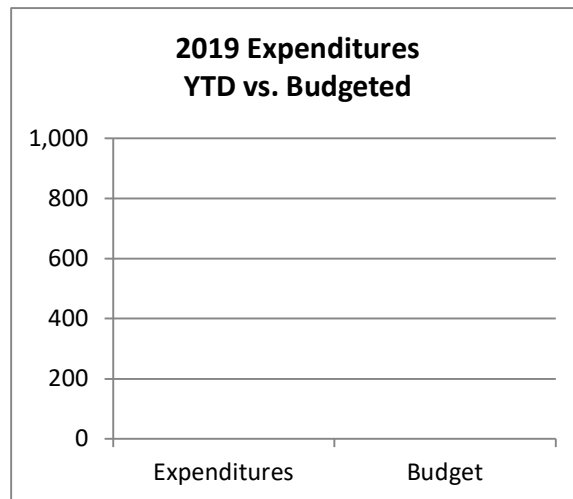
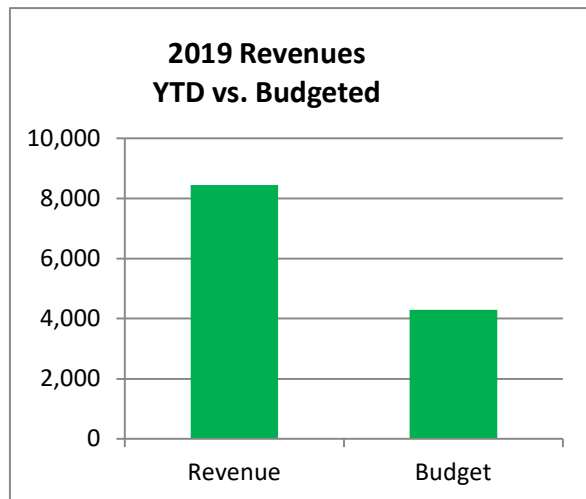


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Cemetery Fund  
Period Ending November 30, 2019  
Unaudited

<b>Cemetery Fund</b>	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance*	120,895	120,895	
<b><u>Revenues:</u></b>			
Miscellaneous Revenue	5,695	3,000	189.8%
Earnings on Investment	2,757	1,300	212.1%
Total Operating Revenues	8,452	4,300	196.6%
<b><u>Expenditures:</u></b>			
Operations & Maintenance	-	-	
Capital Outlay	-	-	
Transfers Out	-	-	
Total Expenditures	-	-	
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>8,452</b>	<b>4,300</b>	
<b>Ending Fund Balance*</b>	<b>129,347</b>	<b>125,195</b>	

\* - Unaudited

92% of the fiscal year has elapsed

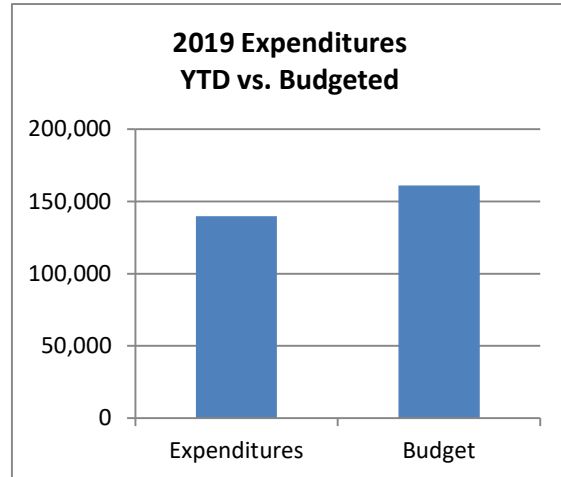
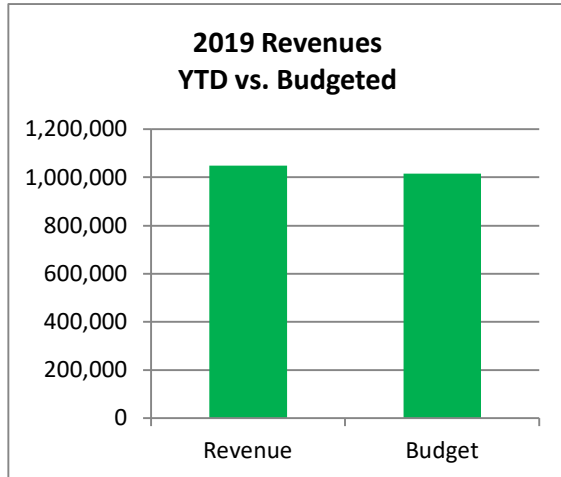


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Equipment Fund  
Period Ending November 30, 2019  
Unaudited

	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
<b>Equipment Replacement Fund</b>			
Beginning Fund Balance	3,554,886	3,554,886	
<b><u>Revenues:</u></b>			
Earnings on Investment	48,547	15,000	323.6%
Transfers In	1,000,000	1,000,000	100.0%
Total Operating Revenues	1,048,547	1,015,000	103.3%
<b><u>Expenditures:</u></b>			
Capital	139,897	161,000	86.9%
Total Expenditures	139,897	161,000	86.9%
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>908,650</b>	<b>854,000</b>	
<b>Ending Fund Balance*</b>	<b>4,463,536</b>	<b>4,408,886</b>	

\* - Unaudited

92% of the fiscal year has elapsed

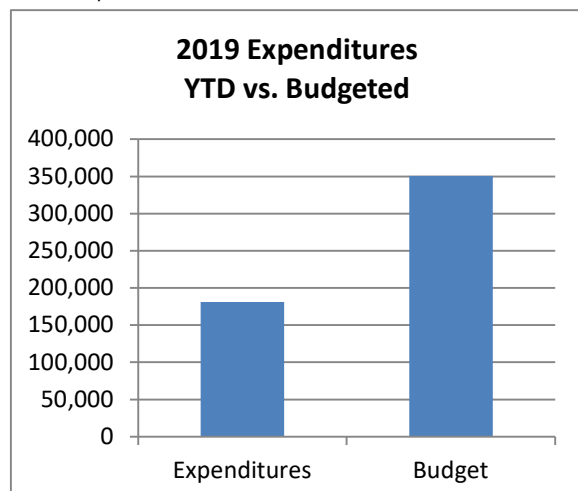
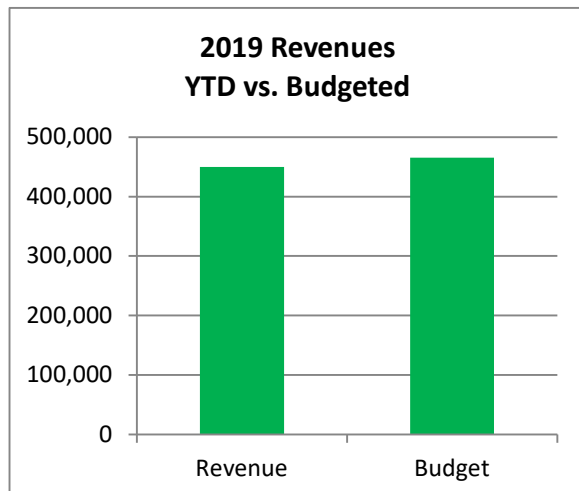


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Drainage Fund  
Period Ending November 30, 2019  
Unaudited

Drainage Fund	2019 Actuals Jan - Nov	2019 Adopted Budget	%
			Complete
Beginning Cash Balance	2,975,713	2,975,713	
<b><u>Revenues:</u></b>			
Charges for Services	407,691	430,000	94.8%
Total Operating Revenues	407,691	430,000	94.8%
<b><u>Expenses:</u></b>			
Administration	79,059	100,600	78.6%
Operations	102,536	249,900	41.0%
Capital Improvements	-	-	
Transfer Out	-	-	
Total Operating Expenses	181,595	350,500	51.8%
Operating Income (Loss)	226,096	79,500	
<b><u>Non-Operating Revenues (Expenses)</u></b>			
Capital Revenues	-	-	
Misc. Revenues	-	-	
Interest Expense	42,321	35,000	120.9%
Total Non-Operating Revenues (Expenses)	42,321	35,000	120.9%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenses</b>	<b>268,417</b>	<b>114,500</b>	
<b>Ending Cash Balance*</b>	<b>3,244,130</b>	<b>3,090,213</b>	

\* - Unaudited

92% of the fiscal year has elapsed



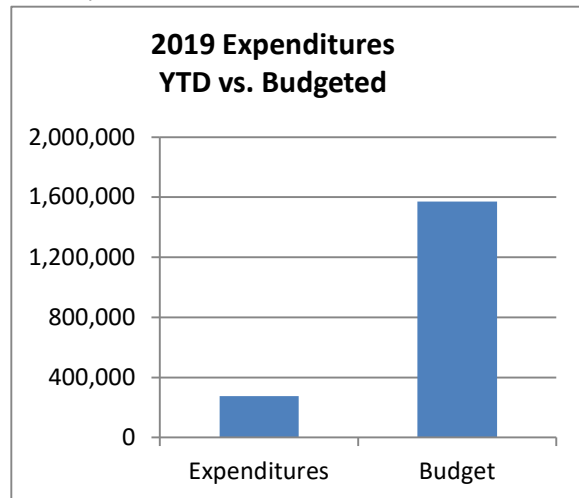
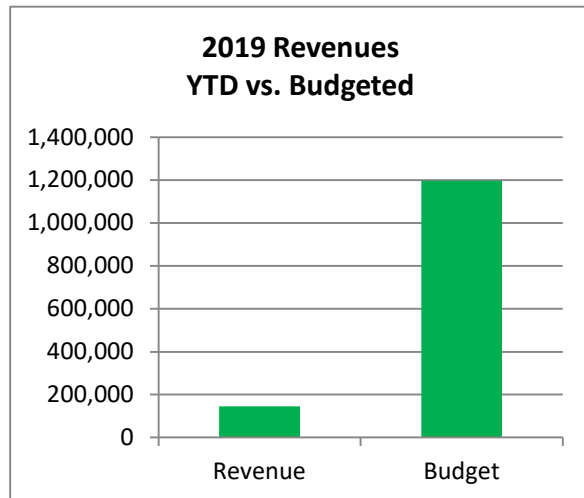


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Library Fund  
Period Ending November 30, 2019  
Unaudited

Library Fund	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance	2,477,604	2,477,604	
<b><u>Revenues:</u></b>			
Earnings on Investment	-	1,184,900	0.0%
Miscellaneous Revenue	145,351	9,000	1615.0%
Transfers In	-	3,000	0.0%
Total Operating Revenues	145,351	1,196,900	12.1%
<b><u>Expenditures:</u></b>			
Operations	275,080	720,000	38.2%
Capital Outlay	-	850,000	0.0%
Total Expenditures	275,080	1,570,000	17.5%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>(129,729)</b>	<b>(373,100)</b>	
<b>Ending Fund Balance*</b>	<b>2,347,875</b>	<b>2,104,504</b>	

\* - Unaudited

92% of the fiscal year has elapsed

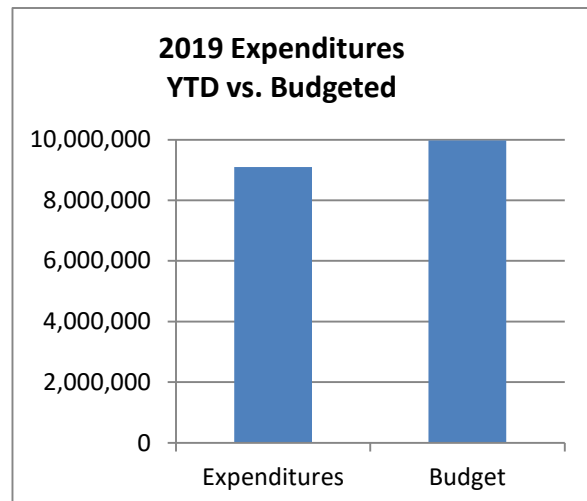
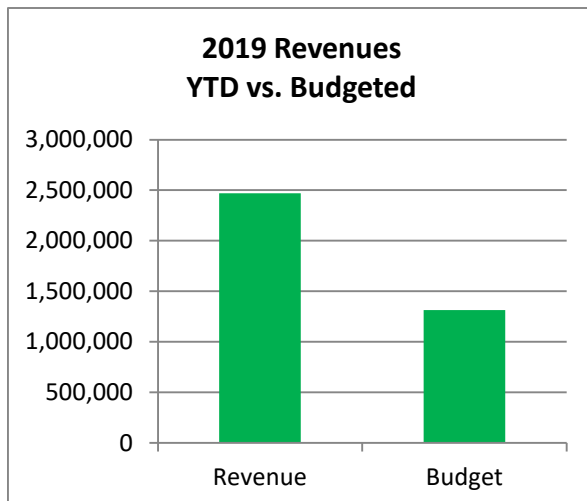


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Capital Fund  
Period Ending November 30, 2019  
Unaudited

<b>Capital Projects Fund</b>	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance	19,280,857	19,280,857	
<b><u>Revenues:</u></b>			
Taxes and Fees	2,260,462	1,200,000	188.4%
Miscellaneous Revenue	-	15,000	0.0%
Interest	209,646	100,000	209.6%
<i>Transfers In</i>	-	-	
Total Operating Revenues	2,470,108	1,315,000	187.8%
<b><u>Expenditures:</u></b>			
Capital Outlay	1,096,958	1,973,500	0.0%
<i>Transfers Out</i>	8,000,000	8,000,000	0.0%
Total Expenditures	9,096,958	9,973,500	91.2%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>(6,626,850)</b>	<b>(8,658,500)</b>	
<b>Ending Fund Balance*</b>	<b>12,654,007</b>	<b>10,622,357</b>	

\* - Unaudited

92% of the fiscal year has elapsed

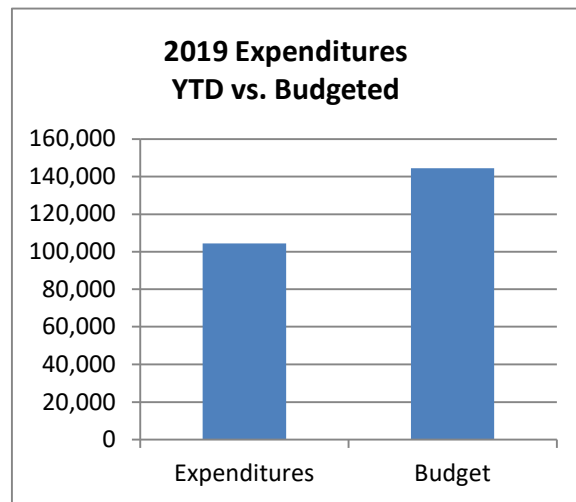
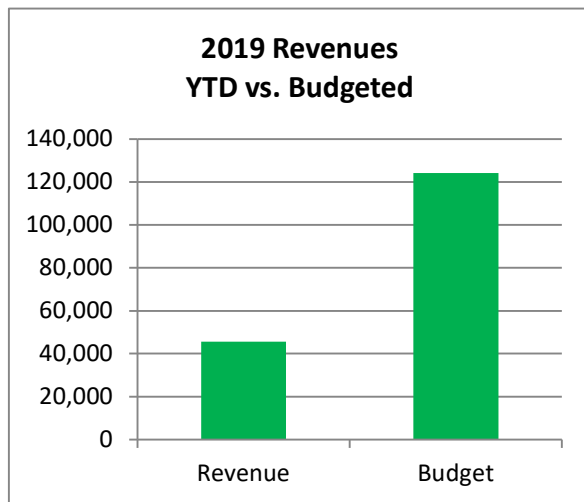


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Johnsons Corner Fund  
Period Ending November 30, 2019  
Unaudited

Johnson's Corner Improvement Fund	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance	25,755	25,755	
<b><u>Revenues:</u></b>			
Taxes & Fees	45,589	124,000	36.8%
Earnings on Investment	29	100	29.0%
Total Operating Revenues	45,618	124,100	36.8%
<b><u>Expenditures:</u></b>			
Capital Outlay	104,051	144,300	72.1%
Total Expenditures	104,051	144,300	72.1%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>(58,433)</b>	<b>(20,200)</b>	
<b>Ending Fund Balance*</b>	<b>(32,678)</b>	<b>5,555</b>	

\* - Unaudited

92% of the fiscal year has elapsed

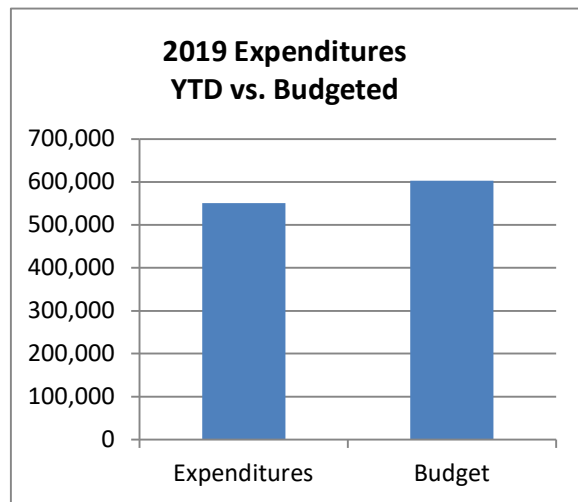
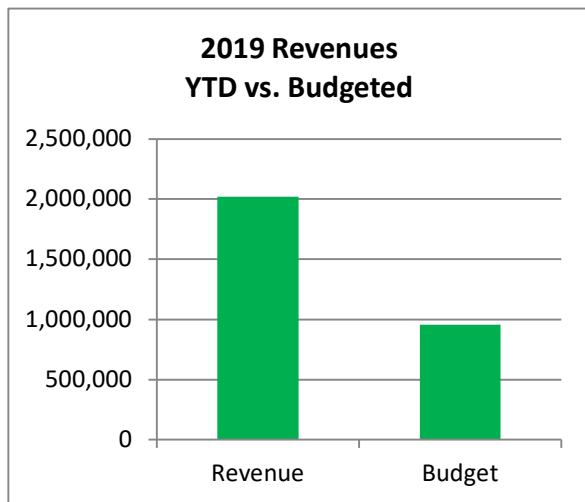


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Impact Fund  
Period Ending November 30, 2019  
Unaudited

<b>Impact Fund</b>	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance	18,367,324	18,367,324	
<b><u>Revenues:</u></b>			
Taxes & Fees	1,757,738	855,000	205.6%
Earnings on Investment	260,766	100,000	260.8%
Total Operating Revenues	2,018,505	955,000	211.4%
<b><u>Expenditures:</u></b>			
Capital Outlay	550,646	602,839	91.3%
Total Expenditures	550,646	602,839	91.3%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>1,467,859</b>	<b>352,161</b>	
<b>Ending Fund Balance*</b>	<b>19,835,183</b>	<b>18,719,485</b>	

\* - Unaudited

92% of the fiscal year has elapsed

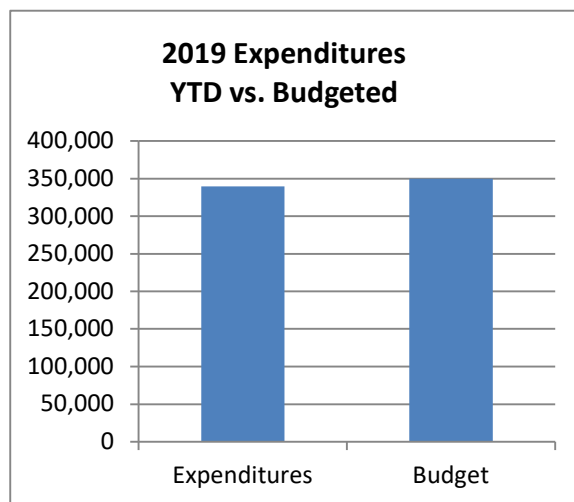
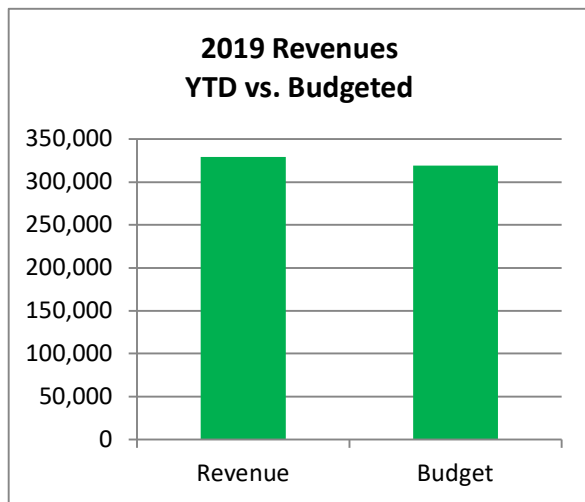


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Street Maintenance Fund  
Period Ending November 30, 2019  
Unaudited

Street Maintenance Fund	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance	300,224	300,224	
<b><u>Revenues:</u></b>			
Taxes & Fees	327,775	319,000	102.8%
Earnings on Investment	1,698	100	1698.0%
Total Operating Revenues	<u>329,473</u>	<u>319,100</u>	103.3%
<b><u>Expenditures:</u></b>			
Operations & Maintenance	<u>339,952</u>	<u>350,000</u>	97.1%
Total Expenditures	<u>339,952</u>	<u>350,000</u>	97.1%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b><u>(10,479)</u></b>	<b><u>(30,900)</u></b>	
<b>Ending Fund Balance*</b>	<b><u><u>289,745</u></u></b>	<b><u><u>269,324</u></u></b>	

\* - Unaudited

92% of the fiscal year has elapsed

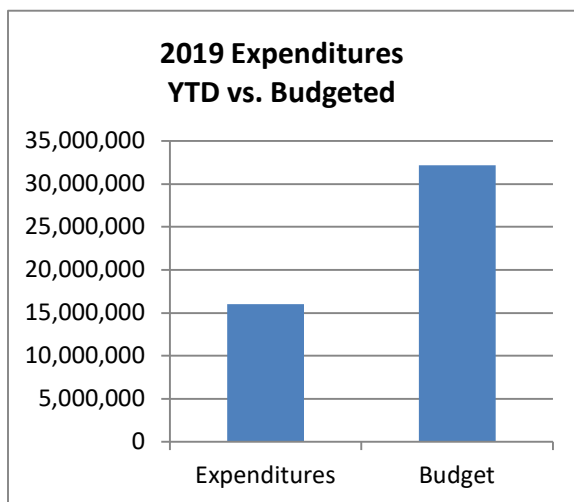
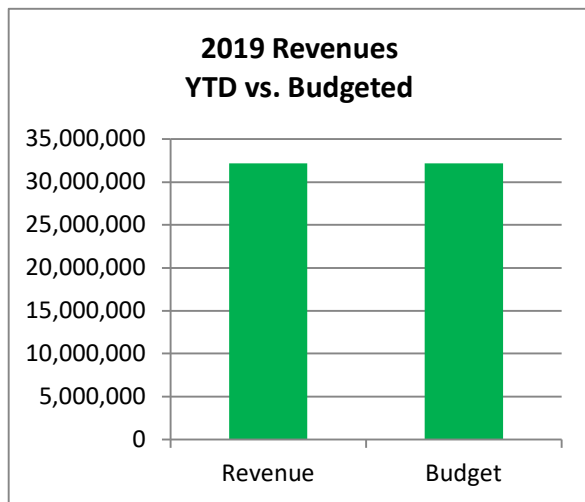


Town of Johnstown, Colorado  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Recreation Center Fund  
Period Ending November 30, 2019  
Unaudited

Recreation Center Fund	2019 Actuals Jan - Nov	2019 Adopted Budget	% Complete
Beginning Fund Balance*	0	0	
<b><u>Revenues:</u></b>			
Transfers In	32,150,000	32,150,000	100.0%
Earnings on Investment	-	-	
Total Operating Revenues	32,150,000	32,150,000	100.0%
<b><u>Expenditures:</u></b>			
Operations & Maintenance	16,025,975	32,000,000	50.1%
Total Expenditures	16,025,975	32,000,000	50.1%
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>16,124,025</b>	<b>150,000</b>	
<b>Ending Fund Balance*</b>	<b>16,124,025</b>	<b>150,000</b>	

\* - Unaudited

92% of the fiscal year has elapsed



# **Ordinance 2019-167**

## **TOWN OF JOHNSTOWN, COLORADO**

### **ORDINANCE NO. 2019-167**

#### **AN ORDINANCE REPLACING CHAPTER 4 OF THE JOHNSTOWN MUNICIPAL CODE CONCERNING TOWN REVENUE AND FINANCES**

**WHEREAS**, the Town of Johnstown, Colorado (“Town”) is a Colorado home rule municipality, duly organized and existing under the laws of the State of Colorado and the Town’s Home Rule Charter; and

**WHEREAS**, the Town Council is vested with authority to administer the affairs of the Town; and

**WHEREAS**, Chapter 4 of the Johnstown Municipal Code contains regulations addressing Town revenue and finances; and

**WHEREAS**, Chapter 4 is comprised of numerous sections that were carried forward from the Town’s prior code, which was superseded and replaced by Ordinance No. 463 adopted in August of 1991, and other sections adopted many years ago that are subject to modification to conform with existing practice; and

**WHEREAS**, based upon the recommendation of the Town Manager and Town Finance Director, Town Council desires to replace Chapter 4 with the provisions set forth in Section 1 below; and

**WHEREAS**, Town Council hereby finds, determines and declares that this Ordinance is promulgated under the general police power of the Town, that it is promulgated for the preservation of the public health, welfare, peace, safety and property, that this Ordinance is necessary for the protection of public convenience and welfare and that this Ordinance is in the best interests of the citizens of the Town.

**BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO, THAT:**

**Section 1.** Chapter 4. Chapter 4 of the Johnstown Municipal Code is hereby deleted in its entirety and replaced with the following:

#### **CHAPTER 4 REVENUE AND FINANCES**

##### **ARTICLE I - Fiscal Year, Finances**

###### **Sec. 4-1. Fiscal year same as calendar year.**

The fiscal year of the Town shall commence on the first day of January and end on the last day of December of each year.

###### **Sec. 4-2. Annual budget.**

No later than October 15<sup>th</sup> of each year, the Town Manager, as designated by the Town Council and required by Colorado Law, shall submit to the Town Council the proposed annual budget for the ensuing



fiscal year. The budget as approved by the Town Council shall be adopted and administered in accordance with the provisions of the Local Government Budget law of the State.

**Sec. 4-3. Rate of tax levy.**

The Town Council shall by resolution fix the rate of tax to be levied upon all the taxable property within the Town for municipal purposes and, through the Town Treasurer, shall officially certify said levy to the County Commissioners of both Weld and Larimer County respectively prior to December 15 of each year.

**Sec. 4-4. Annual appropriation.**

The Town Council shall pass an ordinance or resolution within the last quarter of each fiscal year appropriating such sums of money as are necessary to cover the items in its budget and defray all necessary expenses and liabilities of the Town, specifying the objects and purposes for which such appropriations are made and the amount appropriated for each object or purpose. The total amount appropriated shall not exceed the probable amount of revenue and reserves available during the fiscal year.

**Sec 4-5. Delinquent charges.**

The Town Council may cause any or all delinquent charges, assessments, fees or taxes made or levied to be certified to the treasurer of the county and be collected and paid over by the treasurer of the county.

**Secs. 4-6 - 4-20. Reserved.**

**ARTICLE II - Administration**

**Sec. 4-21. Deposits; investments; funds.**

The Town Treasurer shall deposit all of the funds and monies which come into his or her possession by virtue of the office as Town Treasurer in one (1) or more responsible banks located in the State which have been designated by written resolution of the Town Council. The Town Council may also authorize the Town Treasurer, by written resolution, to invest all or any part of such funds in securities which are authorized for such investment by state law.

**Sec. 4-22. Annual audit.**

The Town Council shall select a qualified person or firm as auditor and cause to be made an annual audit of the financial affairs and transactions of the Town in accordance with the requirements of state law ("Auditor"). The Auditor shall audit the books and records of the Town and its financial affairs and transactions at least once each year, in the form provided by state law, and shall make a written report to the Town Council after each audit of the condition of the Town's finances and the results of the Auditor's examination. The Auditor may make recommendations to the Town Council concerning the system of keeping the books, records and accounts of the Town.

**Sec. 4-23. Certification of a lien; withholding or revoking approval.**

All fees, charges, taxes or assessments owed to the Town shall constitute a prior, perpetual lien upon each lot or parcel of land of the owner, developer, or licensee from the due date thereof until paid. If such fee, charge, tax or assessment is not paid when due, in addition to any such other means as provided by law, the Town Clerk or Town Treasurer may certify such lien to the County Treasurer and the fee, charge, tax or assessment shall be collected in the same manner as though it were part of the taxes. Fees, charges, taxes or assessments shall include, but are not limited to, any development fees and charges assessed

under any annexation or subdivision improvement agreements, development impact fees assessed by resolution or ordinance and any other financial obligation imposed by resolution or ordinance. The Town reserves the right to withhold or revoke any permits, certificates or other approvals for any land use or license for which payment of any fee, charge, tax or assessment is delinquent.

**Secs. 4-24—4-30. Reserved.**

### **ARTICLE III – General Fund, Special Funds and Enterprise Funds**

#### **Sec. 4-31. General Fund created.**

There is hereby created a fund, to be known as the General Fund, which shall consist of the following:

- (1) All cash balances of the Town not specifically belonging to any existing special fund or enterprise fund of the Town; and
- (2) All fixed assets of the Town not specifically belonging to any existing special fund or enterprise fund of the Town.

#### **Sec. 4-32. Cemetery Perpetual Care Fund.**

- (1) There is created a special fund, to be known as the Cemetery Perpetual Care Fund, for revenues collected, received and administered pursuant to Article VI of Chapter 11 of the Code, as amended.

#### **Sec. 4-33. Conservation Trust Fund.**

- (1) There is hereby created a special fund, to be known as the Conservation Trust Fund, for revenues collected or received pursuant to Section 29-21-101, C.R.S., and for other revenue, if any, Town Council may appropriate to such fund.
- (2) All moneys taken or expended from said Conservation Trust Fund shall be used only for the purposes sought to be accomplished by state law, including the acquisition, development, and maintenance of new conservation sites or capital improvements or maintenance for recreational purposes on any public site, as provided in Section 29-21-101, C.R.S., as amended.

#### **Sec. 4-34. Park and Open Space Fund.**

- (1) There is hereby created a special fund, to be known as the Parks and Open Space Fund, for the purchase, development, and maintenance of parks lands, open space lands, and trails that offer either passive or active recreational use throughout the Town.
- (2) There shall be transferred to the Parks and Open Space Fund all money, including investment income, from the one-quarter of one (0.25) cent per dollar open space sales and use tax collected and remitted to the Town from Larimer County.
- (3) Such funds shall be expended for payment of the expenditures related to the purposes set forth in this Section or as otherwise authorized by the Town Council.

#### **Sec. 4-35. Recreation Center Fund.**

- (1) There is hereby created a special fund, to be known as the Recreation Center Fund.
- (2) Revenue shall be provided by the General Fund to the Recreation Center Fund, unless alternate sources of funding are available, certain of which may require ballot approval.

- (3) Such funds shall be expended for the payment of expenditures for the operations, maintenance and capital projects for the Johnstown Community Recreation Center and for other such purposes authorized by the Town Council.

**Sec. 4-36. Street and Alley Fund.**

- (1) There is hereby created a special fund, to be known as the Street and Alley Fund.
- (2) Revenue shall be provided to the Street and Alley Fund from fees, vehicle taxes, motor and other vehicle use taxes, transportation associated grants and all other revenues associated with transportation.
- (3) Except as otherwise restricted, such funds shall be expended for the payment of expenditures associated with construction, maintenance and capital improvements of streets, alleys, bridges, sidewalks, curbs and gutters, street signs, street striping, street cleaning, snow removal, acquisition of property and equipment, and other activities involving transportation and related infrastructure as deemed appropriate by the Town.

**Sec. 4-37. Tax Allocation Fund.**

- (1) There is hereby created a special fund, to be known as the Tax Allocation Fund.
- (2) Revenue shall be provided to the Tax Allocation Fund from sales and use taxes received from specific development areas wherein, pursuant to the terms of written agreements between the Town and the developer, the Town has agreed to reimburse a developer for the cost of public improvements.

**Sec. 4-38. Library Fund.**

- (1) There is hereby created a special fund, to be known as the Library Fund.
- (2) Revenue shall be provided to the Library Fund from property tax revenue collected from the Town and from the High Plains Library District, user fines and fees, grants, and contributions. The Town commits to provide property tax revenue from 3.3 mills annually, which includes the 1.8 mills approved by voters.
- (3) Except as otherwise restricted, funds shall be expended for the payment of library-related costs associated with building and infrastructure construction, operations and maintenance, materials, equipment, programming, outreach, and other appropriate activities.

**Sec. 4-39. Capital Projects.**

- (1) There is hereby created a special fund, to be known as the Capital Projects Fund, for the acquisition of property and equipment, the construction of streets, walkways and bridges, the construction of public buildings and public infrastructure, and the planning and engineering studies to implement the above-mentioned capital facilities.
- (2) There shall be transferred to the Capital Projects Fund all money, including investment income, from the existing Use Tax Capital Improvement Fund, which shall thereafter be abolished.
- (3) Revenues shall be provided to the Capital Projects Fund from one percent (1%) of the use tax collected on building materials and construction materials utilized within the Town.

**Sec. 4-40. Sanitary Sewer Fund.**

- (1) There is hereby created an enterprise fund, to be known as the Sanitary Sewer Fund, within the meaning of Section 20 of Article X of the Colorado Constitution.
- (2) The Sanitary Sewer Fund revenues shall be derived, collected and administered pursuant to Article II of Chapter 13 of the Code, as amended, and shall receive less than ten percent (10%) of its annual revenue from Colorado state and local government grants combined.

**Sec. 4-41. Water Fund.**

- (1) There is hereby created an enterprise fund, to be known as the Water Fund, within the meaning of Section 20 of Article X of the Colorado Constitution.
- (2) The Water Fund revenues shall be derived, collected and administered pursuant to Article III of Chapter 13 of the Code, as amended, and shall receive less than ten percent (10%) of its annual revenue from Colorado state and local government grants combined.

**Sec. 4-42. Drainage Fund.**

- (1) There is hereby created an enterprise fund, to be known as the Drainage Fund, within the meaning of Section 20 of Article X of the Colorado Constitution.
- (2) The Drainage Fund revenues shall be derived, collected and administered pursuant to Article VII of Chapter 13 of the Code, as amended, and shall receive less than ten percent (10%) of its annual revenue from Colorado state and local government grants combined.

**Sec. 4-43. Custody and management of funds.**

Moneys in the funds herein created shall be in the custody of and managed by the Town Treasurer. The Town Treasurer shall maintain accounting records and account for all of said moneys as provided by law. Unless otherwise provided, moneys across the various funds of the Town may be commingled for purposes of investments or deposited by the Town Treasurer in accordance with the provisions of law so long as accurate records are kept of the amount of such funds, inclusive of enterprise funds and development fee funds, allocable to each individual fund. All income from the assets of any fund shall become a part of the fund from which derived and shall be used for the purpose for which such fund was created; provided that, except as otherwise provided in this Article or by other ordinances or laws or by this Code, the Town Council may transfer out of any fund, any amount, at any time to be used for such purpose as the Town Council may direct.

**Secs. 4-44—4-50. Reserved.**

**ARTICLE IV - Sales Tax**

**Sec. 4-51. Purpose.**

The purpose of this Article is to impose a sales tax on the sale of tangible personal property at retail or the furnishing of services, the sale of which tangible personal property and services are taxable pursuant to the Emergency Retail Sales Act of 1935, Section 39-26-101, *et seq.*, C.R.S., as amended (for purposes of this Article, “the Act”).

**Sec. 4-52. Definitions.**

For the purpose of this Article, the definitions of words herein contained shall be as defined in Section 39-26-102, C.R.S., as amended, and said definitions are incorporated herein by this reference.

**Sec. 4-53. Amendments to Article.**

The Town Council may amend, alter or change this Article, except as otherwise provided by law.

**Sec. 4-54. Penalty.**

Any person convicted of violating any of the provisions of this Article shall be punished as provided in Section 1-62 of the Code.

**Sec. 4-55. License for retail sale of tangible property.**

- (1) It shall be unlawful for any person to engage in the business of selling tangible personal property at retail or furnishing certain services as set forth in 39-26-104, C.R.S., as amended, without first having obtained a license therefor. Such license shall be granted and issued by the Town Clerk and shall be in force and effect until December 31 of the year in which it is issued, unless sooner revoked.
- (2) Such license shall be granted and renewed only upon application stating the name and address of the person desiring such a license, the name of such business and the location and such other facts as the Town Clerk may require.
- (3) It shall be the duty of each licensee on or before January 1 of each year during which this Article remains in effect to obtain a renewal thereof if the licensee remains in the retail business or liable to account for the tax herein provided, but nothing herein contained shall be construed to empower the Town Clerk to refuse such renewal except upon revocation for cause of licensee's prior license.
- (4) In case business is transacted at one (1) or more separate premises by one (1) person, a separate license for each place of business shall be required.
- (5) Any person engaged in the business of selling tangible personal property at retail or furnishing certain services in the Town, without having secured a license therefor, except as specifically provided herein, shall be guilty of a violation of this Code.
- (6) Each license shall be numbered and shall show the name, residence, place and character of business of the licensee and shall be posted in a conspicuous place in the place of business for which it is issued. No license shall be transferable.
- (7) No license shall be required for any person engaged exclusively in the business of selling tangible personal property which is exempt from taxation under this Article.
- (8) The fee for a business license and for renewal of the license shall be in the amount provided by resolution adopted by Town Council.

**Sec. 4-56. General application of tax and exemptions.**

- (1) For the purpose of collection, exemption, administration and enforcement of this Article by the Director of Revenue, the provisions of the Act shall be deemed applicable and incorporated into this Article.
- (2) The amount subject to tax under this Article shall not include the state sales and use tax imposed by the Act.
- (3) For the purpose of this Article, all retail sales shall be considered consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his or her agent to a final destination outside the limits of the Town or to a common carrier for delivery to a final destination outside the limits of the Town.

- (4) The gross receipts from sales shall include delivery charges, when such charges are subject to the state sales and use tax imposed by the Act, regardless of the places to which delivery is made.
- (5) In the event a retailer has no permanent place of business in the Town, or more than one (1) place of business, the place or places at which the retail sales are consummated for the purpose of this sales tax shall be determined by the provisions of the Act, and by the rules and regulations promulgated by the State Department of Revenue.
- (6) The Town shall permit the retailer to withhold a collection fee in an amount of money equal to three and one third percent (3.33%) of the total sales tax collected.
- (7) The tax imposed by this Article shall not apply to the sale of tangible personal property at retail or the furnishing of services if the transaction was previously subjected to a sales or use tax lawfully imposed upon the purchaser or user by another statutory or home rule municipality equal to or in excess of three percent (3%). A credit shall be granted against the tax imposed by this Article with respect to such transaction equal in amount to the lawfully imposed local sales or use tax previously paid by the purchaser or user to the previous statutory or home rule municipality. The amount of the credit shall not exceed three percent (3%).
- (8) The Town's sales tax shall not apply to the sale of construction and building materials, as the term is used in Article V of this Chapter, if such materials are picked up by the purchaser in the Town and if the purchaser of such materials presents to the retailer a building permit or other documentation acceptable to the Town evidencing that a local use tax has been paid or is required to be paid.
- (9) Use tax shall be paid on building and construction materials, as defined in Article V of this Chapter 4, directly to the Town prior to construction if such materials are delivered on site by the vendor unless other acceptable documentation is provided to the Town evidencing that a local use tax has been paid or is required to be paid.

**Sec. 4-57. Schedule of sales tax.**

- (1) There is hereby imposed on the sale of tangible personal property at retail or the furnishing of services where such personal property and services are taxable pursuant to Section 39-26-104, C.R.S., as amended, a tax equal to three percent (3%) of the gross receipts.
- (2) The collection, administration and enforcement of this sales tax shall be performed by the State Director of Revenue in the same manner as the collection, administration and enforcement of the State sales tax. The provisions of the Act and all rules and regulations promulgated by the Director of Revenue shall govern the collection, administration and enforcement of the sales tax imposed by this Article.
- (3) The imposition of the tax on individual sales shall be in accordance with schedules set forth in the rules and regulations of the Department of Revenue or by separate resolution of the Town.

**Sec. 4-58. Unpaid tax a prior lien.**

- (1) The taxes imposed by Section 4-57 above shall be a first and prior lien upon the goods and business fixtures owned or used by any retailer required by the provisions of this Article to submit a return and make payment of the taxes collected, except the stock of goods held for sale in the ordinary course of business, until said taxes are paid in full.
- (2) The lien created by Subsection (1) above shall be construed to be a lien and encumbrance upon the specific items of personal property therein enumerated, shall take precedence over all other liens, encumbrances or claims of whatsoever nature and shall immediately attach to such items without the necessity of the filing of any notice of lien thereof.

#### **Sec. 4-59. Sales tax credit.**

Notwithstanding any other provision of this Article, and in order to implement the provisions of the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, dated as of the Effective Date thereof (as amended or supplemented from time to time, the "Agreement"), by and among the Town of Johnstown, Johnstown Plaza, LLC and the Johnstown Plaza Metropolitan District, there shall be granted to each person or entity obligated to pay, collect or remit sales tax on the sale of tangible personal property at retail or the furnishing of services, which are subject to Town sales tax occurring within the PIF Property, as defined in the PIF Covenant, and incorporated herein by this reference, a tax credit against collection of the sales tax as hereinafter set forth. Such sales tax credit shall be granted in form of a reduction in the applicable sales tax rate in an amount equivalent to two percent (2%), the rate of the Credit PIF, and shall attach to a particular transaction only to the extent that the Credit PIF Revenues are received by the PIF Collecting Agent for such transaction. The sales tax credit shall be automatic and shall take effect immediately upon the occurrence of a Taxable Transaction within the PIF Property, but shall be subject to the applicable retailer's remittance to and receipt by the PIF Collecting Agent of the Credit PIF Revenues in accordance with the PIF Covenant and the Agreement. The sales tax credit shall be granted during the Credit PIF Period and shall automatically terminate when the Credit PIF Period terminates. All capitalized terms used in this Section and not otherwise defined herein shall have the meanings set forth in the Agreement.

#### **Secs. 4-60—4-70. Reserved.**

### **ARTICLE V - Use Tax**

#### **Sec. 4-71. Definitions.**

- (a) *Building materials* are those construction materials for which a Town Building Permit is required.
- (b) *Construction materials* are all other construction materials, including but not limited to tangible personal property, which, when combined with other tangible personal property, loses its identity to become an integral and inseparable part of a completed structure or project, including public and private improvements. *Construction materials* include, but are not limited to, such things as: asphalt, bricks, builders' hardware caulking material, cement, concrete, conduit, electric wiring and connections, fireplace inserts, electrical heating and cooling equipment, flooring, glass, gravel, insulation, lath, lead, lime, lumber, macadam, millwork, mortar, oil, paint, piping, pipe valves and pipe fittings, plaster, plumbing fixtures, putty, reinforcing mesh, road base, roofing, sand, sanitary sewer pipe, sheet metal, site lighting, steel, stone, stucco, tile, trees, shrubs and other landscaping materials, wall board, wall coping, wallpaper, weather stripping, wire netting and screen, water mains and meters, wood preserver, electrical conduit, cable, transformers, pipelines, utility line, railroad ties and rails, or other similar property, whether or not such property may lose its identity as personal property by being incorporated as part of the real property. The above materials, when used for forms or other items which do not remain as an integral or inseparable part of a completed structure or project, are not construction materials. However, in no event shall the term *construction materials* include any tangible personal property stored, used or consumed by a person or entity subject to regulation by the Colorado Public Utilities Commission.

#### **Sec. 4-72. Imposed.**

There is imposed, and there shall be paid and collected, a use tax upon the privilege of using or consuming within the Town any construction and building materials, and motor and other vehicles on

which registration is required, purchased at retail, or both, such use tax to be in the amount of three percent (3%) of the retail cost thereof.

**Sec. 4-73. Exemptions.**

(a) In no event shall the use tax apply:

- (1) For the storage, use or consumption of any tangible property, the sale of which is subject to a retail sales tax imposed by the Town.
- (2) To the storage, use or consumption of any tangible personal property purchased for resale in the Town, either in its original form or as an ingredient of a manufactured or compounded product, in the regular course of a business.
- (3) To the storage, use or consumption of tangible personal property brought into the Town by a nonresident thereof for his or her own storage, use or consumption while temporarily within the Town; however, this exemption does not apply to the storage, use or consumption of tangible personal property brought into the Town by a nonresident to be used in the conduct of a business in this Town.
- (4) To the storage, use or consumption of tangible personal property by the United States Government or the State, or their institutions or political subdivisions, in their governmental capacities only, or by religious or charitable corporations in the conduct of their religious or charitable functions.
- (5) To the storage, use or consumption of tangible personal property by a person engaged in the business of manufacturing or compounding for sale, profit or use any article, substance or commodity, which tangible personal property enters into the processing of or becomes an ingredient or component part of the product or service which is manufactured, compounded or furnished, and the container, label or the furnished shipping case thereof.
- (6) To the storage, use or consumption of any article of tangible personal property, the sale or use of which has already been subjected to a sale and use tax of another town, city or county equal to or in excess of the use tax. A credit shall be granted against the use tax with respect to a person's storage, use or consumption in the Town of tangible personal property purchased by him or her elsewhere. The amount of the credit shall be equal to the tax paid to him or her by reason of the imposition of a sales or use tax of another town, city or county on his or her purchase or use of the property. The amount of the credit shall not exceed the amount of the use tax.
- (7) To the storage, use or consumption of tangible personal property and household effects acquired outside of the Town and brought into it by a nonresident acquiring residency.
- (8) To the storage or use of a motor vehicle if the owner is or was, at the time of purchase, a nonresident of the Town; and he or she purchased the vehicle outside of the Town for use outside of the Town and actually so used it for a substantial and primary purpose for which it was acquired; and he or she registered, titled and licensed the motor vehicle outside of the Town.
- (9) To the storage, use or consumption of any construction and building materials and motor and other vehicles on which registration is required if a written contract for the purchase thereof was entered into prior to the effective date of the use tax.
- (10) To the storage, use or consumption of any construction and building materials required or made necessary in the performance of any construction contract bid, let or entered into at any time prior to the effective date of the use tax.



- (11) To the storage of construction and building materials.

**Sec. 4-74. Motor and other vehicle use tax collection.**

The use tax shall be applicable for every motor or other vehicle for which registration is required by the laws of the State. No registration shall be made of any motor or other vehicle for which registration is required, and no certificate of title shall be issued for such vehicle by the State Department of Revenue or its authorized agents until any use tax due upon the use, storage or consumption thereof has been paid.

**Sec. 4-75. – Building and construction materials use tax collection.**

A portion of revenues collected under this Section shall be credited to the Capital Projects Fund.

**Sec. 4-76. Collection, administration and enforcement.**

- (a) The collection, administration and enforcement of the use tax shall be performed by the Town Treasurer. The Town Treasurer is authorized to adopt rules and regulations which may be necessary or appropriate for the collection, administration and enforcement of the use tax.
- (b) The use tax on building and construction material shall be due and payable to the Town at the time a building permit application is submitted, unless otherwise authorized by the Town.
- (c) The taxpayer may elect a hearing before Town Council with respect to the Town Treasurer's decision regarding a deficiency notice or claim for refund within thirty (30) days after the mailing of such decision.
- (d) Upon the exhaustion of local remedies, the taxpayer may request a hearing as provided by state law.

**Sec. 4-77. Unpaid tax a prior lien.**

- (a) The taxes imposed by Section 4-72 above shall be a first and prior lien upon the goods and business fixtures owned or used by any obligor required by the provisions of this Article to make payment of the taxes imposed until said taxes are paid in full.
- (b) The lien created by Subsection (a) above shall be construed to be a lien and encumbrance upon the specific items of personal property therein enumerated, shall take precedence over all other liens, encumbrances or claims of whatsoever nature and shall immediately attach to such items without the necessity of the filing of any notice of lien thereof.

**Secs. 4-78—4-90. Reserved.**

**ARTICLE VI - Development Cost Reimbursement**

**Sec. 4-91. Cost agreement.**

All development proposals, including, but not limited to, annexation, subdivision, zoning, rezoning, site plans and final development plans, shall require a cost agreement to be entered into between landowners or developers and the Town to provide for reimbursement to the Town for the cost of planning services, engineering services, legal services and consultants used by the Town to assist in evaluating landowners' or developers' requests and to assist the Town in negotiation, review, consultation and advice. Such agreement shall also reimburse the Town for other related costs, including but not limited to legal publication costs and administrative costs. The cost agreement shall require that the landowner or developer submit a deposit to the Town in the amount provided by resolution adopted by Town Council.

## **ARTICLE VII - Deferral of Development Fees**

### **Sec. 4-92. Deferral of development fees.**

The Town Manager, in his or her discretion, may defer fees imposed on new development in the Town when the deferral will serve a public purpose. A public purpose may include, without limitation, providing the public with social, economic, or cultural benefits. Unless otherwise authorized by the Town Council, the deferred fees shall be paid prior to the issuance of a certificate of occupancy and shall be imposed at the rate in effect at the time paid. In the event that any amounts owed are not paid when due, except as otherwise provided by the Town, such unpaid amounts shall be a perpetual lien upon the real property for which the deferred fees are owed from the date the fees are due until paid and such lien shall have priority over all other liens except those for real property taxes. Without limiting the Town's right to pursue all remedies available to it under the law to collect such unpaid fees, the Town Clerk or Town Treasurer may certify any delinquent fees and other amounts owed to the County Treasurer and such fees and amounts shall then be collected in the same manner as though they were real property taxes.

### **Secs. 4-93—4-100. Reserved.**

## **ARTICLE VIII - Lodging Tax**

### **Sec. 4-101. Purpose.**

The purpose of this Article is to impose a lodging tax on every person who, for consideration, leases or rents a hotel room, motel room, lodging room, guesthouse room, recreational vehicle PAD or other similar accommodation located in the Town for a period of less than thirty (30) consecutive days, and to require that every person who furnishes any such lodging accommodation collect and remit to the Town the tax imposed herein.

### **Sec. 4-102. Definitions.**

For purposes of this Article, the following words shall have the following meanings:

- (a) *Lodging accommodation* means hotel room, motel room, lodging room, motor hotel room, guesthouse room, recreational vehicle PAD or other similar accommodation located in the Town that is leased, rented or otherwise furnished to persons for a period of less than thirty (30) consecutive days.
- (b) *Lodging tax* or *tax* means an excise tax payable by a person for the purchase of a lodging accommodation and also means the aggregate amount of taxes due from a vendor during the period for which such vendor is required to collect and remit the tax imposed by this Article, as more fully described in Section 4-103 below.
- (c) *Taxpayer* means a person obligated to pay the tax under the terms of this Article.
- (d) *Vendor* means a person furnishing lodging accommodations for consideration within the Town.

### **Sec. 4-103. Tax levied.**

- (a) *Lodging tax.* Effective April 1, 2016, there is levied and shall be paid and collected an excise tax of three percent (3%) on the compensation paid for the leasing, rental or furnishing of any lodging accommodation for a period of less than thirty (30) consecutive days. This tax shall be in addition to the sales tax established pursuant to Articles IV of this Chapter and any other lawfully imposed tax or fee.

(b) *Exemptions.* The following transactions shall be exempt from the tax:

- (1) Lodging accommodations provided to the United States Government, the State of Colorado, its departments and institutions, and political subdivisions thereof, including the Town, in their governmental capacities and in the conduct of their governmental functions and activities only;
- (2) Lodging accommodations provided to any person who the Town is prohibited from taxing under the Constitution or laws of the United States or the State of Colorado;
- (3) Lodging accommodations provided to religious, charitable and eleemosynary corporations in the conduct of their religious, charitable and eleemosynary functions and activities only; and
- (4) Lodging accommodations provided to any person for a period of at least thirty (30) consecutive days.

**Sec. 4-104. – Certification of registration.**

(a) Every vendor shall obtain a certificate of registration as a tax collector from the Town Treasurer no later than thirty (30) days after commencing such business.

(b) An application for certificate of registration shall be made to the Town Treasurer upon forms furnished by the Town. Each application shall be signed and verified by the applicant or a properly authorized agent of the applicant.

(c) Upon receipt of the application for a certificate of registration in proper form and approval by the Town Treasurer, a certificate of registration shall be issued. A certificate of registration shall not be issued to any person who is in default to the Town for moneys due under this Article or any other provision of this Code.

(d) A separate certificate of registration shall be required for each place of business in the Town.

(e) The certificate of registration shall be conspicuously displayed at each place of business.

(f) Information supplied on the application required by this Section shall be updated within thirty (30) days of any change or alteration thereof upon forms supplied by the Town.

**Sec. 4-105. Liability for tax.**

(a) No taxpayer leasing or renting a lodging accommodation shall fail to pay the lodging tax levied pursuant to Section 4-103.

(b) No vendor leasing, renting or otherwise furnishing lodging accommodations shall fail to collect and remit to the Town the lodging tax levied pursuant to Section 4-103. The burden of proving that any transaction is not subject to the tax imposed by this Article is upon the vendor.

**Sec. 4-106. Collection; remittance of tax; audit.**

(a) Every vendor providing lodging accommodations taxable under this Article shall add the lodging tax to the compensation paid for the lodging accommodation, showing the tax as a separate and distinct item on the final invoice, or equivalent thereof, and shall collect the lodging tax.

(b) The lodging taxes collected by the vendor shall be and remain public money and the property of the Town. Until remitted to the Town, the vendor shall account for the money separately and hold such money in trust for the sole use and benefit of the Town.

- (c) The vendor shall report the lodging taxes collected on forms prescribed by the Town and shall remit such taxes to the Town on or before the twentieth day of each month for the preceding month, unless the Town, in its discretion, agrees in writing to a longer reporting period.
- (d) Every vendor shall maintain, keep and preserve suitable records of all sales made by the vendor and such other books or accounts as may be required by the Town in order to determine the amount of the lodging tax for which the vendor is liable under this Article. The vendor shall keep and preserve all such books, invoices and other records for a period of three (3) years, and the same shall be open for examination by the Town. Those records must include a daily sheet showing:
  - (1) The number of rooms rented during the preceding twenty-four (24) hour period, including multiple rentals of the same room where such occurred; and
  - (2) The actual hotel receipts collected for the period in question.
- (e) For the purpose of ascertaining the correct amount of the lodging tax due from a vendor under this Article, the Town or an authorized agent of the Town may conduct an audit by examining any relevant books, accounts and records of the vendor at the lodging accommodation.
- (f) No person shall prevent, hinder or interfere with the Town Treasurer or his or her duly authorized representative in the discharge of his duties under this Article. If any taxpayer refuses to voluntarily furnish any of the foregoing information when requested, the Town Council may issue a subpoena to require that the taxpayer or its representative attend a hearing or produce any such books, accounts and records for examination.
- (g) Any tax-exempt organization claiming exemption under the provisions of this Article is subject to audit in the same manner as any other person engaged in the lodging business in the Town.

**Sec. 4-107. Disputes over exemption from tax; application for refund.**

If a dispute arises between the taxpayer and vendor as to whether a lodging transaction is exempt from taxation, the taxpayer shall pay and the vendor shall collect the lodging tax, and the vendor shall issue to the taxpayer a receipt showing the name of the taxpayer and vendor, the lodging accommodation furnished, the date, the price for the lodging accommodation and the amount of lodging tax paid along with a brief statement of the claim of exemption. The taxpayer shall thereafter, within ten (10) days of payment of the lodging tax, be entitled to apply to the Town for a refund of such taxes. If an application is filed, the Town shall determine the question of exemption, subject to review as provided in Section 4-112.

**Sec. 4-108. Disposition of funds.**

The revenues derived from the lodging tax imposed by this Article shall be placed in the General Fund for expenditures for all lawful municipal purposes, including but not limited to police protection services, community and economic development services, community events and beautification projects.

**Sec. 4-109. Duties and powers of Town Manager.**

The administration of this Article is hereby vested in and shall be exercised by the Town Manager. The Town Manager is authorized to prescribe forms and rules and regulations for the proper administration and enforcement of the provisions hereof. The Town Manager may delegate the administration of this Article, or any part of it, subject to the limitations of this Code, to duly qualified employees and agents of the Town.

**Sec. 4-110. Tax information confidential.**

- (a) All specific information gained under the provisions of this Article used to determine the lodging tax collected and remitted to the Town, whether furnished by a taxpayer or a vendor or obtained through an audit, shall be treated by the Town and its officers, employees and legal representatives as confidential.
- (b) Except as directed by judicial order or otherwise provided by law, the Town, its officers, employees or legal representatives shall not divulge any confidential information obtained under the provisions of this Article. If directed by judicial order, the officials charged with the custody of such information shall be required to provide only such information as is directly ordered.
- (c) Nothing contained in this Section shall be construed to prohibit the delivery to the vendor, or to such vendor's authorized representative, of a copy of confidential information relating to such vendor, or to prevent the inspection of such confidential information by an authorized officer, employee, agent or legal representative of the Town.
- (d) Nothing contained in this Section shall be construed to prohibit the publication of statistics relating to the lodging tax if the statistics are classified to prevent the identification of particular reports or returns.
- (e) Notwithstanding the provisions of this Section, the Town may furnish to the taxing officials of the State or its political subdivisions, and other state or its subdivisions of the United States, any confidential information, provided that such jurisdiction enters into an agreement with the Town to grant reciprocal privileges to the Town and such information is to be used by the jurisdiction only for tax-related purposes.

**Sec. 4-111. Penalties; assessment.**

- (a) *Penalty.* A penalty in the amount of ten percent (10%) of the tax due or the sum of ten dollars (\$10.00), whichever is greater, shall be imposed upon the vendor and become due in the event the tax is not remitted by the twentieth day of the month as required by this Article, or such other date as prescribed by the Town, and one and one-half percent (1.5%) interest shall accrue each month on the unpaid balance.
- (b) *Penalty due to fraud.* If the Town Manager determines that the tax is not paid due to fraud with the intent to evade the tax, then, in lieu of the penalty set forth in Subsection (a), the Town Manager shall add fifty percent (50%) of the total amount of the tax due and one and one-half percent (1.5%) interest each month on the unpaid balance.
- (c) *Assessment.* If any vendor fails to remit the tax imposed by this Article, the Town Manager may make an estimate, based upon available information, of the amount of tax due and add the penalty and interest provided above. Such estimate shall thereupon become an assessment, and such assessment shall be final, due and payable.
- (d) *Notice.* The Town Manager shall mail notice of the amount of lodging tax due, together with penalties and interest, pursuant to the foregoing subsections, by certified mail to the vendor at the address indicated in the Town's records, and such amount shall be due and payable from the vendor to the Town within ten (10) days from the date of service of the notice or the date of mailing by certified mail; provided, however, that, within the ten (10) day period, the vendor may petition the Town for a revision or modification of the amount due as provided in Section 4-112 below.
- (e) *Waiver.* The Town Manager is hereby authorized to waive, for good cause shown, any penalty assessed pursuant to this Section.

**Sec. 4-112. Administrative review; appeals.**

- (a) *Petition.* A taxpayer or vendor who disputes the amount of the lodging tax due or who disputes any determination made by or on behalf of the Town pursuant to and by the authority of this Article may, within ten (10) days of such assessment or determination, petition for a hearing on a revision or modification of such assessment or such determination. The petition shall be in writing, filed with the Town Clerk and contain facts and figures in support of the position alleged therein. The petition shall be submitted under oath in writing or orally at the duly scheduled hearing. Only one petition in connection with a particular assessment or determination may be filed, except upon a showing of changed circumstances sufficient to justify the filing of an additional petition.
- (b) *Hearing.* The Town Manager may hold a hearing on the petition or may designate another person as a hearing officer with authority to hold such hearing. The hearing shall be held within a reasonable time after the filing of a petition at the Town Hall or other place as designated by the hearing officer, and notice thereof and the proceedings shall otherwise be in accordance with the rules and regulations issued by the Town. The petitioner shall have the burden of proof.
- (c) *Order.* Within thirty (30) days of a hearing, the hearing officer shall make written findings of fact and conclusions based upon all relevant information contained in the petition and presented at the hearing. The hearing officer's determination shall be considered a final order of the hearing officer, which may, within thirty (30) days of its issuance, be appealed to the Town Council.
- (d) *Appeal to Town Council.* An appeal to the Town Council shall be in writing, filed with the Town Clerk and allege with particularity the errors and omissions contained in the final order. The appellant shall, at that time of making such appeal, pay to the Town Treasurer a docket fee in the amount provided by resolution adopted by Town Council. Written notice of the hearing shall be given to all parties concerned at least seven (7) days prior to the hearing. The appellant shall have the burden of proof on appeal. Within thirty (30) days of the hearing, the Town Council shall make its final determination and affirm, modify or reverse the final order. Such assessment shall be considered the final order of the Town and may be reviewed under Rule 106(a)(4) of the Colorado Rules of Civil Procedure, provided that the taxpayer gives written notice to the Town of such intention within ten (10) days after receipt of the final order.
- (e) *Service.* Service by certified mail, return receipt requested, shall be conclusive evidence of service for the purpose of this Article.

#### **Sec. 4-113. Liens.**

The lodging tax imposed by this Article, together with penalties and interest, shall be and, until paid, shall remain, a first and prior lien on tangible personal property in which the vendor responsible to collect and remit the tax has an ownership interest, subject only to valid mortgages or other liens of record at the time of and prior to the recording of a notice of lien. Such lien may be certified and recorded as a charge against such tangible personal property and collected, along with costs of such collection, as provided by law.

#### **Sec. 4-114. Recovery of unpaid taxes by action at law.**

The Town Manager may treat due and unpaid lodging taxes, together with penalties and interest, as a debt owed to the Town and recover such debt in an action at law. In such case, the Town may recover, in addition to the amounts due and unpaid, the reasonable attorney fees and collection costs incurred with respect thereto. The vendor's return on the prescribed forms or the Town Manager's assessment as herein provided, as the case may be, shall be prima facie proof of amount due.

#### **Sec. 4-115. Status of unpaid taxes in bankruptcy and receivership.**

Whenever the business or property of a vendor subject to this Article is placed in receivership, bankruptcy or assignment for the benefit of creditors, or seized under distraint for taxes, all lodging taxes,

penalties and interest imposed by this Article, and for which the vendor is in any way liable under the terms of this Article, shall be a prior and preferred lien against all the property of the vendor, except as to other tax liens which have attached prior to the filing of the notice. No sheriff, receiver, assignee or other officer shall sell the property of any vendor subject to this Article under process or order of any court, without first ascertaining from the Town the amount of any lodging taxes due and payable under this Article and, if there are any such lodging taxes due, owing and unpaid, it shall be the duty of such officer to first pay the amount of the lodging taxes out of the proceeds of such sale before making payment of any monies to any judgment creditor or other claimants of whatsoever kind or nature, except the costs of the proceedings and other preexisting tax liens as above provided.

**Sec. 4-116. Statute of limitations.**

- (a) The lodging taxes for any period imposed by this Article, together with penalties and interest, shall not be assessed, nor shall notice of lien be filed, suit for collection be instituted or any other action to collect the same be commenced, more than three (3) years after the date on which the tax was or is due and payable. No lien shall continue after such period, except for taxes assessed before the expiration of such three-year period, a notice of lien with respect to which has been filed prior to the expiration of such period, and, in such cases, such lien shall continue only for one (1) year after the filing of notice thereof.
- (b) Notwithstanding the foregoing, in case of a false or fraudulent return with intent to evade taxation, the lodging tax, together with penalties and interest, may be assessed, or proceedings for the collection of such taxes may be commenced, at any time.
- (c) Before the expiration of such period of limitation, the taxpayer or vendor and the Town may agree in writing to an extension of the limitations period.

**Sec. 4-117. Tax overpayments.**

An application for refund of tax monies paid in error or by mistake shall be made within three (3) years after the date of payment for which the refund is claimed. If the Town determines that, within three (3) years of the due date, a vendor overpaid the lodging tax, the Town shall process a refund or allow a credit against a future remittance from the same vendor. The Town may extend the time for good cause.

**Sec. 4-118. Violations.**

- (a) It shall be unlawful for any taxpayer to fail or refuse to pay the lodging tax imposed by this Article, evade the payment of the lodging tax imposed by this Article or otherwise violate or fail to comply with any other provision of this Article.
- (b) It shall be unlawful for any vendor to refuse to make any return required by this Article, make any false or fraudulent return or any false statements in any return, fail or refuse to collect the lodging tax from a taxpayer, fail or refuse to remit any lodging taxes collected to the Town, evade the collection and remittance of the lodging taxes or otherwise violate or fail to comply with any other provision of this Article,
- (c) It shall be unlawful for any person to aid or abet another in an attempt to evade the payment of the lodging tax imposed by this Article.
- (d) Any person convicted of violating any of the provisions of this Article shall be punished as provided in Section 1-62 of the Code.

**Secs. 4-119—4-130. Reserved.**

**Article IX Unclaimed Property**

#### **Sec. 4-131. Purpose.**

The purpose of this Article is to provide for the administration and disposition of unclaimed property which is in the possession of or under the control of the Town.

#### **Sec. 4-132. Definitions.**

Unless otherwise required by context or use, words and terms shall be defined as follows:

*Owner* means a person or entity, including a corporation, partnership, association, governmental entity other than the Town, or a duly authorized legal representative or successor in interest of same, which owns unclaimed property in the possession of or under the control of the Town.

*Unclaimed property* means any tangible or intangible property, including any income or increment derived therefrom, less any lawful charges, in the possession of or under the control of the Town that has not been claimed by its owner for a period of more than two (2) years after it became payable or distributable.

#### **Sec. 4-133. Procedure for disposition of unclaimed property.**

- (a) Prior to disposition of any unclaimed property having an estimated value of fifty dollars (\$50.00) or more, the Town Clerk shall send a written notice by certified mail, return receipt requested, to the last known address, if any, of any owner of unclaimed property. The last known address of the owner shall be the last address of the owner as shown by the records of the Town. The notice shall include a description of the property, the amount or estimated value of the property and, when available, the purpose for which the property was deposited or otherwise held. The notice shall state where the owner may make inquiry of or claim the property. The notice shall also state that, if the owner fails to provide the Town Clerk with a written claim for the return of the property within sixty (60) days of the date of the notice, the property shall become the sole property of the Town and any claim of the owner to such property shall be deemed forfeited.
- (b) Prior to disposition of (i) any unclaimed property having an estimated value of less than fifty dollars (\$50.00), (ii) unclaimed property wherein the Town Clerk does not have a last known address of the owner or (iii) unclaimed property wherein the Town Clerk does not know the identity of the owner, the Town Clerk shall cause a notice to be published in a newspaper of general circulation in the Town. The notice shall include a description of the property, the owner of the property, to the extent known, the amount or estimated value of the property and, when available, the purpose for which the property was deposited or otherwise held. The notice shall state where the owner may make inquiry of or claim the property. The notice shall also state that, if the owner fails to provide the Town Clerk with a written claim for the return of the property within sixty (60) days of the date of the publication of the notice, the property shall become the sole property of the Town and any claim of the owner to such property shall be deemed forfeited.
- (c) If the Town Clerk does not receive a written claim within the above sixty (60) day claim period, the property shall become the sole property of the Town and any claim of the owner to such property shall be deemed forfeited.
- (d) If the Town Clerk receives a written claim within the sixty (60) day claim period, the Town Clerk shall evaluate the claim and provide written notice to the claimant within ninety (90) days thereof that the claim has been accepted or denied in whole or in part. The Town Clerk may investigate the validity of a claim and may request further supporting documentation from the claimant prior to disbursing or refusing to disburse the property.



- (e) In the event that there is more than one (1) claimant for the same property, the Town Clerk may, in the Town Clerk's sole discretion, resolve said claims administratively by providing a written decision to the claimants or by depositing the disputed property with the registry of the District Court in an interpleader action.
- (f) In the event that all claims filed are denied, the Town Clerk shall provide written notification to the claimant(s). The property shall thereafter become the sole property of the Town and any claim of the owner of such property shall be deemed forfeited.
- (g) Any legal action filed challenging a decision of the Town Clerk shall be filed pursuant to Rule 106 of the Colorado Rules of Civil Procedure within thirty (30) days of the date the Town Clerk delivers the written decision to the claimant(s) by placing the decision in the U.S. Mail, postage prepaid, or by hand delivery or shall be forever barred. If a legal action is timely filed, the property shall be disbursed by the Town Clerk pursuant to the order of the Court having jurisdiction over such claim.
- (h) The Town Clerk is authorized to establish and administer procedures for the administration and disposition of unclaimed property consistent with this Article, including compliance requirements for other Town officers and employees in the identification and disposition of such property.

**Section 2. Revisions.** Minor changes such as the format and other changes to unify the revised Code may be necessary. The Town Clerk is hereby authorized to make such changes, provided that neither the intent nor substantive content will be altered by such changes.

**Section 3. Repeal.** Existing or parts of ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this Ordinance.

**Section 4. Publication; Effective Date; Recording.** This Ordinance, after its passage on final reading, shall be numbered, recorded, published and posted as required by the Town Charter and the adoption, posting and publication shall be authenticated by the signature of the Mayor and the Town Clerk and by the Certificate of Publication. This Ordinance shall become effective on January 1, 2020, subsequent to final passage as provided by the Home Rule Charter of the Town of Johnstown, Colorado. Copies of the entire Ordinance are available at the office of the Town Clerk.

**INTRODUCED, AND APPROVED** on first reading by the Town Council of the Town of Johnstown, Colorado, this 24 day of December, 2019.

**TOWN OF JOHNSTOWN, COLORADO**

**ATTEST:**

By:   
Diana Seele, Town Clerk

By:   
Gary Lebsack, Mayor

**PASSED UPON FINAL APPROVAL AND ADOPTED** on second reading by the  
Town Council of the Town of Johnstown, Colorado, this \_\_\_\_\_ day of \_\_\_\_\_,  
2019.

**TOWN OF JOHNSTOWN, COLORADO**

**ATTEST:**

By: \_\_\_\_\_  
Diana Seele, Town Clerk

By: \_\_\_\_\_  
Gary Lebsack, Mayor

# **Water and Sewer Service Agreement**

## WATER AND SEWER SERVICE AGREEMENT

THIS WATER AND SEWER SERVICE AGREEMENT is made and entered into this 18<sup>th</sup> day of November, 2019, by and between **MOWERY DEVELOPMENT, LLC**, a Colorado Limited Liability Corporation (“Developer”) and **THE TOWN OF JOHNSTOWN**, a Colorado municipal corporation, (“Town”), collectively sometimes referred to as the “Parties”.

### WITNESSETH:

WHEREAS, the Developer owns an interest in land within the Northwest  $\frac{1}{4}$  of Section 14, Township 5 North, Range 68 West of the 6<sup>th</sup> P.M., also known Lot 1, 2534 Filing No. 4, Fifth replat, being a Replat of Lots 2 and 3, 2534 Filing No. 4, Fourth Replat, Lots 2 And 3, 2534 Filing No. 4 Second Replat and Lot 2, Amended Plat of Lot 2, Block 1, 2534 Filing No. 4 and Lot 1, 2534 Filing No. 4, Second Replat, more specifically described in the attached Exhibit A (“Subject Property”); and

WHEREAS, the Subject Property has been annexed to the Town and was the subject of an Annexation Agreement dated November 3, 2006; and

WHEREAS, the Subject Property is being developed as retail and a restaurant, known as Ironwood Shops at 2534 (“Project”); and

WHEREAS, the Developer and the Town desire to set forth their agreement concerning water rights dedication, preliminary projections of water and sewer demand and a current commitment by the Town for water and sewer service for the Project.

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

**1. Water and Sewer Demand Studies.** In compliance with the Town Water Rights Dedication Ordinance, Chapter 13, Sections 13-61 through 13-72, inclusive, of the Johnstown Municipal Code, as amended, (“Ordinance”), Developer has submitted to the Town a preliminary Water and Sewer Demand Analysis for the Project. Said analysis was received by the Town and is on file with the Town and as modified by the Town’s Water Engineer by memorandum dated October 19, 2018, is hereby accepted by the Town. The analysis provided by Developer addresses the projected water and sewer demands for the Project as follows:

Development Component	Demand (AF/YR)	Consumption (AF/YR)
In-Building	3.81	0.19
Landscape Irrigation (non-potable)	1.19	1.01
Total	5.00	1.20

## **2. Water Rights Dedication.**

**a. Potable Supply.** As a result of prior dedications and adjustments associated with the 2534 Development, there is currently a surplus dedication credit with the Town of approximately 35.35 acre-feet per year of potable water. The Parties and the Gerrard Family Partnership, LLLP and Thompson Ranch Development Company have agreed that this credit shall be applied to meet the potable water demands of the Project. Evidence of the agreement is attached as Exhibit B.

**b. Non-Potable Supply.** As a result of prior dedications associated with the 2534 Development, there is currently a surplus dedication credit with the Town of approximately 174.8 acre-feet per year of non-potable water under shares from the Farmers Canal. The Parties and the Gerrard Family Partnership, LLLP and Thompson Ranch Development Company have agreed that this credit shall be applied to meet the non-potable water demands of the Project. Evidence of the agreement is attached as Exhibit B.

**3. Commitment to serve.** Subject to Developer's performance of all the covenants contained herein and payment of all required fees, the Town commits to provide to the Project up to 3.81 acre-feet per year of potable water supply together with the corresponding sewer service and up to 1.19 acre-feet per year non-potable water supply for landscape irrigation.

**4. Future review of water usage and dedication requirements.** In accordance with Section 13-68(h) of the Ordinance, the Town reserves the right to review actual water usage within the Project, at a point in time after water usage has been established, to confirm the adequacy of the water demand projections made by the Developer, and to require additional water rights dedication and/or cash-in-lieu payments based on actual water usage.

**5. Payment of Water Court Transfer fees.** The Water Court transfer fee for both the potable water supply and non-potable water supply was previously paid to the Town as part of the 2534 Water Bank. However, in accordance with the Ordinance, additional fees may be required in connection with future development of any property to which all or any portion of the surplus dedication credit is subsequently assigned pursuant to a future mutual agreement of the parties in accordance with the Town's Ordinance.

**6. Notices.** All notices, demands, or other documents required or desired to be given, made or sent to either Party under this Agreement shall be made in writing, shall be deemed effective upon receipt and shall be personally delivered or mailed postage prepaid, certified mail, return receipt requested, as follows:

TO DEVELOPER:

Janet Mowery  
Mowery Development, LLC  
3350 Paddy Lane  
Loveland, CO 80537-8795

TO THE TOWN:

Town of Johnstown  
c/o Town Clerk  
450 S. Parish Ave.  
Johnstown, CO 80534

WITH A COPY TO  
THE TOWN ATTORNEYS:

Avi Rocklin, Esq.  
Johnstown Town Attorney  
1437 N. Denver Avenue, #330  
Loveland, CO 80538

Peter J. Ampe  
Hill & Robbins, P.C.  
1660 Lincoln St., Suite 2720  
Denver, CO 80264

The addresses for notices may be changed by written notice given to the other Party in the manner provided above.

**8. Default.** In the event of default by either Party hereunder the non-defaulting Party shall notify the defaulting Party in writing of such default(s), specifying the nature and extent thereof. If such default is not cured within thirty (30) days and the non-defaulting Party desires to seek recourse, the Parties shall participate in mediation, the costs of which shall be shared equally by both Parties. If mediation is not successful after a ninety-day period, either Party may then commence an action in a court of competent jurisdiction in Larimer County, Colorado, and shall be entitled to such remedies as are provided by law, including the Town's ordinances.

**9. Successors and assigns.** The benefits and burdens of this Agreement shall respectively inure to and be binding upon the successors and assigns of the Parties hereto. This agreement shall not be assigned without the prior written consent of the other party, which shall not be unreasonably withheld.

**10. Amendment or modification.** No amendment or modification of this Agreement shall be of any force or effect unless in writing and executed by the Parties hereto with the same formality as this Agreement.

**11. Attorney's fees and costs.** If any judicial proceedings may hereafter be brought to enforce any of the provisions hereof, including an action for specific performance and/or damages, the Town, if the prevailing party, shall be entitled to recover the costs of such proceedings, including reasonable attorney's fees and reasonable expert witness fees.

**12. Waiver.** The waiver of any breach of any of the provisions of this Agreement by either Party shall not constitute a continuing waiver of any subsequent breach by said Party, concerning either the same or any other provision of this Agreement.

**13. Headings for convenience only.** Paragraph headings and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

**14. Non severability.** Each paragraph of this Agreement is intertwined with the others and is not severable unless by mutual consent of the Parties hereto.

**15. Choice of laws.** This Agreement and the rights and obligations of the Parties hereto shall be governed by the laws of the State of Colorado. Venue for any claim, proceeding or action shall be in Larimer or Weld County, State of Colorado.

**16. Entire agreement and Authorization.** This Agreement constitutes the entire agreement between the Parties related to the subject matter hereof and any prior agreements pertaining thereto whether oral or written have been merged or integrated into this Agreement. Each of the undersigned represents to the others that he/she is authorized by his/her respective entity to execute this Agreement on behalf of that entity.

**17. Recordation.** This Agreement may be recorded by the Town at Developer's expense in the office of the Clerk and Recorder of Larimer County, Colorado, and, effective as of the date of such recordation, this Agreement shall run with the Subject Property, shall be binding upon the Parties hereto and the permitted successors and assigns of the Developer and shall constitute notice of this Agreement to all persons or entities not parties hereto.

\*IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

*Signatures follow*

**Mowery Development, LLC**

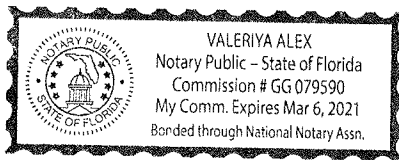
By: Janet R. Mowery  
Janet R. Mowery

Title: General Partner

Florida (VA)  
STATE OF COLORADO )  
COUNTY OF Flagler ) ss

SUBSCRIBED AND SWORN to before me this 18<sup>th</sup> day of November, 2019 by Janet R. Mowery.

Witness my hand and official seal.



Valeriya Alex  
Notary Public

1 Florida Park Dr. S., Palm Coast, FL 32137  
Address  
586 627 7879  
Telephone

My Commission Expires: 03/06/2021

TOWN OF JOHNSTOWN, COLORADO,  
a municipal corporation

By: \_\_\_\_\_  
Gary Lebsack, Mayor

ATTEST:

By: \_\_\_\_\_  
Town Clerk



## EXHIBIT A

### LEGAL DESCRIPTION

LOT 1, 2534 FILING NO. 4, FIFTH REPLAT, BEING A REPLAT OF LOTS 2 AND 3, 2534 FILING NO. 4, FOURTH REPLAT, LOTS 2 AND 3, 2534 FILING NO. 4 SECOND REPLAT AND LOT 2, AMENDED PLAT OF LOT 2, BLOCK 1, 2534 FILING NO. 4 AND LOT 1, 2534 FILING NO. 4, SECOND REPLAT.

## EXHIBIT B

### RAW WATER CREDIT ALLOCATION ACKNOWLEDGMENT


This is to acknowledge and agree that the Town of Johnstown may allocate raw water credit from the Gerrard Family Limited Partnership, LLLP and Thompson Ranch Development Company raw water credit account held by the Town of Johnstown, known as the "2534 Water Bank," to provide water service to the development known as Ironwood Shops at 2534, and any successor occupant of the premises at the same location, pursuant to the Water and Sewer Service Agreement between Mowery Development, LLC and the Town of Johnstown dated \_\_\_\_\_, 20\_\_\_. The amount of such allocated raw water credit is calculated to be 3.81 acre-feet per year for In-Building Use and 1.19 acre-feet per year for Irrigation Use, subject to adjustment pursuant to the terms of the Water Sewer Service Agreement.

GERRARD FAMILY LIMITED PARTNERSHIP, LLLP

  
\_\_\_\_\_  
Nathan Gerrard, Partner  
Gerrard Family Limited Partnership, LLLP

Dated: 11/21/19

THOMPSON RANCH DEVELOPMENT COMPANY

  
\_\_\_\_\_  
Todd Williams, Vice President  
Thompson Ranch Development Company

Dated: 11/19/19

**Resolution  
No. 2019-30**

**TOWN OF JOHNSTOWN, COLORADO**  
**RESOLUTION NO. 2019-30**

**APPROVING THE FINAL PLAT FOR THOMPSON RIVER RANCH FILING NO. 10, LOCATED IN A PORTION OF TRACT A AND B, BLOCK 7 IN THOMPSON RIVER RANCH FILING NO. 5, IN THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6<sup>TH</sup> PRINCIPAL MERIDIAN, COUNTY OF LARIMER, STATE OF COLORADO, CONSISTING OF APPROXIMATELY 6.87ACRES.**

**WHEREAS**, Clayton Properties Group II, a Colorado corporation (“Developer”), submitted an application to the Town of Johnstown for approval of a Final Plat for Thompson River Ranch Filing No. 10, a subdivision of certain lands located in a portion of Tract A and B, Block 7 in Thompson River Ranch Filing No. 5, in the South Half of the Northeast Quarter of Section 23, Township 5 North, Range 68 West of the 6<sup>th</sup> Principal Meridian, County of Larimer, State of Colorado, consisting of approximately 6.87 acres; and

**WHEREAS**, on January 24, 2018, the Planning and Zoning Commission held a public hearing, reviewed the request and recommended that the Town Council approve the Final Plat for Thompson River Ranch Filing No. 10 with certain conditions; and

**WHEREAS**, on December 2, 2019, the Town Council held a public hearing concerning approval of the Final Plat and, after considering the Planning and Zoning Commission’s recommendations, reviewing the file, and conducting such hearing, found as follows with regard to the Final Plat:

1. The data requirements, design standards and required improvements meet the requirements of the Johnstown Municipal Code Subdivision Regulations; and
2. The Final Plat, as submitted, conforms substantially with the Preliminary Plat as approved.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO,**

**Section 1. Final Plat Approval:** The Final Plat for Thompson River Ranch Filing No. 10, a subdivision of certain lands located in a portion of Tract A and B, Block 7 in Thompson River Ranch Filing No. 5, in the South Half of the Northeast Quarter of Section 23, Township 5 North, Range 68 West of the 6<sup>th</sup> Principal Meridian, County of Larimer, State of Colorado, consisting of approximately 6.87 acres, is hereby approved, subject to the following conditions:

1. Landscaping, signage, street lighting and related improvements are subject to approved construction drawings, the Thompson River Ranch Design Guidelines and the PUD Final Development Plan, as approved by the Town’s Planning & Development Director;

2. A subdivision development and improvement agreement and a water and sewer service agreement be executed by the Town and the Developer and be recorded concurrently with the Final Plat;
3. The Developer pay the storm water system development fee to the Town pursuant to Section 13-136(1) of the Johnstown Municipal Code prior to recordation of the Final Plat; and
4. The Developer pay the use tax provided in Article V of Chapter 4 of the Johnstown Municipal Code prior to the commencement of construction.

**Section 2. Recording:** The Town Clerk is hereby directed to obtain the appropriate signatures for the Final Plat and, consistent with the conditions set forth above, have it properly recorded at the Office of the Larimer County Clerk and Recorder.

PASSED, SIGNED, APPROVED, AND ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2019.

**ATTEST:**

**TOWN OF JOHNSTOWN, COLORADO**

By: \_\_\_\_\_  
Diana Seele, Town Clerk

By: \_\_\_\_\_  
Gary Lebsack, Mayor

# **Subdivision Development And Improvement Agreement**

**SUBDIVISION DEVELOPMENT AND IMPROVEMENT AGREEMENT  
FOR  
TOWN OF JOHNSTOWN  
(Thompson River Ranch Filing No. 10)**

**This Subdivision Development and Improvement Agreement** (“Agreement”), made and entered into by and between the **Town of Johnstown, Colorado**, a municipal corporation (the “Town”), and **Clayton Properties Group II, Inc.**, a Colorado corporation, d/b/a Oakwood Homes (the “Developer”).

**WITNESSETH:**

**WHEREAS**, Developer is the fee simple owner of a parcel of land situated in the Town of Johnstown, County of Larimer, State of Colorado, the description of which is set forth on **Exhibit A** attached hereto and incorporated herein by this reference (the “Property”); and

**WHEREAS**, Developer seeks to develop the Property and to designate such development as Thompson River Ranch Filing No. 10 (“Development”); and

**WHEREAS**, Developer has submitted a final plat depicting the Development, which final plat is attached hereto as **Exhibit B-1** and incorporated herein by this reference (“Final Plat”); and

**WHEREAS**, the Town Council approved the Final Plat by passage of Resolution No. 2019-\_\_\_\_, containing terms and conditions of approval of the Final Plat, which Resolution is attached hereto as **Exhibit B-2** and incorporated herein by this reference (“Resolution”); and

**WHEREAS**, Developer understands and agrees that, as a further condition of approval of the Final Plat, Developer is required to construct certain subdivision improvements to the Property, that Developer is responsible for the costs and expenses of those subdivision improvements unless otherwise provided herein, and that the subdivision improvements contemplated herein are reasonable, necessary, appropriate, and directly benefit the Development; and

**WHEREAS**, Developer agrees to undertake and complete the Development in accordance with this Agreement, the Final Plat, the Resolution, the Town’s ordinances, resolutions and regulations and all other applicable laws and regulations.

**NOW, THEREFORE**, in consideration of the premises cited above and the mutual covenants and promises contained herein, the sufficiency of which is acknowledged, the Town and Developer agree as follows:

### **RECITALS**

The Recitals are incorporated as if fully set forth herein.

### **DEFINITIONS**

For the purposes of this Agreement, the following words and terms shall be defined as follows:

1.1 **“Approved Plans”** shall mean: (1) with respect to the Public Improvements, the approved “Civil Engineering Construction Plans” related to the Development and on file with Town; and (2) with respect to the Private Improvements, the approved “the Site Development Plan” related to the Development and on file with Town.

1.2 **“Developer”** shall mean the owner(s) of the Property described in **Exhibit A** and any heirs, successors, assigns or transferees of any of the Property described in **Exhibit A**.

1.3 **“Civil Engineering Construction Plans”** shall mean the approved engineering plans for construction, installation and improvement of the Public Improvements.

1.4 **“Development”** shall mean all the Property, property rights and subdivision improvements within the legal description in **Exhibit A**.

1.5 **“Dry Utilities”** shall mean electricity, natural gas, cable and telephone.

1.6 **“Maintenance Guarantee”** shall mean a guarantee that the Subdivision Improvements constructed shall be free from defects and failures as more fully described in Paragraphs 5.2 and 5.4 below.

1.7 **“Private Improvements”** shall mean, without limitation, the construction, installation and improvement of privately owned and maintained common improvements including, but not limited to, stormwater improvements, landscaping, irrigation, fencing, entry signs, street signs and posts, street lighting, parks and open space, trails, postal service boxes and school bus stop shelters.

1.8 **“Public Improvements”** shall mean, without limitation, the construction, installation, improvement and dedication of public improvements, including, but not limited to



public thoroughfares and streets, sanitary sewer facilities, water line facilities, drainage facilities, irrigation structures and other public facilities and improvements to serve the Development.

1.9 “**Site Development Plan**” shall mean the approved plans for the construction, installation and improvement of the Private Improvements.

1.10 “**Subdivision Improvements**” shall mean the Public Improvements, Private Improvements and Dry-Utilities.

1.11 “**Town**” shall mean the Town of Johnstown, Colorado.

1.12 “**Town Engineer**” shall mean the professional engineer designated by the Town Manager to perform the obligations set forth in this Agreement.

1.13 “**Town Manager**” shall include the Town Manager and his authorized designees.

1.14 “**Town Official**” shall include the Town Manager, Town Attorney, Town Treasurer, Town Engineer, Town Planner and their authorized designees.

## **SUBDIVISION IMPROVEMENTS**

### **2. Public Improvements**

#### ***2.1 Pre- Construction***

a. **Engineering Services:** Developer shall furnish, at its own expense, all engineering services in connection with construction, installation and improvement of the Public Improvements. Engineering services shall be performed by a professional engineer registered in the State of Colorado. Engineering services shall consist of, but not be limited to, survey, designs, plans and profiles, specifications, drawings, estimates, construction administration, and the furnishing of necessary documents in connection therewith, including but not limited to final engineering drawings, final sewer and water design plans and final drainage plans (the “Civil Engineering Construction Plans”).

b. **Civil Engineering Construction Plans:** Prior to commencing construction of the Public Improvements, Developer shall submit the Civil Engineering Construction Plans to the Town Engineer for review. Construction of the Public Improvements shall not commence until the Town provides written notice of approval of the Civil Engineering Construction Plans. Developer shall not thereafter modify the approved Civil Engineering Construction Plans without the written approval of the Town. The Town’s review and approval of the Civil Engineering Construction Plans shall not limit or affect Developer’s responsibility or liability for design, construction and installation of the Public Improvements, and Developer agrees to save and hold the Town harmless from any claims, fault or negligence attributable to

such design, construction and installation, other than negligent designs which are required by the Town over Developer's written objection.

c. **Rights-of-Way, Easements, Permits and Use Tax:** Prior to commencing construction of the Public Improvements, Developer shall acquire, at its own expense, good and sufficient rights-of-way or easements, clear of any encumbrances, on all lands and facilities, if any, traversed by the proposed Public Improvements. All such rights-of-way and easements shall be conveyed to the Town and the documents of conveyance shall be furnished to the Town Manager for recording. At the Town's request, Developer shall provide at its sole expense a policy of title insurance insuring title in the Town, free and clear of all liens and encumbrances, for all land, property and easements dedicated or conveyed to the Town or for public use. In addition, Developer shall obtain all the requisite permits and licenses necessary for construction of the Public Improvements. Developer shall also pay all applicable use tax due and owing to the Town.

2.2 ***Construction of Public Improvements:*** Upon satisfaction of the conditions set forth in Paragraph 2.1, Developer shall construct the Public Improvements at its own expense in accordance with this Agreement, the Final Plat, the Resolution, the Civil Engineering Construction Plans, the Town's ordinances, resolutions and regulations and all other applicable laws and regulations. All Public Improvements shall be installed and constructed within the rights-of-way or easements dedicated to the Town. Unless otherwise approved by the Town in writing, all materials used for constructing the Public Improvements shall be new and both workmanship and materials shall be of good quality.

2.3 ***Construction Schedule:*** Developer shall construct the Public Improvements in accordance with the schedule of public improvements set forth on **Exhibit C**, attached hereto and incorporated herein by reference ("Schedule of Public Improvements"). Once construction begins, Developer shall keep the Town Manager informed by monthly status reports of the progress of the work and a projection of when the Public Improvements will be completed as well as the cost of such Public Improvements.

2.4 ***Testing and Inspection:*** Developer shall employ, at its own expense, a qualified independent testing company, approved by the Town Engineer, to perform all testing of materials or construction that may be reasonably required by the Town. Developer shall furnish certified copies of test results to the Town Engineer. At all times during construction of the Public Improvements, the Town shall have the right, but not the duty, to inspect materials and workmanship, at Developer's cost. All materials and work must conform to the Civil Engineering Construction Plans. Any material or work not conforming to the Civil Engineering Construction Plans shall be promptly removed, repaired or replaced, at Developer's expense and to the satisfaction of the Town Engineer.

2.5 ***Completion of Construction:*** Developer shall complete construction of the Public Improvements no later than eighteen (18) months from the commencement of the

construction, unless such completion date is extended for reasons beyond the reasonable control of Developer and Developer has obtained the Town Manager's written consent to the extension.

2.6 ***Performance Guarantee:*** If Developer seeks, and the Town authorizes the issuance of, building permits prior to the completion of certain of the Public Improvements, Developer shall furnish to the Town a cash escrow deposited with the Town or an irrevocable letter of credit in the form attached hereto as **Exhibit D** in which the Town is designated as the beneficiary ("Performance Guarantee") in an amount equal to 110% of the cost of such uncompleted improvements, which cost shall be certified by Developer's professional engineer, licensed in the State of Colorado and approved by the Town Engineer, to secure the installation, improvement and completion of the improvements. The Performance Guarantee shall be released after Initial Acceptance of such improvements.

### 3. **Private Improvements**

3.1 ***Pre-Construction:*** Prior to commencing construction of the Private Improvements, Developer shall submit a Site Development Plan to the Town. The Site Development Plan shall contain the proposed Private Improvements for the Development, including a plan for stormwater improvements, an irrigation system, landscaping, fencing, entry-way signage, street signs and posts, street lighting, parks and open space, trails, postal service boxes and school bus stop shelters. Landscaping and fencing shall be designed in accordance with the Town's landscape guidelines. Construction of the Private Improvements shall not commence until the Town provides written notice of approval of the Site Development Plan, with the exception of approval of the school bus shelters, which must be approved by the school district. Developer shall not thereafter modify the approved Site Development Plan without the written approval of the Town. The Town's review and approval of the Site Development Plan shall not limit or affect Developer's responsibility or liability for design, construction and installation of the Private Improvements, and Developer agrees to save and hold the Town harmless from any claims, fault or negligence attributable to such design, construction and installation, other than negligent designs which are required by the Town over Developer's written objection. In addition, Developer shall obtain all the requisite permits and licenses necessary for construction of the Private Improvements. Developer shall also pay all applicable use tax due and owing to the Town.

3.2 ***Construction of Private Improvements:*** Upon satisfaction of the conditions set forth in Paragraph 3.1, Developer shall construct the Private Improvements at its own expense in accordance with the terms of this Agreement, the Final Plat, the Resolution, the Site Development Plan, the Town's ordinances, resolutions and regulations and all other applicable laws and regulations. All landscaping design and inspection services shall be performed by a professional landscape architect or engineer. Unless otherwise approved by the Town in writing, all materials used for constructing the Private Improvements shall be new and both workmanship and materials shall be of good quality.

3.3 ***Inspection:*** At all times during construction and installation of the Private Improvements, the Town shall have the right, but not the duty, to inspect materials and workmanship, at Developer's cost. All materials and work must conform to the Site Development Plan. Any material or work not conforming to the Site Development Plan shall be promptly removed, repaired or replaced, at Developer's expense and to the satisfaction of the Town.

3.4 ***Completion of Private Improvements:*** Unless otherwise agreed in writing by the Town Manager, the Private Improvements shall be completed no later than the date that the Public Improvements are completed, unless such completion date is extended for reasons beyond the reasonable control of Developer and Developer has obtained the Town Manager's written consent to the extension. The Town may, in its discretion, allow Developer to defer completion of the landscaping services between December 1 and March 1 of any given year provided that sufficient surety in the form of a cash escrow deposited with the Town or an irrevocable letter of credit in the form attached hereto as **Exhibit D** in which the Town is designated as the beneficiary is provided to the Town.

3.5 ***Replacement of Private Improvements:*** As replacement of the improvements is necessary and warranted over time, the Private Improvements shall be replaced by, as appropriate, the Developer, the homeowner's association or a metropolitan or special district. The Town shall not be responsible for replacement of the Private Improvements.

#### 4. **Dry-Utilities**

4.1 ***Utilities:*** Developer shall obtain all proper conveyances and arrangements for the installation and provision of the Dry Utilities to serve the Development. Developer shall provide proof of such conveyances and arrangements to the Town, which proof may be in the form of contracts for such services, no later than the date that the Public Improvements are completed.

4.2 ***Easements:*** All easements approved by the utility companies shall be submitted to the Town.

### **ACCEPTANCE OF SUBDIVISION IMPROVMENTS**

5.1 ***Initial Acceptance:*** Developer shall make written application to the Town Manager for initial acceptance of the Subdivision Improvements ("Initial Acceptance") within thirty (30) days of the completion date of the Subdivision Improvements, with the exception of the improvements for which the Town has authorized an extension of time to complete. The written application shall include one set of reproducible "as built" drawings and an affidavit executed by Developer affirming that the Subdivision Improvements have been paid in full, certifying the final construction costs and including documentary evidence of the construction costs. If the Town Manager requests, Developer shall provide lien waivers, or other acceptable assurance, from all subcontractors, suppliers and materialmen who have furnished labor, material or services for the design, construction or installation of the Subdivision Improvements. The

affidavit and lien waivers may be reviewed by the Town, but the Town assumes no responsibility or liability to or for anyone regarding the veracity of the information so provided.

After the receipt of the written application, the Town shall use reasonable efforts to promptly inspect the Subdivision Improvements. If the Subdivision Improvements are satisfactory, Developer shall be entitled to Initial Acceptance of the Public Improvements upon receipt of the Maintenance Guarantee and written approval of the Private Improvements. If the Subdivision Improvements are not satisfactory, the Town shall prepare a detailed written description of all Subdivision Improvements which are not in compliance with the Approved Plans, subject to any changes that have been approved by the Town and any changes that have been required by the Town as a result of any unforeseen engineering design issues. Such report shall be delivered to Developer. After curing the defects, Developer shall make a renewed written application to the Town for re-inspection of the Subdivision Improvements, which written application shall contain the items set forth above. The Town shall thereafter use reasonable efforts to promptly re-inspect the Subdivision Improvements. If the Subdivision Improvements are satisfactory, Developer shall be entitled to Initial Acceptance of the Public Improvements upon receipt of the Maintenance Guarantee and written approval of the Private Improvements.

**5.2     *Maintenance Guarantee.*** Prior to Initial Acceptance of the Public Improvements for each Phase, Developer shall provide the Town with a maintenance guarantee in the form of a cash escrow deposited with the Town or an irrevocable letter of credit in the form attached hereto as **Exhibit D** in which the Town is designated as the beneficiary (“Maintenance Guarantee”). The Maintenance Guarantee shall equal fifteen percent (15%) of the total cost of the Public Improvements. The Maintenance Guarantee shall warrant and guarantee all expenses and costs for maintenance, repairs and replacements of the Public Improvements until Final Acceptance. The Maintenance Guarantee shall be released after Final Acceptance of all of the Public Improvements.

**5.3     *Delivery of Initial Acceptance.*** Upon satisfaction of the conditions set forth above in Paragraphs 5.1 and 5.2, the Town shall provide written notice of Initial Acceptance of the Public Improvements and written approval of the Private Improvements to Developer. The Town may issue written notice of Initial Acceptance of the Public Improvements and written approval of the Private Improvements prior to completion of certain of the less critical improvements, as determined and agreed-upon by the Town in its sole discretion. In which case, the Developer may be entitled to obtain building permits prior to completion of all the Subdivision Improvements, assuming satisfaction of the remaining terms of this Agreement and based on conditions otherwise set forth herein.

**5.4     *Maintenance, Repair and Replacement:*** Until Final Acceptance of the Public Improvements, Developer shall promptly perform all maintenance and make all repairs and replacements of all defects or failures of the Public Improvements at Developer’s expense. If, within ten (10) days after Developer’s receipt of written notice from the Town requesting such maintenance, repairs or replacements, Developer shall not have undertaken with due diligence to

make the same, the Town may make such maintenance, repairs or replacements at Developer's expense and shall be entitled to draw upon the Maintenance Guarantee, either before undertaking to make such repairs or at any time thereafter or the Town may charge Developer for the costs thereof. In case of emergency, as determined by the Town, such written notice shall be deemed waived and the Town may proceed as it deems necessary at the expense of Developer or the issuers of the Maintenance Guarantee. Notwithstanding the foregoing, upon Initial Acceptance, the Town shall be responsible for routine maintenance of the Public Improvements (street sweeping, snow removal, etc.) and the Developer shall be responsible for all maintenance, repairs and replacement of the Private Improvements.

**5.5 Final Acceptance:** Two (2) years after the Town's Initial Acceptance of the Public Improvements, which time period may be extended in the Town's discretion due to remedial or repair work that may be necessary in the first two (2) years by providing written notice to Developer, Developer shall make a written request to the Town Manager for a final inspection of the Public Improvements ("Final Acceptance"). If the Town Engineer determines that the Public Improvements are free of defects in materials and workmanship and have been repaired and maintained to the extent required, the Town Manager shall provide a written certification of completion and Final Acceptance. If the Town Engineer determines that the Public Improvements are not free of defects in materials and workmanship and have not been repaired and maintained to the extent required, the Town Manager shall issue a written notice of non-compliance specifying the defects. Developer shall take such action as is necessary to cure the noncompliance and, upon curing the same, provide a new written request to the Town Manager for a final inspection of the Public Improvements. Failure of the Developer to make a timely request for Final Acceptance shall not limit the Town's rights hereunder nor shall it limit the Town's right to utilize or operate the Public Improvements as the Town deems appropriate.

**5.6 Dedication and Maintenance of Subdivision Improvements:** Upon Final Acceptance of the Subdivision Improvements: (1) the Public Improvements shall be owned, operated and maintained by the Town; (2) the Private Improvements shall be owned, operated and maintained, as appropriate and otherwise authorized and approved by the Town, by the Developer or a metropolitan or special district; and (3) the Dry-Utilities shall be owned, operated and maintained, as appropriate and otherwise authorized, by the Developer, a metropolitan or special district or the appropriate public utility company.

## **WATER AND SEWER SERVICE**

**6.1** The Town and Developer shall enter into a Water and Sewer Service Agreement setting forth their agreement concerning water rights dedication, preliminary projections of water and sewer demand and a commitment by the Town for water and sewer service to the Development. The Water and Sewer Service Agreement, whenever executed, shall be incorporated into this Agreement and made a part hereof.

## **BUILDING PERMITS**

7.1 The Town shall not issue building permits or install water meters until: (1) the Final Plat has been recorded with the Larimer County Clerk and Recorder; (2) Developer has paid all applicable use tax due and owing to the Town and all other fees required by the Town, including but not limited to water and tap fees, impact fees, storm drainage fees and cash-in-lieu payments due, if any, to the Thompson School District R2-J; (3) Developer has received written notice of Initial Acceptance of the Public Improvements and written notice of approval of the Private Improvements, with the exception of the improvements for which the Town has authorized an extension of time to complete; (4) meter and curb stop pass inspection; (5) the parties have entered into a Water and Sewer Service Agreement; and (6) all terms of this Agreement have been faithfully kept by Developer.

7.2 Notwithstanding the foregoing, the Town may, in its sole discretion, issue building permits prior to completion of certain of the less critical Subdivision Improvements, as determined by the Town in its sole discretion, on the condition that such improvements be completed prior to the issuance of certificates of occupancy.

7.3 If at any time the Town determines that Developer is not in compliance with this Agreement, the Final Plat, the Resolution or the Approved Plans, the Town may withhold the issuance of building permits.

### **OPERATION STANDARDS**

8.1 The operation of construction equipment outside an enclosed structure shall be prohibited between the hours of 8:00 p.m. and, on weekdays, the hour of 7:00 a.m. or, on weekends and legal holidays, the hour of 8:00 a.m. The Town Manager may, upon written application, alter the hours of operation for good cause by providing written notice to Developer.

8.2 The operation of construction equipment for the purpose of grading or constructing either surface improvements or underground utilities, either public or private, shall be prohibited between the hours of 8:00 p.m. and 7:00 a.m. on weekdays and 4:00 p.m. and 8:00 a.m. on legal holidays and weekends. The Town Manager may, upon written application, alter the hours of operation for good cause by providing written notice to Developer.

8.3 Developer agrees to control all weeds growing within the Development. Developer further agrees to use the appropriate herbicide and undertake mowing of the property within the Development.

8.4 Developer shall, at all times, keep the public right-of-way free from accumulation of waste material, rubbish, dirt and mud caused by Developer's operation. Developer shall remove such waste material, rubbish, dirt and mud no less than weekly and, at the completion of the work, shall promptly remove all debris waste materials, rubbish, dirt, mud, tools, construction equipment, machinery, building materials, trash containers, and portable toilets from the public right-of-way.

8.5 When the Town Engineer provides written notice that erosion, by wind or water, is likely to be an issue, Developer shall install temporary or permanent erosion control into the Development at the earliest practicable time. By way of explanation and without limitation, said control may consist of seeding of approved grasses, temporary dikes, gabions or other similar devices.

8.6 In the event that Developer fails to perform the work specified in Paragraphs 8.3, 8.4 or 8.5 within a reasonable time period after receiving written notice from the Town, not to exceed ten (10) days for the work specified in Paragraphs 8.3 and 8.4, the Town may, in addition to other remedies, including those set forth in Paragraph 7.3, perform the work required and charge Developer for said cost. Developer shall pay the Town for all costs incurred by the Town in the performance of the above said service within ten (10) days of the Town submitting an invoice for said services. If Developer does not remit the costs, in addition to other remedies, the Town may draw on the Maintenance Guarantee.

8.7 Developer hereby ensures that Developer's subcontractors shall cooperate with the Town's construction inspectors in all manners, including, but not limited to, by ceasing operations when winds are of sufficient velocity to create blowing dust which the Town, in its discretion, determines is hazardous to the public health and welfare.

8.8 Developer shall take all steps necessary to prevent its construction activities from damaging adjacent properties.

### **DEVELOPMENT STANDARDS**

9.1 Developer shall comply with the requirements contained in the Annexation Agreement related to the Property, except as specifically amended by this Agreement.

9.2 Except as otherwise provided in this Agreement, the Amended Final Plat, the Resolution or Approved Plans, Developer shall comply with Johnstown's municipal code, zoning ordinances, subdivision regulations, landscape guidelines and, if operative with respect to the Development, the approved design guidelines.

9.3 Appropriate design standards must be met including, but not limited to, the following:

- A. Developer shall submit detailed elevations showing architectural features of the proposed dwelling units. Architectural features, elevations and home sites shall have prior approval of the Town. Such approvals shall not be unreasonably withheld.
- B. All proposed multi-family areas and all other areas not planned for detached single family units must be the subject of a Site Development



Plan to be reviewed and approved by the Town prior to any construction being performed.

- C. All off-street parking structures or pads shall be provided to the rear of the front setback. Driveways leading to the off-street parking may be constructed within the front setback and may also be used for parking.
- D. In areas built with single family homes, no individual unit shall be built with the same elevation within three (3) of itself on both sides of the street and all units shall have at least a two-car garage, except the multi-family homes.
- E. In areas built with single family homes, at least twenty-five percent (25%) of the facade of each dwelling unit, excluding windows, doors, and garage doors, shall be of masonry, stone, brick, or an equivalent. All roofs shall at minimum have thirty (30) year architectural style shingles. Any shingle type or style other than architectural style shingles shall be submitted to the Town for prior approval, but three-tab conventional asphalt shingle roofing shall not be permitted.
- F. All trails within the Development must be a minimum of ten (10) feet wide and six (6) inches thick and constructed of concrete. Interior sidewalks shall be a minimum of five (5) feet wide, four (4) inches thick and constructed of concrete.
- G. To provide for emergency vehicular access, no structure shall be located in excess of one hundred and fifty feet (150'), excluding cul-de-sacs, from a single point of vehicular access unless an approved temporary second point of vehicular access is provided.
- H. Current Municipal Code required setbacks must be met, including, but not limited to, setback requirements for oil and gas facilities.
- I. A thirty-foot landscape buffer and a ten-foot meandering sidewalk, which shall be six inches thick, shall be constructed along any proposed arterial roads. The landscape buffer shall be landscaped with deciduous trees and evergreens along with deciduous shrub beds and bluegrass in accordance with the Town's approved landscape plan. Curb and gutter shall be provided in the same locations as the before mentioned sidewalks and landscape buffers. All local streets shall have five-foot attached sidewalks and collector streets shall have five-foot detached sidewalks and shall be landscaped with trees and grass.

9.4 All Final Plat and construction drawings shall be submitted in mylar, print, and digital form, which must conform to the Town's format and content requirements.

9.5 Developer shall take all necessary steps to prevent its construction activities from harming water quality, water bodies and wetlands. All drainage and holding ponds shall be kept free of standing water by whatever means possible including, but not limited to, pumping water out of any holding ponds.

### **LIABILITY, INSURANCE AND COST REIMBURSEMENT**

10.1 ***Indemnification:*** Developer hereby agrees to indemnify and hold the Town, Town Officials, its employees, agents, representatives, insurers and self-insurance pool harmless from and against any and all suits, demands, actions, damages, liability, losses, claims, fees and expenses, including attorney's fees, resulting or arising in any way from any breach or default of this Agreement or any acts or omissions of Developer, its employees, agents, consultants, representatives or subcontractors, except to the extent caused by gross negligence or willful misconduct of the Town. Developer shall promptly investigate, handle, respond to, and provide defense for and defend against any such liability, claims or demands at the sole expense of Developer. Developer also agrees to bear all costs, expenses and attorney's fees related thereto whether or not such liability, claims or demands are groundless, false or fraudulent.

10.2 ***Insurance:*** Developer shall for itself and for its contractors, subcontractors, representatives and agents engaged in the design, construction or installation of the Subdivision Improvements maintain such liability insurance including general liability, contractors liability, professional liability, comprehensive automobile liability and sufficient public liability insurance as will protect the Town, Town Officials, its employees, agents and representatives against any and all potential liability, claims, damage, demands, losses, and expenses which may be incurred or asserted pursuant to Paragraph 10.1 above. Liability insurance shall be in the minimum amount of three hundred fifty thousand dollars (\$350,000.00) for injury to one person, or nine hundred, ninety thousand dollars (\$990,000.00) for injury to two or more persons in any single occurrence, or such greater amounts as may be established by the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S., as may be amended. Whenever requested by the Town Manager, Developer agrees to promptly submit certificates of insurance evidencing sufficient amounts, types and duration of insurance and which show the Town, Town Officials, its employees, agents and representatives as additional insureds. Developer shall not be relieved of any liability, claims, demands or other obligations assumed or set forth in this Development Agreement by reason of its failure to procure or maintain such insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, durations or types. In addition to the insurance specified above, Developer shall maintain workers compensation insurance, if so required by law, and shall require its contractors, subcontractors, representatives and agents engaged in the design, construction or installation of improvements to maintain workers compensation insurance in the amount required by law.

10.3 ***Drainage Liability:*** Developer shall indemnify and hold the Town harmless from any liability the Town may have on account of any change in the nature, direction, quantity, or quality of drainage flow resulting from the Development. In addition, Developer shall reimburse the Town for any and all costs, fees, and expenses, including attorney's fees, which the Town incurs in acquiring any rights-of-way or easements which the Town is required to acquire or condemn or which the Town is held to have acquired or condemned for drainage as a result of this Development. This provision shall survive Final Acceptance and the termination of this Agreement.

10.4 ***Tax Liability:*** Developer shall pay all outstanding taxes, encumbrances or obligations on any property dedicated or conveyed to the Town prior to or at the time of such dedication or conveyance, and shall indemnify and hold the Town harmless from any and all encumbrances, obligations or tax liability incurred prior to the dedication or conveyance to the Town. Any use tax due for construction materials shall be paid prior to construction of any improvements on the Property.

10.5 ***Cost Reimbursement to Town:*** Developer shall reimburse the Town for professional consultants, including, but not limited to engineers, testing companies and attorneys, engaged by the Town to process and complete the Development.

10.6 ***Colorado Governmental Immunity Act:*** Nothing in this Agreement shall be construed to waive, limit or otherwise modify any governmental immunity that may be available by the law to the Town, Town Officials, employees, contractors, or agents, or any other person acting on behalf of the Town and, in particular, governmental immunity afforded pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S., as amended.

## **DEFAULTS AND REMEDIES**

11.1 A default by Developer shall exist if Developer fails to fulfill or perform any material obligation contained in this Agreement, the Final Plat, the Resolution, or the Approved Plans, or Developer fails to comply with the Town's ordinances, resolutions and regulations and all other applicable laws and regulations. In the event of a default, the Town shall deliver written notice to Developer of such default and Developer shall have ten (10) days from receipt of such notice to cure the default. If the default is not of a type that may be cured within such ten (10) day period, Developer may provide written notice to the Town within such period that it is actively and diligently pursuing such cure and Developer shall thereafter have a reasonable time to cure the default, provided that Developer is at all times within that extended period actively and diligently pursuing a cure. In case of emergency, as determined by the Town, such written notice shall be deemed waived and the Town may proceed as it deems necessary at the expense of Developer or the issuers of the Maintenance or Performance Guarantee.

11.2 If the default arises subsequent to Initial Acceptance and the default is not timely cured, the Town may draw on the Maintenance Guarantee. If the default relates to the improvement secured by the Performance Guarantee and the default is not timely cured, the

Town may draw on the Performance Guarantee. In addition, and without limitation, if the default is not timely cured, the Town may withhold approval of any or all building permits, certificates of occupancy, water meters or tap hook-ups for any area within the Development. Notwithstanding these rights and remedies, the Town may pursue whatever additional remedies it may have against Developer or anyone, either at law, equity or pursuant to this Agreement. The Town's remedies shall be cumulative.

11.3 Should Developer default in any obligation under this Agreement, the Town may, in its discretion, complete such Subdivision Improvements at Developer's expense. The Town shall estimate the cost of such improvements and give notice to Developer to pay such cost estimate. The Town shall use such payment for said improvements and refund any money collected in excess of the actual cost of said improvements. Should payment not be made within thirty (30) days of such notice, the Town may assess the amount of the cost estimate, plus ten percent (10%) to defray the cost of collection as provided by state law, to the Property and file a lien against the Property, such lien to have priority over all liens except general taxes and prior special assessments and to be placed upon the tax list for the current year to be collected in the same manner as taxes are collected. The Town may file such lien at any time after said thirty (30) days while Developer is in default of this Agreement.

### **SPECIAL PROVISIONS**

12.1 The Additional Terms, Conditions or Provisions relating to this Development are set forth in **Exhibit B-3**, which is attached hereto, incorporated herein by this reference, and made a part of this Agreement.

12.2 As set forth in Paragraph 3.5 above, Developer or the homeowner's association, as appropriate, shall be responsible for replacement of decorative light fixtures, decorative street signs and all other decorative amenities in the Development when replacement is necessary and warranted over time.

### **MISCELLANEOUS**

13.1 **No Waiver:** Delays in enforcement or the waiver of any one or more breaches of this Agreement by the Town shall not constitute a waiver of any of the remaining terms or obligations.

13.2 **Severability:** If any provisions or parts of this Agreement are judged to be unenforceable or invalid, to the extent practicable, such judgment shall not affect, impair or invalidate the remaining parts of this Agreement, the intention being that the various parts and provisions hereof are severable.

13.3 **Recording of Agreement:** A Notice of this Agreement substantially in the form as shown on **Exhibit E** is to be recorded with the approved Final Plat and shall be a covenant running with and against all the Property, property rights and improvements contained within the

Development described in **Exhibit A** in order to put prospective owners, purchasers, successors, assigns, and others acquiring any interest in the property on notice as to the terms and obligations herein. No lots, tracts or parcels may be separately conveyed prior to recording such Notice and the Final Plat.

13.4 ***Binding Effect:*** Unless otherwise provided herein, this Agreement shall be binding upon Developer's heirs, successors, assigns, transferees and any other person or entity acquiring or purchasing any interest in any of the Property described in the attached **Exhibit A**, with the exception of a bona fide residential home buyer of a completed owner-occupied home.

13.5 ***Transfer or Assignments:*** In the event of a sale or transfer of any portion of the Development, except to a bona fide residential home buyer of a completed owner-occupied home, the seller or transferor and the purchaser or transferee shall be jointly and severally liable for the performance of each of the obligations contained in this Agreement unless, prior to the transfer or the sale, a written agreement satisfactory to the Town delineating and allocating the various rights and obligations for the Subdivision Improvements has been approved and executed by the Town Council.

13.6 ***Title and Authority:*** Developer expressly warrants and represents to the Town that it is the record owner of the Property and further represents and warrants that the undersigned has full power and authority to enter into this Agreement. Developer understands that the Town is relying on the representations and warranties contained herein in approving in entering into this Agreement.

13.7 ***Notice:*** All notices, consents, applications or other instruments provided for under this Agreement shall be deemed properly given and received: (1) when personally delivered and received, when sent by messenger service, or when forwarded by facsimile or email-delivery, but only upon confirmation of receipt of such facsimile or email; (2) on the next day after deposit for delivery with a nationally-recognized overnight courier service; or (3) three business days after deposit in the United States mail, by certified mail with return receipt requested, postage prepaid and addressed as follows:

**TO DEVELOPER:**

CLAYTON PROPERTIES GROUP II, INC.  
Attention: Brad Lenz, Vice President  
Land Acquisition and Entitlement  
4908 Tower Road

**TO TOWN:**

TOWN OF JOHNSTOWN  
Attention: Town Manager  
450 So. Parish  
P. O. Box 609

Denver, CO 80249

Johnstown, CO 80534  
Facsimile: (970) 587-0141  
Email: rcello@townofjohnstown.com

Avi S. Rocklin, Esq.  
Law Office of Avi S. Rocklin, LLC  
1437 N. Denver Avenue, #330  
Loveland, CO 80538  
Facsimile: (970) 797-1806  
Email: avi@rocklinlaw.com

13.8 ***Costs and Attorney Fees.*** If the Developer breaches this Agreement, the Developer shall pay the Town's reasonable costs and expenses, including attorney's fees, incurred in the enforcement of the terms, conditions and obligations of this Agreement. Nothing herein shall be construed to prevent or interfere with the Town's rights and remedies specified elsewhere in the Agreement.

13.9 ***Vested Right.*** The Final Plat shall have vested rights pursuant to §§ 24-68-101, *et seq.*, C.R.S. for a period of three (3) years from the date of this Agreement.

13.10 ***Warranty of Developer:*** Developer warrants that the Subdivision Improvements shall be installed in a good and workmanlike manner and in compliance with the Approved Plans, this Agreement, the Final Plat, the Resolution, the Town's ordinances, resolutions and regulations and all other applicable laws and regulations and shall be substantially free of any defects in materials and workmanship.

13.11 ***Governing Law and Venue.*** This Agreement and the interpretation thereof shall be governed by the laws of the State of Colorado and Municipal Code of the Town of Johnstown. Venue for any claim, proceeding or action arising out of this Agreement shall be in Larimer or Weld County, Colorado.

13.12 ***No Presumption.*** Each party acknowledges that it has obtained, or has had the opportunity to obtain, the advice of legal counsel of its own choosing in connection with the negotiation and execution of this Agreement and with respect to all matters set forth herein. In the event of any dispute, disagreement or controversy arising from this Agreement, the parties shall be considered joint authors and no provision shall be interpreted against any party because of authorship.

13.13 ***Entire Agreement.*** This Agreement constitutes the entire agreement and understanding between the parties and supersedes all prior agreements or understandings. Any amendment to this Agreement must be in writing and signed by the parties.

13.14 ***Compliance with the Law.*** Developer shall comply with all federal, state and local laws and regulations in the performance of the obligations under this Agreement.

Notary Public

TOWN OF JOHNSTOWN, COLORADO  
A Municipal Corporation

By: \_\_\_\_\_  
Mayor Gary Lebsack

ATTEST:

By: \_\_\_\_\_  
Diana Seele, Town Clerk



**SUBDIVISION DEVELOPMENT AND IMPROVEMENT AGREEMENT  
FOR  
THE TOWN OF JOHNSTOWN  
(Thompson River Ranch Filing No. 10)**

**EXHIBITS**

**TABLE OF CONTENTS**

<b>EXHIBIT A:</b>	Legal Description of Subject Property
<b>EXHIBIT B-1:</b>	Copy of Final Plat
<b>EXHIBIT B-2:</b>	Town Resolution Approving Development
<b>EXHIBIT B-3:</b>	Additional Terms, Conditions or Provisions
<b>EXHIBIT C:</b>	Schedule of Public Improvements
<b>EXHIBIT D:</b>	Irrevocable Letter of Credit Form
<b>EXHIBIT E:</b>	Notice (Approval of Final Plan/Plat and of Development Agreement)

**EXHIBIT A**

**LEGAL DESCRIPTION  
(Development)**

**LEGAL DESCRIPTION:**

A PARCEL BEING A PORTION OF TRACT A AND B, BLOCK 7 IN THE THOMPSON RIVER RANCH FILING NO. 5 AS RECORDED AT RECEPTION NUMBER 20170045194 IN THE CLERK AND RECORDER OFFICE OF LARIMER COUNTY AND ALSO BEING A PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 5 NORTH AT RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN AND IN THE TOWN OF JOHNSTOWN, COUNTY OF LARIMER, STATE OF COLORADO AND BEING DESCRIBED AS FOLLOWS.

COMMENCING AT THE CENTER-NORTH 1/16 CORNER OF SAID SECTION 23, THENCE S53°50'31"E, A DISTANCE OF 976.60 FEET TO THE WEST LINE OF THE TRACT A, BLOCK 7 OF SAID THOMPSON RIVER RANCH FILING NO. 5 AND THE **POINT OF BEGINNING**;

THENCE ALONG SAID WEST LINE, N05°05'46"E, A DISTANCE OF 219.57 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 143.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 224.62, A CHORD BEARING OF N50°05'46"E WITH A CHORD DISTANCE OF 202.23 FEET TO THE NORTH LINE OF TRACTS A AND B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5;

THENCE ALONG SAID NORTH LINE OF TRACT A AND B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5, S84°54'14"E, A DISTANCE OF 519.70 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 143.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 224.62, A CHORD BEARING OF S39°54'14"E WITH A CHORD DISTANCE OF 202.23 FEET TO THE EAST LINE OF TRACT B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5;

THENCE ALONG SAID EAST LINE OF THE TRACT B, BLOCK 7 OF SAID THOMPSON RIVER RANCH FILING NO. 5, S05°05'46"W, A DISTANCE OF 219.07 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 31.42, A CHORD BEARING OF S50°05'46"W WITH A CHORD DISTANCE OF 28.28 FEET TO A POINT ON THE SOUTH LINE OF TRACTS A AND B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5;

THENCE ALONG SAID SOUTH LINES THE FOLLOWING THREE (3) COURSES:

1. N84°54'14"W, A DISTANCE OF 10.00 FEET;
2. THENCE N84°56'32"W, A DISTANCE OF 745.67 FEET;
3. THENCE N84°54'14"W, A DISTANCE OF 10.03 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 31.42, A CHORD BEARING OF N39°54'14"W WITH A CHORD DISTANCE OF 28.28 FEET TO THE POINT OF BEGINNING.

CONTAINING 299,091 SQUARE FEET OR 6.87 ACRES MORE OR LESS.

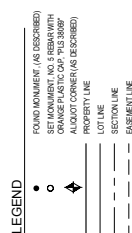
**EXHIBIT B-1**

**PLAT OR PLAN**

(SEE ATTACHED)

PORTION OF TRACT A AND B, BLOCK 7 IN THOMPSON RIVER RANCH FILING NO. 5

# FINAL PLAT

[illegible]

THOMPSON RIVER RANCH FILING NO. 10

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FINAL PLAT

THIS MAP IS AN INSTRUMENT OF SERVICE  
AND ARE THE PROPERTY OF GALLOWAY,  
AND MAY NOT BE DUPLICATED, DISCLOSED,  
OR REPRODUCED WITHOUT THE WRITTEN  
CONSENT OF THE GALLOWAY.  
COPYRIGHTS AND INFRINGEMENTS WILL BE  
ENFORCED AND PROSECUTED.

SHEET  
2 OF 2

**EXHIBIT B-2**

**(RESOLUTION APPROVING PLAT OR PLAN)**

(SEE ATTACHED)

## **EXHIBIT B-3**

### **ADDITIONAL TERMS, CONDITIONS OR PROVISIONS**

1. Developer shall complete construction of the community building and swimming pool described in the Final Development Plan 'A' and 'B' for Thompson River Ranch Filing No. 1 approved June 5, 2006, on or before the issuance of 500 certificates of occupancy by the Town beyond those certificates of occupancy issued for Thompson River Ranch Filing Nos. 1, 3 and 4, or by June 30, 2023, whichever is earlier.
2. On or before Developer obtains the 120th building permit in the Thompson River Ranch Development, exclusive of Filing Nos. 1, 3, 4 and 9, Developer shall have completed construction to improve Larimer County Road 3 (High Plains Boulevard) to an Interim Arterial standard, as described in the Town Design Criteria, within Town Limits from River Ranch Parkway to the Hillsborough Ditch crossing. The road shall be extended as a special Interim Arterial section across the Hillsborough Ditch south to Larimer County Road 18, with access improvements onto County Road 18 as determined by the Town Traffic Engineer.
3. Landscaping, signage, street lighting and related Private Improvements are subject to the Thompson River Ranch Design Guidelines and the final Site Development Plan for this Development.
4. Developer shall comply with all obligations and procedures required by the Federal Emergency Management Agency for the Development.

**EXHIBIT C**

**SCHEDULE OF PUBLIC IMPROVEMENTS  
(ATTACHED)**



ENGINEER'S OPINION OF PROBABLE COST  
THOMPSON RIVER RANCH FILING NO. 10

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	COST
1	Aggregate Base Course (Class 6) (8.5" depth)	Square Yard	6,443	\$ 10.75	\$ 69,262.25
2	Hot Mix Asphalt Pavement (Gr SX)(SP75, PG 64-22) 2.0" depth)	Square Yard	6,443	\$ 10.50	\$ 67,651.50
3	Concrete Driveways	Square Yard	944	\$ 63.00	\$ 59,472.00
4	Rip-Rap Placed	Each	1	\$ 3,710.00	\$ 3,710.00
5	Town of Johnstown Crosspans (6-Foot)	Square Yard	62	\$ 63.00	\$ 3,906.00
6	18" Reinforced Concrete Pipe (Class III)	Linear Foot	49	\$ 110.00	\$ 5,390.00
7	24" Reinforced Concrete Pipe (Class III)	Linear Foot	162	\$ 115.00	\$ 18,630.00
8	24" RCP FES	Each	1	\$ 740.00	\$ 740.00
9	6' Dia. Storm Sewer Manhole	Each	2	\$ 6,000.00	\$ 12,000.00
10	5' CDOT Type R Inlet	Each	5	\$ 7,250.00	\$ 36,250.00
11	10' CDOT Type R Inlet	Each	1	\$ 9,750.00	\$ 9,750.00
12	Concrete Sidewalk (6")	Square Yard	526	\$ 47.50	\$ 24,985.00
13	Concrete Curb (Pedestrian) Ramp	Each	4	\$ 2,500.00	\$ 10,000.00
14	Curb and Gutter, Mountable	Linear Foot	1,542	\$ 21.50	\$ 33,153.00
15	Curb and Gutter, Vertical	Linear Foot	1,899	\$ 19.50	\$ 37,030.50
16	Speed Limit Signs	Each	2	\$ 625.00	\$ 1,250.00
17	Stop Signs	Each	4	\$ 600.00	\$ 2,400.00
18	Street Name Signs	Each	4	\$ 600.00	\$ 2,400.00
19	8" Sanitary SDR 35 PVC Pipe, (Complete in place)	Linear Foot	170	\$ 47.00	\$ 7,990.00

ENGINEER'S OPINION OF PROBABLE COST  
THOMPSON RIVER RANCH FILING NO. 10

ITEM					
NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	COST
20	8" Underdrain	LF	170	\$ 38.00	\$ 6,460.00
21	8" Underdrain Cleanout	Each	1	\$ 800.00	\$ 800.00
21	4' Dia. Sanitary Sewer Manhole	Each	1	\$ 5,000.00	\$ 5,000.00
22	Jetting/Camera	LF	170	\$ 3.50	\$ 595.00
23	Fire Hydrant Assembly with 6" Gate Valve	Each	1	\$ 9,300.00	\$ 9,300.00
24	8" Water C900 PVC PIPE (Complete in Place)	Linear Foot	1,633	\$ 42.00	\$ 68,586.00
25	8" Gate Valve	Each	9	\$ 2,250.00	\$ 20,250.00
26	8"x8" Cross	Each	1	\$ 1,750.00	\$ 1,750.00
27	8"x8" Tee	Each	1	\$ 1,650.00	\$ 1,650.00
28	8" Cap	Each	1	\$ 1,650.00	\$ 1,650.00
29	Connect to Existing 8"	Each	1	\$ 1,800.00	\$ 1,800.00
30	Water Services	Each	3	\$ 2,175.00	\$ 6,525.00
31	Connect to existing Sanitary	Each	1	\$ 2,500.00	\$ 2,500.00
					<b>\$ 532,836.25</b>

**EXHIBIT D**

**FORM--IRREVOCABLE LETTER OF CREDIT**

**NAME OF ISSUING BANK**\_\_\_\_\_

**ADDRESS OF ISSUING BANK**\_\_\_\_\_

Town of Johnstown  
450 So. Parish  
P. O. Box 609  
Johnstown, CO 80534

**ATTENTION:**           **TOWN OF JOHNSTOWN ATTORNEY AND TOWN MANAGER**

We hereby establish, at the request and for the account of this Irrevocable Letter of Credit in favor of the Town of Johnstown in the amount of \$\_\_\_\_\_. The purpose of this Letter of Credit is to secure performance of a Development Agreement for \_\_\_\_\_, dated this day \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_, between the Town \_\_\_\_\_ of \_\_\_\_\_ Johnstown \_\_\_\_\_ and \_\_\_\_\_.

You are hereby authorized to draw on sight by drafts or written demands up to the aggregate amount of \$\_\_\_\_\_. The sole condition for payment of any demand made or draft drawn against this Irrevocable Letter of Credit is that the Town's demand or draft be accompanied by a letter, on the Town's stationery, signed by the Town Manager to the effect that "the Town of Johnstown has declared a default under the Development Agreement."

Partial and multiple drawings are permitted hereunder.

We hereby agree with the Town of Johnstown and its drawers, endorsers, and bona fide holders of demands made or drafts negotiated under this Letter of Credit that the same shall be duly honored upon presentation and delivery of the documents as specified above.

This Irrevocable Letter of Credit is not transferable.

This Letter of Credit shall be for a twelve (12) month term from the date of execution hereof. It is a condition of this Letter of Credit that it shall be automatically renewed, without amendment, for additional periods of one year each from the present or any future expiration date, unless, at least sixty (60) calendar days prior to the effective expiration date, the Town Manager notifies you in writing delivered by certified U.S. mail, return receipt requested, to your address set forth above that the Town of Johnstown elects not to renew this Letter of Credit for any further additional period. Upon your receipt of our written notification of impending expiration, you

may draw the unused balance of this Irrevocable Credit upon your written demand or your sight draft.

With the exception of C.R.S. §4-5-108(b) concerning the period of time in which to honor or reject a draft, demand or credit, this Letter of Credit shall be governed and construed in accordance with the laws of the State of Colorado. In the event of a conflict between the provisions of the Colorado Uniform Commercial Code and the provisions hereof, the provisions hereof shall control.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Issuing Bank:\_\_\_\_\_

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

Officer's Title:\_\_\_\_\_

Address:\_\_\_\_\_

STATE OF                                 )  
  ) ss.  
COUNTY OF                                 )

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_\_, by \_\_\_\_\_ as the \_\_\_\_\_ of \_\_\_\_\_.

WITNESS my hand and official seal.

My commission expires:

\_\_\_\_\_  
Notary Public

## **EXHIBIT E**

### **NOTICE**

Please take notice that on the \_\_\_\_ day of \_\_\_\_\_, 2019, the Town Council of the Town of Johnstown approved the final plat for the development known as Thompson River Ranch Filing No. 10, which development was submitted and processed in accordance with the Town of Johnstown's Municipal Code. In conjunction therewith, the Town Council also approved a Development Agreement dated \_\_\_\_\_, 2019, between the Town Johnstown and the Developer, pursuant to and under which certain rights and obligations of the Developer will pass on to subsequent owners, heirs, assigns and transferees of the below-described property. The Development Agreement is on file and may be reviewed in the office of the Town Clerk of the Town of Johnstown. The subject property for which such Development Agreement applies is described as follows:

### **LEGAL DESCRIPTION ATTACHED**

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

---

Town Clerk

---

Town Manager

**LEGAL DESCRIPTION:**

A PARCEL BEING A PORTION OF TRACT A AND B, BLOCK 7 IN THE THOMPSON RIVER RANCH FILING NO. 5 AS RECORDED AT RECEPTION NUMBER 20170045194 IN THE CLERK AND RECORDER OFFICE OF LARIMER COUNTY AND ALSO BEING A PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 5 NORTH AT RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN AND IN THE TOWN OF JOHNSTOWN, COUNTY OF LARIMER, STATE OF COLORADO AND BEING DESCRIBED AS FOLLOWS.

COMMENCING AT THE CENTER-NORTH 1/16 CORNER OF SAID SECTION 23, THENCE S53°50'31"E, A DISTANCE OF 976.60 FEET TO THE WEST LINE OF THE TRACT A, BLOCK 7 OF SAID THOMPSON RIVER RANCH FILING NO. 5 AND THE **POINT OF BEGINNING**;

THENCE ALONG SAID WEST LINE, N05°05'46"E, A DISTANCE OF 219.57 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 143.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 224.62, A CHORD BEARING OF N50°05'46"E WITH A CHORD DISTANCE OF 202.23 FEET TO THE NORTH LINE OF TRACTS A AND B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5;

THENCE ALONG SAID NORTH LINE OF TRACT A AND B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5, S84°54'14"E, A DISTANCE OF 519.70 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 143.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 224.62, A CHORD BEARING OF S39°54'14"E WITH A CHORD DISTANCE OF 202.23 FEET TO THE EAST LINE OF TRACT B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5;

THENCE ALONG SAID EAST LINE OF THE TRACT B, BLOCK 7 OF SAID THOMPSON RIVER RANCH FILING NO. 5, S05°05'46"W, A DISTANCE OF 219.07 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 31.42, A CHORD BEARING OF S50°05'46"W WITH A CHORD DISTANCE OF 28.28 FEET TO A POINT ON THE SOUTH LINE OF TRACTS A AND B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5;

THENCE ALONG SAID SOUTH LINES THE FOLLOWING THREE (3) COURSES:

1. N84°54'14"W, A DISTANCE OF 10.00 FEET;
2. THENCE N84°56'32"W, A DISTANCE OF 745.67 FEET;
3. THENCE N84°54'14"W, A DISTANCE OF 10.03 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 31.42, A CHORD BEARING OF N39°54'14"W WITH A CHORD DISTANCE OF 28.28 FEET TO THE POINT OF BEGINNING.

CONTAINING 299,091 SQUARE FEET OR 6.87 ACRES MORE OR LESS.

# **Water and Sewer Service Agreement**

## WATER AND SEWER SERVICE AGREEMENT

THIS WATER AND SEWER SERVICE AGREEMENT is made and entered into this 18<sup>th</sup> day of November, 2019, by and between **CLAYTON PROPERTIES GROUP II, INC.**, a Colorado corporation d/b/a Oakwood Homes ("Developer") and **THE TOWN OF JOHNSTOWN**, a Colorado municipal corporation, ("Town"), collectively sometimes referred to as the "Parties" and singularly as "Party."

WITNESSETH:

WHEREAS, Developer owns an interest in land located in Tract A and B in the S½NE¼ of Section 23, T.5N., R.68W., 6<sup>th</sup> P.M., Larimer County, Colorado, more particularly on Exhibit "A" attached hereto and incorporated herein by this reference, containing approximately 6.87 acres ("Subject Property"); and

WHEREAS, the Subject Property was annexed to the Town as part of a larger annexation of 1109.18 acres of land, which was the subject of an Annexation Agreement between Thompson Ranch, LLLP, The Gerrard Family Limited Partnership, LLLP, Joel H. Wiens, and Rite-A-Way Industries, Inc., as Developer, and the Town dated December 18, 2000; and

WHEREAS, the Subject Property is being developed by Developer as the Thompson River Ranch Filing No. 10; and

WHEREAS, the Developer and the Town desire to set forth their agreement concerning water rights dedication, preliminary projections of water and sewer demand and a current commitment by the Town for water and sewer service for the Subject Property;

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

**1. Water and Sewer Demand Studies.** In compliance with the Town Water Rights Dedication Ordinance, Chapter 13, Sections 13-61 through 13-72, inclusive, of the Johnstown Municipal Code ("Ordinance"), Developer has submitted to the Town a preliminary Water and Sewer Demand Analysis for the Subject Property dated November 16, 2017. Said analysis is on file with the Town and is hereby accepted by the Town, as modified by the Town's Water Engineer by memorandum dated May 15, 2018. The analysis addresses all of the projected water demands for the Subject Property. Said analysis indicates that the water dedication set forth in Paragraph 2 will meet the estimated water supply needs for the Subject Property as follows:



<b>Development Component</b>	<b>Demand (AF/YR)</b>	<b>Consumption (AF/YR)</b>
Residential In-building	13.20	0.66
Residential Irrigation	8.63	7.34
Common Area Landscape Irrigation (non-potable)	1.50	1.28
<b>Total</b>	<b>23.33</b>	<b>9.28</b>

## **2. Water Rights Dedication and Credits.**

### **A. Preexisting Credit.**

i. Home Supply. After dedication to satisfy the requirements of the water supply for the Thompson River Ranch Filing No. 9, Developer had a net surplus credit of 12.02 acre-feet of raw water credit. Developer subsequently assigned 17 non-municipal shares of Consolidated Home Supply Ditch & Reservoir Company (“Home Supply”) to the Town, representing 108.8 acre-feet of raw water credit. In total, prior to the use of water for the Subject Property, Developer has a total credit from Home Supply Share dedications in the amount of 120.82 acre-feet.

ii. SFE Water Bank. Pursuant to an Assignment, Assumption and Bill of Sale from W.R. Investment, LLC (“WRI”) and Exit 223, LLC to Clayton Properties Group II, Inc. d/b/a Oakwood Homes, dated on or about September 19, 2018, Developer acquired a water bank containing 610 single family equivalent (“SFE”) from WRI.

iii. Common Area Landscape. Pursuant to the Water Agreement between the Town and W.R. Investment, LLC (“WRI”), dated on or about May 7, 2018, and the Assignment, Assumption and Bill of Sale from WRI and Exit 223, LLC to the Developer, the Town has agreed to provide non-potable water for up to 96 acres of common area irrigation for the Thompson River Ranch Development (“Town Common Area Irrigation Supply”). Prior to the use of water for the Subject Property, the Developer has irrigated 51.58 acres of common area.

### **B. Credit for the Subject Property.**

i. Residential In-Building and Residential Irrigation. The Parties agree that the credit from Home Supply Share dedications will be applied to meet the residential in-building and residential irrigation water demands of the Subject Property.

ii. Common Area Landscape. The Parties agree that the Subject Property will contain 0.6 acres of common area irrigation to be used from the Town Common Area Irrigation Supply. The common area irrigation is equivalent to 1.5 acre-feet of water demand.

### 3. Surplus Dedication Credit.

i. Residential In-Building and Residential Irrigation. The use of the prior Home Supply Share dedication credits will provide to Developer water in excess of the demand for the Subject Property. Developer will have a surplus Home Supply Share dedication credit with the Town of 98.99 acre-feet of raw credit. The credit is calculated as follows:

<b>Existing Credit:</b>	<b>120.82 acre-feet</b>
<b>LESS: Estimated demand:</b>	<b><u>21.83 acre-feet</u></b>

<b>Net current surplus credit:</b>	<b>98.99 acre-feet</b>
------------------------------------	------------------------

Upon notice and written approval of the Town, authorization from Developer, and payment of the appropriate Water Court Transfer Fee, if necessary, said credit may be utilized within the Subject Property to offset increased demands, if any, which are not currently projected.

ii. Common Area Landscape. The use of the prior Town Common Area Irrigation Supply will provide the Developer water in excess of the demand for the common area of the Subject Property. The credit is calculated as follows:

<b>Total available acreage:</b>	<b>96.00 acres</b>
<b>Prior irrigated acreage:</b>	<b>51.58 acres</b>
<b>Current demand:</b>	<b><u>0.60 acres</u></b>

<b>Available acreage credit:</b>	<b>43.82 acres</b>
----------------------------------	--------------------

Upon written agreement between the Town and the Developer, the available acreage credit may be used for common area irrigation in the Thompson River Ranch Development.

**4. Commitment to Serve Water and Sewer.** Subject to Developer's performance of all the covenants contained herein and payment of all required fees, the Town commits to provide to the Subject Property up to 21.83 acre-feet per year of water supply for residential in-building use together with the corresponding sewer service and for residential irrigation as described above. The Town further agrees to provide up to 1.5 acre-feet of non-potable water for 0.6 acres of common area irrigation.

**5. Future review of water usage and dedication requirements.** In accordance with Section 13-68(h) of the Ordinance, the Town reserves the right to review actual water usage within the Subject Property at a point in time after water usage has been established to confirm the adequacy of the water demand projections made by the Developer, and to require additional water rights dedication and/or cash-in-lieu payments if necessary based on actual water usage.

**6. Payment of Water Court Transfer fees.** The Water Court transfer fee for the Home Supply Share dedications water supply was previously paid to the Town. However, in

accordance with the Ordinance, additional fees may be required in connection with future development of any property to which all or any portion of the surplus dedication credit is subsequently assigned pursuant to a future mutual agreement of the parties in accordance with the Town's Ordinance.

**7. Notices.** All notices, demands, or other documents required or desired to be given, made or sent to either Party under this Agreement shall be made in writing, shall be deemed effective upon receipt and shall be personally delivered or mailed postage prepaid, certified mail, return receipt requested, as follows:

**TO DEVELOPER:**

Clayton Properties Group II, Inc.  
Attn: Brad Lenz  
Vice President,  
Land Acquisition and Entitlement  
4908 Tower Road  
Denver, CO 80249

**TO THE TOWN:**

Town of Johnstown  
c/o Town Clerk  
P.O. Box 609  
450 S Parish Ave.  
Johnstown, CO 80534

**WITH A COPY TO  
THE TOWN ATTORNEYS:**

Avi Rocklin, Esq.  
Johnstown Town Attorney  
1437 N. Denver Avenue, #330  
Loveland, CO 80538

Peter J. Ampe  
Hill & Robbins, P.C.  
1160 Lincoln St., Suite 2720  
Denver, CO 80264

The addresses for notices may be changed by written notice given to the other Party in the manner provided above.

**8. Default.** In the event of default by either Party hereunder the non-defaulting Party shall notify the defaulting Party in writing of such default(s), specifying the nature and extent thereof. If such default is not cured within thirty (30) days, the non-defaulting Party shall be entitled to such remedies as are provided by law, including the Town's ordinances.

**9. Successors and assigns.** The benefits and burdens of this Agreement shall respectively inure to and be binding upon the successors and assigns of the Parties hereto. This agreement shall not be assigned without the prior written consent of the other Party, which shall not be unreasonably withheld.

**10. Amendment or modification.** No amendment or modification of this Agreement shall be of any force or effect unless in writing and executed by the Parties hereto with the same formality as this Agreement.

**11. Attorney's fees and costs.** If any judicial proceedings may hereafter be brought to enforce any of the provisions hereof, including an action for specific performance and/or damages, the Town shall be entitled to recover the costs of such proceedings, including reasonable attorney's fees and reasonable expert witness fees.

**12. Waiver.** The waiver of any breach of any of the provisions of this Agreement by either Party shall not constitute a continuing waiver of any subsequent breach by said Party, concerning either the same or any other provision of this Agreement.

**13. Headings for convenience only.** Paragraph headings and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

**14. Non severability.** Each paragraph of this Agreement is intertwined with the others and is not severable unless by mutual consent of the Parties hereto.

**15. Choice of laws.** This agreement and the rights and obligations of the Parties hereto shall be governed by the laws of the State of Colorado.

**16. Entire agreement.** This Agreement constitutes the entire agreement between the Parties related to the subject matter hereof and any prior agreements pertaining thereto whether oral or written have been merged or integrated into this Agreement.

**17. Recordation.** This Agreement will be recorded by the Town at Developer's expense in the office of the Clerk and Recorder of Larimer County, Colorado, shall run with the Subject property, will be binding upon the Parties hereto and the permitted successors and assigns of the Developer and will constitute notice of this Agreement to all persons or entities not parties hereto.

\*IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

*Signatures follow on separate pages*

By:                     

**Robert J. Sanderman**  
**Assistant Secretary**

) SS

6

**EXHIBIT A**

**LEGAL DESCRIPTION  
(Development)**

**LEGAL DESCRIPTION:**

A PARCEL BEING A PORTION OF TRACT A AND B, BLOCK 7 IN THE THOMPSON RIVER RANCH FILING NO. 5 AS RECORDED AT RECEPTION NUMBER 20170045194 IN THE CLERK AND RECORDER OFFICE OF LARIMER COUNTY AND ALSO BEING A PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 5 NORTH AT RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN AND IN THE TOWN OF JOHNSTOWN, COUNTY OF LARIMER, STATE OF COLORADO AND BEING DESCRIBED AS FOLLOWS.

COMMENCING AT THE CENTER-NORTH 1/16 CORNER OF SAID SECTION 23, THENCE S53°50'31"E, A DISTANCE OF 976.60 FEET TO THE WEST LINE OF THE TRACT A, BLOCK 7 OF SAID THOMPSON RIVER RANCH FILING NO. 5 AND THE **POINT OF BEGINNING**;

THENCE ALONG SAID WEST LINE, N05°05'46"E, A DISTANCE OF 219.57 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 143.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 224.62, A CHORD BEARING OF N50°05'46"E WITH A CHORD DISTANCE OF 202.23 FEET TO THE NORTH LINE OF TRACTS A AND B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5;

THENCE ALONG SAID NORTH LINE OF TRACT A AND B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5, S84°54'14"E, A DISTANCE OF 519.70 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 143.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 224.62, A CHORD BEARING OF S39°54'14"E WITH A CHORD DISTANCE OF 202.23 FEET TO THE EAST LINE OF TRACT B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5;

THENCE ALONG SAID EAST LINE OF THE TRACT B, BLOCK 7 OF SAID THOMPSON RIVER RANCH FILING NO. 5, S05°05'46"W, A DISTANCE OF 219.07 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 31.42, A CHORD BEARING OF S50°05'46"W WITH A CHORD DISTANCE OF 28.28 FEET TO A POINT ON THE SOUTH LINE OF TRACTS A AND B, BLOCK 17 OF SAID THOMPSON RIVER RANCH FILING NO. 5;

THENCE ALONG SAID SOUTH LINES THE FOLLOWING THREE (3) COURSES:

1. N84°54'14"W, A DISTANCE OF 10.00 FEET;
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3. THENCE N84°54'14"W, A DISTANCE OF 10.03 FEET TO A POINT OF CURVATURE;

THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 31.42, A CHORD BEARING OF N39°54'14"W WITH A CHORD DISTANCE OF 28.28 FEET TO THE POINT OF BEGINNING.

CONTAINING 299,091 SQUARE FEET OR 6.87 ACRES MORE OR LESS.

**Resolution  
No. 2019-31**



**TOWN OF JOHNSTOWN, COLORADO  
RESOLUTION NO. 2019-31**

**APPROVING OIL AND GAS OPERATOR AGREEMENT AND  
ENCROACHMENT LICENSE BETWEEN THE TOWN OF JOHNSTOWN  
AND KERR-MCGEE OIL & GAS ONSHORE LP**

**WHEREAS**, the Town of Johnstown, Colorado (“Town”) is a Colorado home rule municipality, duly organized and existing under the laws of the State of Colorado and the Town’s Home Rule Charter; and

**WHEREAS**, the Town Council is vested with authority to administer the affairs of the Town; and

**WHEREAS**, on December 2, 2019, after due notice published in the *Johnstown Breeze*, the Town Council held a public hearing concerning approval of the Oil and Gas Operator Agreement and Encroachment License (“Agreement”) between the Town and Kerr-McGee Oil & Gas Onshore LP (“Operator”), a Delaware limited partnership, which, among other matters, allows the Operator to construct up to seventy (70) wells on three (3) well pad sites and obtain administrative approval of the siting of the wells on the conditions that, among others: (i) the Operator apply for a special use permit for each well with the Town Manager and comply with obligations contained in the Agreement and in the Johnstown Municipal Code, including, among other applicable provisions, Article XI of Chapter 17 of the Code, as amended from time to time (ii) the Operator comply with the Colorado Oil and Gas Conservation Commission’s rules, regulations and procedures and (iii) the Operator comply with the best management practices set forth in the Agreement; and

**WHEREAS**, after reviewing the Agreement, considering the evidence presented at the public hearing, including, but not limited to, the location of the proposed well pads, the Operator’s best management practices and the testimony regarding written notification to all properties within one-half mile of the well pad sites and a neighborhood meeting held on October 2, 2019, and noting that no objections were presented at the hearing, the Town Council desires to approve the Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO, THAT** the Oil and Gas Operator Agreement and Encroachment License between the Town and Kerr-McGee Oil & Gas Onshore LP, which is attached hereto as Exhibit A, is hereby approved upon the terms and conditions set forth in the Agreement.

PASSED, SIGNED, APPROVED, AND ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2019.

**ATTEST:**

**TOWN OF JOHNSTOWN, COLORADO**

By: \_\_\_\_\_  
Diana Seele, Town Clerk

By: \_\_\_\_\_  
Gary Lebsack, Mayor

## **OIL AND GAS OPERATOR AGREEMENT AND ENCROACHMENT LICENSE**

**THIS OIL AND GAS OPERATOR AGREEMENT AND ENCROACHMENT LICENSE** (“Agreement”) is made and entered into this \_\_\_\_ day of December, 2019 (“Effective Date”), by and between the Town of Johnstown, a home rule municipal corporation of the State of Colorado (“Town”), and Kerr-McGee Oil & Gas Onshore LP (“Operator”), a Delaware limited partnership (“Operator” or “Licensee”) (singularly “Party” and collectively the “Parties”).

### **RECITALS**

A. Operator engages in the exploration, development, production and marketing of natural gas, oil and natural gas liquids in the Town;

B. Operator owns property or has mineral right interests on property in the Town, as shown on Exhibit A attached hereto and incorporated herein by reference (“Property”); and

B. Operator seeks to locate three new well pads on the Property, identified as the Shake and Bake, Point Three and Oakwood, and as shown on Exhibit B attached hereto and incorporated herein by reference (“Well Pads”);

C. In connection with the construction and future operation of the Well Pads and Subject Wells (defined below), Operator further seeks to install and maintain separate multi-line pipelines and related below-ground facilities and appurtenances, including but not limited to, conduit(s) for the transmission of communication signals, valves, valve fitting, metering equipment, corrosion control devices, wires, cables, pipeline markers, electrical lines and other appearances as may be reasonably or convenient for the gathering or transportation of oil, gas, water and other substances, combinations or mixtures of any of the forgoing in the Town (each an “Improvement” and collectively, the “Improvements”);

E. The Town is the owner of certain right-of-way and/or real property situate in the County of Weld and County of Larimer and State of Colorado (“Town’s Property”);

F. Portions of the Improvements used in connection with the Well Pads and Subject Wells will encroach under, over, through and on the Town’s Property (each an “Encroachment” and collectively, the “Encroachments”), as shown and described on the attached Exhibit C, which is incorporated herein by reference;

G. The Parties value a balanced approach to oil and gas development that protects human health, safety and welfare, as well as the environment and wildlife, and that mitigates any adverse impacts from such development; and

I. The Parties desire to enter into this Agreement to set forth their understanding with respect to the drilling, completing, equipping, operations and maintenance of the Well Pads and Subject Wells to be drilled thereon and to grant to Operator a personal privilege to construct the

Improvements and maintain the Encroachments described above under, over, through and on the Town's Property.

## **AGREEMENT**

NOW THEREFORE, in consideration of the covenants and mutual promises set forth in this Agreement, the Parties agree as follows:

### **ARTICLE I. GENERAL PROVISIONS**

1. Recitals. The Recitals are incorporated as if fully set forth herein.
2. Effective Date. This Agreement shall be effective as of the Effective Date.
3. Term. The term of this Agreement shall be as follows:
  - a. Term of Right to Locate Well Pads and Drill Wells. The right to locate Well Pads and drill the Subject Wells pursuant to this Agreement shall commence upon the Effective Date and remain in effect for five (5) years, and so long thereafter as Operator or its authorized successor(s) has operations or owns or operates a Subject Well within the Well Pads or unless otherwise terminated as set forth herein. In the event this Agreement expires or is otherwise terminated pursuant to the terms hereof, such expiration or termination shall not prevent any operations and/or development of the Well Pads and Subject Well(s) that were previously permitted and authorized pursuant to the terms of this Agreement or otherwise approved by the Town prior to the expiration of termination of this Agreement. Additionally, in the event this Agreement is terminated, no re-permitting of the existing Subject Wells shall be required solely as a result of the termination of this Agreement.
  - b. Term of License. The License for the Encroachments granted in favor of the Operator in Article III of this Agreement shall commence upon the Effective Date and may terminate as provided for in Article IV of this Agreement.
  - c. Material Term of Agreement. The Town recognizes and agrees that approval of the Subject Wells through the administrative process set forth in Article II is the basis for the consideration paid by Operator in Article I, Section 4, and is a material term of this Agreement. A failure to approve the Subject Wells as provided in this Agreement shall constitute a material default by the Town hereunder for which Operator shall be entitled to pursue all legal and equitable remedies, including but not limited to an action for specific performance.
4. Consideration.

The following consideration shall be paid by Operator to the Town for the License (as defined below) and privilege granted by this Agreement, the sufficiency of which is acknowledged by Operator and the Town:

a. Within thirty (30) days after all the Shake and Bake Wells have been drilled and completed or twenty four (24) months from the Effective Date of this Agreement, whichever is earlier, Operator shall convey the surface of that certain property as generally shown and described on Exhibit A-1, consisting of 48.96 acres, more or less, to the Town in the form of special warranty deed at no cost to the Town (“Dedicated Property”);

b. Within 90 days after the execution of this Agreement, the Operator shall provide for the following rights-of-way (collectively, the “Rights-of-Way”):

i. With respect to Shake and Bake, seventy (70) feet of right-of-way on the eastern boundary of the property and the amount of right-of-way necessary on the north- western boundary of the property that is included in the portion of the land to eventually be donated to the Town, to allow for the U.S. Interstate 25 corridor improvements; and

ii. With respect to Point Three, thirty (30) feet of right-of-way on the western boundary of the property and fifteen (15) feet of right-of-way along the portion of the property that is adjacent to Weld County Road 44.

iii. The rights-of-way described herein, are depicted on Exhibit F-1 and Exhibit F-2 and an approximation of the right of way dedication for the north-western boundary of the Shake and Bake property is depicted on Exhibit G, attached hereto and incorporated herein by reference.

iv. With respect to the existing 8 inch pipeline on the south edge of the Point Three property along Weld County Road 44, the Town agrees that any improvements caused to be constructed by the Town on or over property above such pipeline, which require the pipeline to be re-located (at Operators sole and reasonable discretion), the Town shall pay all reasonably necessary costs and expenses to relocate the 8 inch pipeline. The cost to relocate any other Improvements shall be borne by the Operator as provided in Article IV, Section 4.

c. Other good and valuable consideration as herein provided.

## **ARTICLE II. OPERATION OF WELL PADS AND WELLS**

1. Exercise of Local Land Use Authority. The Parties recognize and agree that the Town has enacted land use regulations pursuant to, among others, the Local Government Land Use Enabling Act, Colo. Rev. Stat. § 31-15-401 et seq., and the Land Planning Act, Colo. Rev. Stat. § 29-20-101 et seq., which authorize local governments to enact land use regulations that

regulate, *inter alia*, oil and gas development. The Parties further recognize and agree that the Town has enacted rules and regulations with respect to oil and gas exploration and production that are set forth in the Johnstown Municipal Code (“Code”), including, but not limited to, Article XI of Chapter 17 of the Code. Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Code.

2. Drilling Plan. Pursuant to the terms of this Agreement, Operator may drill up to a total of 70 wells collectively on the Well Pads located on the Property (“Subject Well(s)”).

3. Special Use Permit. Consistent with the Johnstown Municipal Code (“Code”), for each Subject Well, and subject to the allowance for administrative approval by the Town Manager set forth in Section 4 of this Article II, Operator agrees to obtain a special use permit in accordance with the requirements and procedures outlined in the Code including, among other applicable provisions, Article XI of Chapter 17 of the Code, as amended from time to time, and agrees to submit an application containing the elements prescribed by Section 17-199 of the Code, as amended from time to time. The Operator agrees not to move any heavy equipment or begin construction at a Well Pad based on Colorado Oil and Gas Conservation Commission (“COGCC”) approval until the Operator has received administrative approval by the Town for the particular Well Pad.

4. Town Administrative Approvals. The Operator shall not be required to obtain from the Town Council or the Planning and Zoning Commission special use permit approvals for any of the Subject Wells subject to the terms and conditions of this Agreement, as long as the Operator complies with the terms and conditions contained herein. In order to receive administrative approval for the Subject Wells, the Operator shall file a special use permit with the Town Manager for one or more of the Subject Wells. The Town Manager shall review the special use permit and, provided it complies with the terms of this Agreement and satisfies the special use permit requirements, the Town Manager shall administratively approve the permit and shall not refer the special use permit to the Town Council. Such approval shall not be unreasonably withheld or conditioned and shall be rendered within thirty (30) business days of complete submittals by Operator to the Town Manager. If the Town Manager determines that the Operator is not in compliance with the terms of this Agreement the Town Manager, in the Town Manager’s reasonable discretion, shall set a public hearing before Town Council regarding the application for a special use permit. The public hearing shall be set at the earliest possible time after public notice is provided. If the Town Manager denies the special use permit or imposes conditions upon the issuance of the permit that are not agreeable to Operator, Operator, in Operator’s discretion, may appeal the Town Manager’s decision to Town Council.

5. Water. If Operator desires to use Town water for the drilling and completion of the Subject Wells, the Town agrees to provide the water, if available, at a cost of \$9.00 per 1,000 gallons. If Operator intends to acquire water from the Town for such purposes, it must submit its request to the Town not less than three months prior to the anticipated use and the use shall remain subject to availability.

6. Compliance with COGCC. Pursuant to the Colorado Oil and Gas Conservation Act, Colo. Rev. Stat. § 34-60-101 et seq. (the “Act”), the Colorado Oil and Gas Conservation Commission (the “COGCC”) regulates the development and production of oil and gas resources in Colorado, and the Act authorizes the COGCC to adopt statewide rules and regulations. The Operator agrees to drill, complete, equip, operate and maintain the Well Pads and the Subject Wells in accordance with the rules and regulations adopted by COGCC.

7. Best Management Practices. As a supplement to the COGCC’s rules, regulations and procedures, Operator agrees to follow the best management practices, which are attached hereto and incorporated herein by reference as Exhibit D (“BMPs”). The BMPs include, but are not limited to, best practices for odor mitigation, noise mitigation, lighting installation, road maintenance and landscape restoration and resolution of complaints (determined to be reasonable and valid by Operator and Town). The Operator agrees to drill, complete, equip, operate and maintain the Well Pads and the Subject Wells in accordance with the BMPs.

8. Submission to COGCC. If the Operator is in compliance with this Agreement, the COGCC’s rules, regulations and procedures, and the BMPs, the Town agrees not to object to the Operator’s submissions to the COGCC relating to the Well Pads and/or the Subject Wells. Furthermore, upon Town approval of operations pertaining to a Subject Well and written request from the Operator, the Town Manager will promptly notify the COGCC in writing that the Town has approved such operations under its land use review procedures and pursuant to this Agreement.

9. Future Regulations. The Town reserves the right in the future to enact and apply prospectively regulations that are general in nature and that are applicable to all commercial and industrial operations in the Town, provided, however, that the application of such prospective regulations does not materially impede Operator’s operations generally authorized by this Agreement.

### **ARTICLE III. ENCROACHMENT LICENSE FOR IMPROVEMENTS**

1. Grant of Encroachment License. The Town hereby grants to Operator the personal privilege and permission to enter upon the Town’s Property and to construct the Improvements and maintain the Encroachment under, over, through and on the Town’s Property subject to the terms, conditions and limitations of this Agreement (the “License”), as depicted on Exhibit C. The Operator is not limited to the approximate locations shown on Exhibit C; and may revise these approximate locations based upon reasonable commercial factors that require the revision of these locations by Operator. Further, Operator shall be entitled to an additional 5 crossings under the terms of this agreement (“Additional Crossings”), *provided, however*, these Additional Crossings shall be at locations reasonably acceptable to the Parties, but such approval of the Additional Crossing shall not be unreasonably denied, conditioned, or withheld by the Town. No additional consideration shall be owed under this Agreement for the Additional Crossings except for those administrative and permit fees in effect on the date that the permit issues for each Additional Crossing. The License and any additional license for the Additional Crossings herein granted shall be subject to all existing utility easements, if any, located on or under the Town’s Property.

2. No Interest in Land. Operator understands, acknowledges and agrees that neither the License nor this Agreement create an interest or estate in Operator's favor in the Town's Property. The Town retains legal possession of the full boundaries of Town's Property and the License and this Agreement merely grant to the Operator the personal privilege to maintain the Encroachment described above throughout the term of this Agreement. Notwithstanding the expenditure of time, money or labor by the Operator on the Encroachments and the Improvements, the License and this Agreement shall in no event be construed to create an assignment coupled with an interest in favor of the Operator. Operator shall expend any time, money or labor at Operator's own risk and peril.

3. Limited Scope of License. The License granted to the Operator is limited in scope to the following permitted use or uses: pipeline crossing and other appurtenances as may reasonably be necessary or convenient for the Improvements for the gathering or transportation of oil, gas, water, and any other substances, combinations or mixtures of any of the foregoing, as shown on Exhibit C. Operator shall not have the right to expand the License, the Encroachments, Improvements or Operator's use of the Town's Property or to alter or change the Operator's use of the Town's Property.

4. Record Drawings. No more than sixty (60) days after construction of the Improvements, Operator shall provide to the Town detailed Digital Record Drawings in conformance with the Town's standards and specifications for Town review and acceptance. The delivered data should be in a Town approved projection to incorporate into the Town's Geographic Information System. No data of the underground utilities shall be made public in the interest of health and public safety.

5. Improvement Monumentation. During construction, at all locations where the Improvements enter or exit the Town's Property, permanent at and above grade monumentation and marking shall be placed in a manner and at a location approved by the Town. Operator shall maintain all monumentation and marking for as long as this License is in effect.

6. Permit and Improvement Mapping. Prior to constructing the Improvements subject to the License, Operator shall obtain a Town-issued a Right-of-Way or Public Improvement Permit for the construction of the Improvements at no further cost to the Operator beyond administrative and permit fees in effect as of the date of this Agreement. As part of the application, Operator shall provide detailed maps of the Improvement(s) for the entirety of the corresponding project within Town limits, regardless of whether it is located on the Town's Property.

7. Use of Licensed Premises by Others. Operator may permit Operator's employees, business invitees, contractors, tenants, subcontractors, lessees, agents, customers and others to use the portion of the Town's Property for which the License and this Agreement has been executed. Such use by others of the Town's Property or the Operator's Improvements located on the Town's Property shall not in any manner increase, decrease, modify, amend or otherwise affect the rights and obligations of the Operator under the Agreement.

8. Permanent Removal of Encroachment upon Termination. At such time as this Agreement is terminated pursuant to terms hereof and/or the License herein granted to Owner is terminated under Article IV, Section 2, or the Improvements, or any of them, are abandoned, Operator shall remove, at Operator's sole expense, any and all Improvements within the Encroachments owned or maintained by Operator on the Town's Property.

9. Maintenance of the Improvements. During the term of this Agreement, the Operator shall, at Operator's sole expense, maintain the Improvements which encroach onto the Town's Property in safe and good condition as reasonably determined by the Town.

10. Access Roads and Mud Tracking. Operator shall comply with specifications for Access Roads and Mud Tracking contained in Exhibit E. Operator shall also comply with the generally accepted best practices for erosion and sedimentation control.

11. Operator's Waiver of Claims against Town. As a part of the consideration paid by Operator for the License and this Agreement, and except for the negligence, recklessness or willful and wanton misconduct of the Town, its officers, employees, or agents, Operator hereby waives any and all claims which Operator may or might hereafter have or acquire against Town for loss or damage to Operator's Improvements which encroach onto the Town's Property arising from the use by the Town, or the public, of the Town's Property for any purpose.

12. Mechanics' Liens. Operator shall not allow any mechanics' or similar liens to be filed against the Town's Property arising from any work done by Operator on the Town's Property, and Operator shall indemnify and hold the Town harmless with respect thereto, including any attorney fees incurred by Town in connection with any such lien or claim. If any mechanics' or other liens shall be created or filed against the Town's Property by reason of labor performed by, or materials furnished for, the Operator, the Operator shall, within thirty (30) days thereafter, at the Operator's own cost and expense, cause such lien or liens to be satisfied and discharged of record together with any Notices of Intention to File Mechanic's Lien that may have been filed. Failure to do so shall constitute a default hereunder for which the Town may terminate this Agreement in accordance with the provisions of Article IV Sections 1 and 2 of this Agreement.

#### **ARTICLE IV. DEFAULT, TERMINATION OF LICENSE AND ABANDONMENT**

1. Default. In the event either Party defaults in the performance of any of the material covenants or agreements to be kept, done or performed by it under the terms of this Agreement, the non-defaulting party shall notify the defaulting party in writing of the nature of such default. Within thirty (30) days following receipt of such notice, the defaulting Party shall correct such default; or, in the event of a default not capable of being corrected within thirty (30) days, the defaulting party shall commence correcting the default within thirty (30) days of receipt of notification thereof and thereafter correct the default with due diligence. If the defaulting Party fails to correct the default as provided hereinabove, the non-defaulting party, without further notice, shall have the right to declare that this Agreement and the License terminated pursuant to Article IV Section 2 below upon such date as the non-defaulting Party shall designate. The rights and remedies provided for herein may be exercised singly or in combination.



2. Termination of License. The License herein granted to Operator is non-revocable, subject to termination only for the following:

a. Termination upon Non-Use or Removal/Abandonment of Improvements. In the event that Operator's Improvements which encroach onto the Town's Property are no longer useful to Operator, in Operator's reasonable judgment, or are permanently removed and/or abandoned by Operator (including the permanent removal and/or abandonment of any relocated Improvements pursuant to Article IV, Section 4), the License herein granted to Operator may be terminated by Town upon not less than thirty (30) days' advance written notice to Operator.

b. Termination upon Default. This License may be terminated by either Party upon the material default of the other Party in the performance of the material covenants or agreements of this Agreement in accordance with the provisions of Article IV, Section 1 of this Agreement.

c. Recording of Notice of Termination. Upon termination of the License and this Agreement the Town may cause to be recorded with the Clerk and Recorder of Larimer and Weld Counties, Colorado a written Notice of Termination.

d. No Compensation to Operator. In the event of termination of the License pursuant to this Agreement, Operator shall not be compensated for any Improvements that must be removed from the Town's Property.

3. Abandonment. If all of the wells connected to any Improvements are plugged and abandoned or are no longer capable of producing oil and gas that is not the result of *force majeure*, then the Town may send written notice to Licensee that it believes such Improvements are abandoned. If Licensee responds with competent evidence that the wells are not abandoned, then the Improvements shall not be deemed abandoned. If Licensee fails to respond to the Town within 60 days of receipt of such notice, such Improvements shall be deemed abandoned. If Licensee abandons any Improvements in place, they shall be abandoned in compliance with COGCC Rule 1105 or any amendment thereto. At Licensee's own expense, it shall hire a consultant to determine whether Licensee has complied with COGCC Rule 1105, when applicable, and provide a copy of such determination to the Town. In addition, Licensee may abandon any or all of the Improvements on the Town's Property by delivering written notice of its intent to abandon such Improvements to the Town.

4. Relocation. The Town shall consult with the Licensee and minimize to the extent practicable the need to relocate any Improvements. If the Town determines that Licensee must relocate the Improvements for a Public Project, Licensee shall, after conferring with the Town: (1) relocate such Improvements at Licensee's sole expense, within 180 days of written notice from the Town, or if such relocation site is not available or is not capable of a safe installation and operation of such relocated Improvements, to an alternative relocation site provided by the Town that is adjacent and in close proximity to the original site of such Improvements; (2) with the Town's approval, which shall not be unreasonably withheld, conditioned or delayed, abandon the

Improvements as provided in Article IV, Section 3, above; or (3) with the Town's approval, take other steps to accommodate the Public Project. If the Improvements are abandoned pursuant to this subsection, the Licensee may request that the Town allow the Licensee to replace them with hydrocarbon storage tanks. Placement of the hydrocarbon storage tanks shall only be permitted upon approval of Town Council and shall be subject to the Town's right to participate in the COGCC's review of such tanks. For purposes of this Agreement, "Public Project" means: (i) any public work or improvement within the Town that is wholly owned by the Town or (ii) any public work or improvement within the Town where at least 50% or more of the funding is provided by any combination of the Town, the federal government, the state of Colorado, any Colorado county and/or entities established under Title 32 of the Colorado Revised Statutes.

## **ARTICLE V. MISCELLANEOUS**

1. Urban Renewal Authority. Upon request of the Town, Operator shall permit, and, if an eligible elector, sign a petition for, the establishment of an urban renewal authority pursuant to C.R.S. § 31-25-101, *et seq.*, wherein the Property may be included in an urban renewal project area.

2. Assignment. Neither the Agreement nor the License granted to Operator herein is transferable or assignable by Operator without the prior written consent of the Town, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, Operator may assign this Agreement in whole or part to Kerr-McGee Gas Gathering LLC ("KMGG") without the Town's consent. Such consent, if granted by the Town, shall be conditioned upon the transferee's or assignee's assumption without further consideration by the Town, in writing in a form reasonably acceptable to Town, of all of Operator's obligations hereunder. Such transferee or assignee shall acquire nothing more than the rights set forth herein and/or the personal privilege herein granted to Operator. The rights of any transferee or assignee shall be subject to termination in accordance with the provisions of this Agreement.

3. Insurance. During the term of the Agreement, Operator shall comply with the following insurance requirements. Operator shall maintain or cause to be maintained, with insurers authorized by the state of Colorado and at a minimum, the following types of insurance with limits no less than the amounts indicated:

A. Commercial General Liability insurance, with limits of no less than one million dollars (\$1,000,000.00) per claim/occurrence, two million dollars (\$2,000,000) General aggregate. Coverage shall be at least as broad as that provided by ISO CG 0001 01/96 or its equivalent, and shall include coverage for explosion, collapse, and underground hazards. Product/Completed Operations, with limits of no less than one million dollars (\$1,000,000.00) per claim/occurrence and two million dollars (\$2,000,000) aggregate. Such Commercial General Liability and Product/Completed Operations insurance shall include the Town, its officers, officials and employees as additional insureds per, respectively, ISO CG 2026 or its equivalent and ISO CG2037 or its equivalent. There shall be a waiver of subrogation and rights of recovery against the Town, its officers, officials and employees. Coverage shall apply as to claims between insureds on the policy, if applicable.

B. Commercial Automobile Liability insurance with minimum combined single limits of one million dollars (\$1,000,000.00) combined single limit with respect to each of Operator's owned, hired and non-owned vehicles assigned to or used by the Operator in the Town.

C. Workers' Compensation insurance - Statutory Workers' Compensation Coverage for the employee's normal State of employment/hire. Including Employer's Liability insurance – with limits of not less than one million dollars (\$1,000,000) Each Accident, Disease–Each Employee, Disease–Policy Limit.

D. Umbrella/Excess Liability – in excess of General Liability, Product/Completed Operations, Employer's Liability, and Automobile Liability with limits no less than twenty million dollars (\$20,000,000) per occurrence. The Umbrella/Excess Liability shall follow-form to the underlying policies.

E. Environmental Liability/Pollution Legal Liability insurance (including Errors and Omissions) – with limits of not less than ten million dollars (\$10,000,000) per pollution incident for losses caused by pollution conditions that arise from the operations of the Operator pursuant to the License granted herein, with coverage being required beginning with the date of operation (the "Required Date"). This insurance may be on a claims-made basis; however, the retroactive date must precede the Required Date in order to cover all lines.

F. The insurance shall not be canceled or materially changed so as to be out of compliance with these requirements without thirty (30) days' written notice first provided to the Town, via certified mail, and ten (10) days' notice for nonpayment of premium. If the insurance is canceled or materially altered so as to be out of compliance with the requirements of this subsection within the term of this Agreement, Operator shall provide a replacement policy. Operator shall maintain continuous uninterrupted insurance coverage, in at least the amounts required, for the duration of this Agreement and, in the case of the Commercial General Liability, for at least three (3) years after termination of this Agreement.

G. All policies shall be written on an occurrence basis. If unable to obtain an occurrence-based policy for any required coverage, policies may be written on a claims made basis. If any policies providing the required coverage(s) are written on a claims-made basis, the following is applicable:

- a. The retroactive date shall be prior to the Effective Date of this agreement.
- b. Operator shall maintain such policies on a continuous basis.
- c. If there is a change in insurance companies or the policies are canceled or not renewed, Operator shall purchase an extended reporting period of not less than three (3) years after the Agreement termination date.

H. Any deductibles in the insurance policies shall not in any way limit Operator's liability.

I. All policies shall contain provisions such that (or shall be endorsed such that):

a. The Town, its officers, employees, and agents are to be covered as and have the rights of additional insureds with respect to liability arising out of activities performed by or on behalf of Operator under this Agreement or applicable law or in the construction, operation or repair or operatorship of the Well Pads, Subject Wells and Improvements;

b. Operator's insurance coverage shall be primary insurance with respect to the Town, its officers, employees and agents. Any insurance or self-insurance maintained by the Town, its officers, employees and agents shall be in excess of the Operator's insurance and shall not contribute to it; and

c. Operator's insurance shall apply separately to each insured against whom a claim is made or lawsuit is brought except with respect to the limits of the insurer's liability.

J. The insurance obtained by Operator shall be placed with insurers with an A.M. Best's rating of no less than "A-IX" (or a similar rating from an equivalent recognized ratings agency).

K. The Operator shall furnish the Town with certificates of insurance and endorsements or a copy of the page of the policy reflecting blanket additional insured status, including additional insured status for Products/Completed Operations coverage. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. At the Town's option, the Operator may be required to provide full copies of the applicable insurance policies.

L. The Operator may self-insure all or any part of the insurance requirements of this Article V, Section 3, on the condition that such self-insurance complies with the laws of the State of Colorado and the COGCC's Rules and Procedures. In the event the Operator fails to provide insurance coverage for an event, then the Town will require the Operator to obtain coverage through an insurance company. In the event that the Operator fails to pay a loss, even though the Town can require insurance in the future, the Town's insurance will not back-date coverage and pay for the loss that the Operator failed to pay. Within ten (10) days of the Effective Date of this Agreement, Operator shall provide the Town with all documents reasonably necessary for the Town to evaluate the Operator's self-insurance program and, upon request of the Town at any time during the term of this Agreement, shall provide such documentation.

M. The Town shall provide prompt written notice to the Operator of the pendency of any action against the Town arising out of such exercise by the Operator of said rights and privileges and be permitted at its own expense to appear and defend, or assist in the defense of the same. The obligation of this Section shall not extend to any liability or damage and all reasonable expenses accruing against the Operator arising out of the negligence, recklessness, or willful and wanton misconduct of the Town, its officers, employees or agents.

N. Notwithstanding anything contained herein to the contrary, the Town may terminate this Agreement, and the License herein granted to Operator, if Operator fails to procure and maintain the insurance required herein.

O. If at any time while the Agreement is in effect, the limits of liability for local governments under the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., are raised above the limits of liability provided hereinabove, Operator's insurance requirement provided herein shall be increased accordingly upon written notice to Operator.

4. Defense and Indemnification. Operator agrees to indemnify, defend and hold harmless the Town, its officers, employees, Town Council, boards, agents, insurers, and insurer, from and against all liability, claims, demands or liens against the Town on account of injury, loss, or damage, including without limitation claims arising from bodily injury, sickness, disease, death, remediation or other costs, property loss or damage, or claims under any local, state or federal environmental law, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with this Agreement or the use of the Town's Property by Operator pursuant to this Agreement, if such injury, loss, or damage is caused in whole or in part by, or is claimed to be caused in whole or in part by, the negligence of Operator, any contractor or subcontractor of the Operator, or any officer, employee, tenant, agent, customer, or representative of the Operator, or of any person permitted or allowed to use the Town's Property by Operator, or which arise out of any worker's compensation claim of any employee of the Operator or of any subcontractor of the Operator or of any tenant of Operator; except to the limited extent such liability, claim or demand arises through the negligence, recklessness, or willful and wanton misconduct of the Town, its officers, employees or agents. Operator agrees to investigate, handle, respond to, and to provide defense for and defend against any such liability, claims or demands at the sole expense of the Operator. Operator also agrees to bear all other costs and expenses related thereto, including court costs and reasonable attorney fees. As used in this Paragraph, the term "claim" means any claim filed in any judicial or administrative forum and any administrative proceeding or order. This defense and indemnity does not apply to a claim or liability that arises from the negligence, recklessness, or willful misconduct of the Town, its officers, employees or agents or any claim that the terms of this Agreement or its consideration, approval and execution by the Town were improperly conducted or effectuated. The obligations of this Paragraph shall survive termination of this Agreement.

5. Notices. Any notice required or permitted under this Agreement shall be in writing and shall be sufficient if personally delivered or mailed by certified mail, return receipt requested, addressed to the following:

If to the Town:	Town of Johnstown Attention: Town Manager 450 S. Parish Avenue PO Box 609 Johnstown, CO 80534 Email: <a href="mailto:mlecerf@townofjohnstown.com">mlecerf@townofjohnstown.com</a>
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If to the Operator:	Occidental Petroleum Corporation, including its wholly owned subsidiary Kerr-McGee Oil and Gas Onshore LP 1099 18 <sup>th</sup> Street
---------------------	---

Denver, Colorado 80202  
Attn: Elizabeth Knowles, Municipal Planning Manager  
Telephone: 720-929-6000  
Email: [Elizabeth\\_Knowles@oxy.com](mailto:Elizabeth_Knowles@oxy.com)

Notices mailed in accordance with the provisions of this Paragraph shall be deemed to have been given upon mailing. Notices personally delivered shall have been deemed to have been given upon delivery. Either party may change its address by giving notice thereof to the other party in the manner provided herein.

Notices of a more routine nature may be made by electronic mail ("e-mail") delivery on the condition that the receiving party confirms receipt of the e-mail.

6. Applicable Law, Jurisdiction and Venue. Colorado law shall apply to the construction and enforcement of this Agreement. The parties agree to the jurisdiction and venue of the courts of Weld County in connection with any dispute arising out of or in any matter connected with this Agreement.

7. Mediation. Except with respect to the right to seek injunctive relief, prior to commencing an action in a court of law, the Parties shall submit the disputed matter to mediation. The cost of the mediation shall be split equally between the Parties. If the mediation is not completed within sixty (60) days, the non-defaulting Party may commence an action in a court of law.

8. Attorney Fees. If any action is brought in a court of law by either Party to this Agreement concerning the enforcement, interpretation or construction of this Agreement, to the extent permitted by law, the prevailing Party, either at trial or upon appeal, shall be entitled to reasonable attorney fees as well as costs, including expert witness fees, incurred in the prosecution or defense of such action.

9. Waiver. The failure of either Party to exercise any of its rights under this Agreement shall not be a waiver of those rights. A Party waives only those rights specified in writing and signed by the Party waiving its rights.

10. Governmental Immunity. The Parties hereto understand and agree that Town is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., as from time to time amended, or any other law or limitations otherwise available to Town, its officers, or its employees.

11. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties hereto and supersedes any prior agreement or understanding relating to the subject matter of this Agreement. Any such prior agreement shall be deemed to be null and void and of no further effect.

12. Modification. This Agreement may be modified or amended only by a duly authorized written instrument executed by the Parties hereto.

13. Paragraph Headings. Paragraph headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this Agreement.

14. Terminology. Wherever applicable, the pronouns in this Agreement designating the masculine or neuter shall equally apply to the feminine, neuter and masculine genders. Furthermore, wherever applicable within this Agreement, the singular shall include the plural, and the plural shall include the singular.

*[signatures on following pages]*





## **Exhibit A**

S & B 5-11 HZ Pad located - S/2 NW/4 Section 11, T4N, R68W

Point Three 11-16 HZ Pad location – W/2 Section 16 T4N, R67W

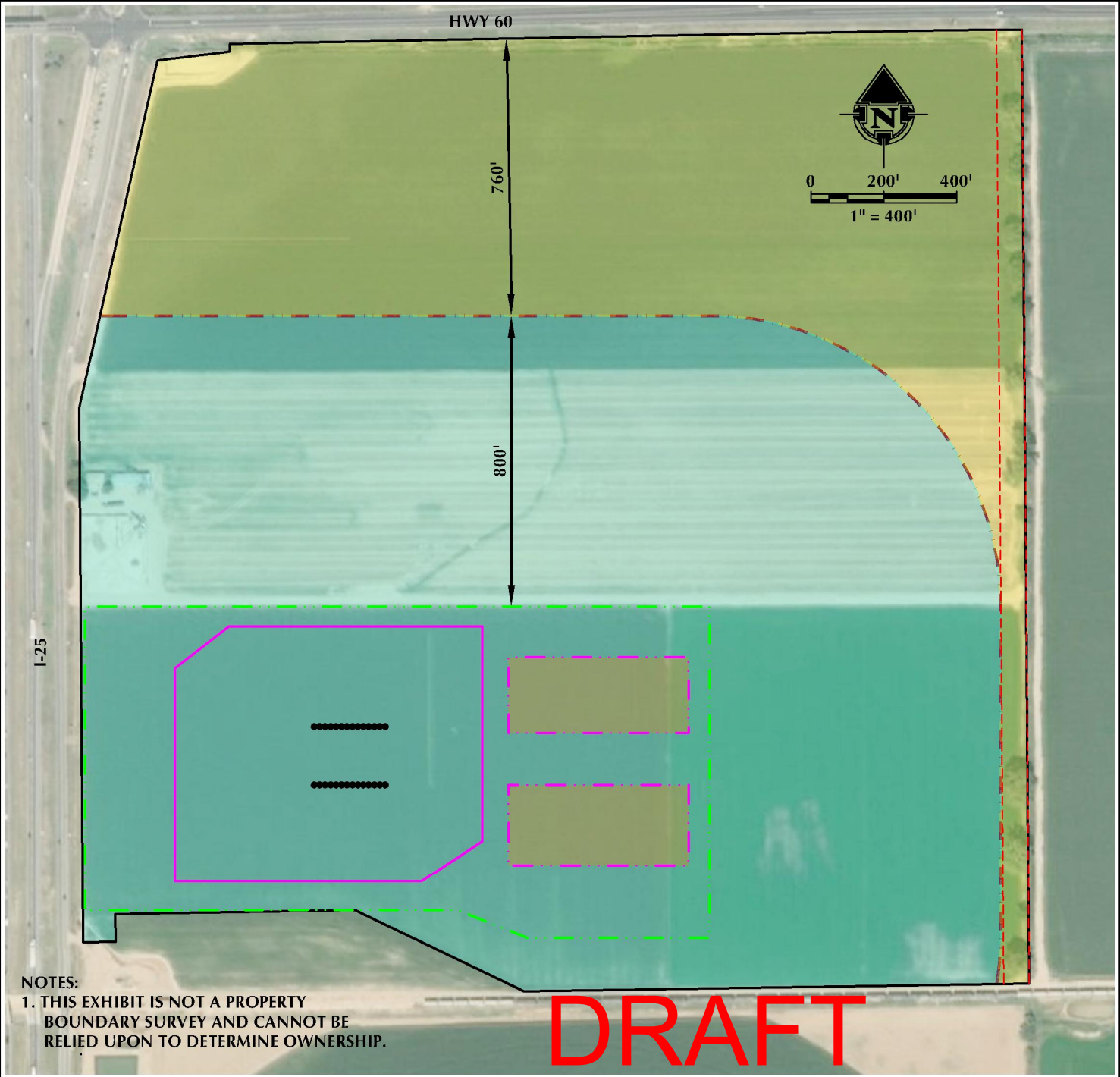
Oakwood 13-24HZ Pad location – W/2 SE/4Section 24, T5N, R68W

EXHIBIT A-1

PROPERTY EXHIBIT

S&B 5-11HZ

NW1/4 SECTION 11, TOWNSHIP 4 NORTH, RANGE 68 WEST, 6TH P.M.



LEGEND

- PROPOSED WELL
- PROPOSED WELL PAD
- PROPOSED FACILITY PAD
- OIL AND GAS OPERATIONS AREA
- 70' WIDE ACCESS EASEMENT
- 800' BUFFER
- PROPERTY LINE
- ALLOCATED LAND (±48.96 ACRES)
- NON-ALLOCATED LAND (±99.29 ACRES)



609 CONSULTING, LLC  
LOVELAND OFFICE  
6706 North Franklin Avenue  
Loveland, Colorado 80538  
Phone: 970-776-4331

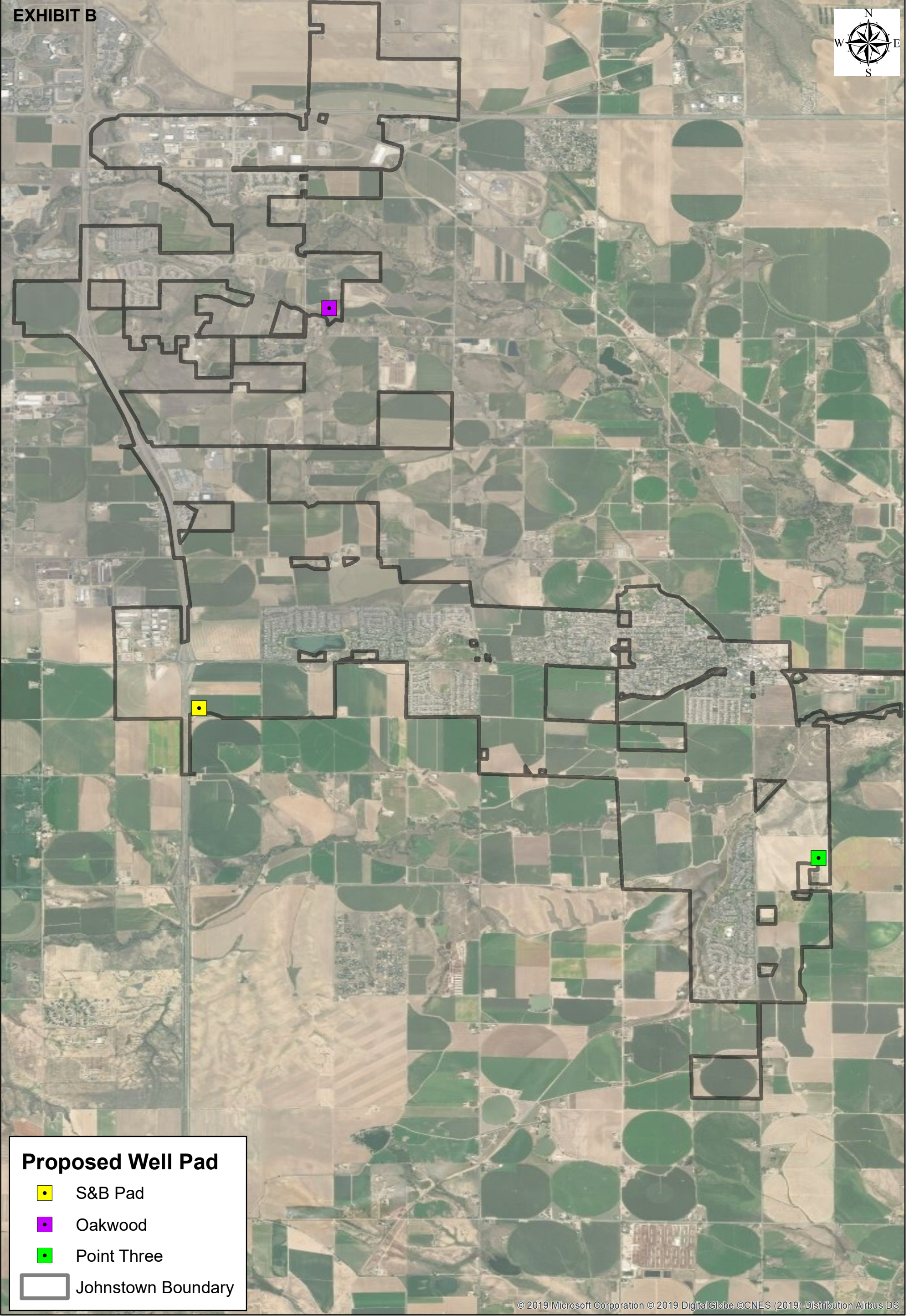
SHERIDAN OFFICE  
1095 Saberton Avenue  
Sheridan, Wyoming 82801  
Phone: 307-674-0609

DATE SURVEYED: N/A  
DATE: 7/25/19  
DRAFTER: SRS  
REVISED: 7/29/19

DATA SOURCES:  
- AERIAL COURTESY OF ESRI, INC.  
- WATER WELLS COURTESY OF  
COLORADO DIVISION OF WATER  
RESOURCES

PREPARED FOR:  
**Kerr-McGee Oil & Gas Onshore L.P.**





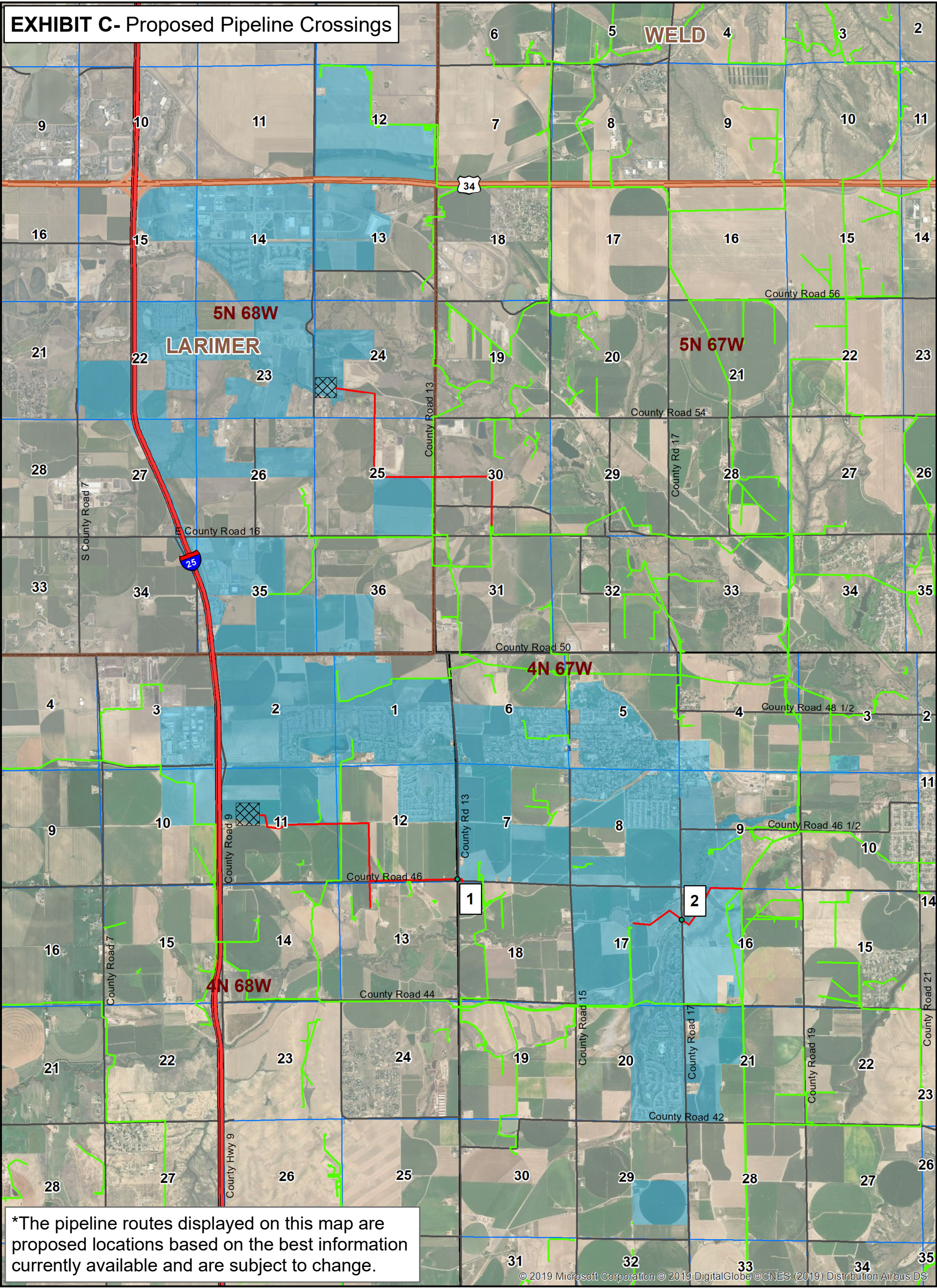
1 0.5 0 1 2 Miles



*Proposed locations shown above are for reference purposes only. Final locations may vary.*

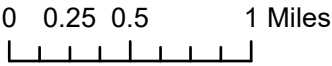


EXHIBIT C- Proposed Pipeline Crossings



- Crossing Location
- Proposed Pipeline
- Active Pipeline
- ⊠ Well Pad Location
- Johnstown Municipal Boundary
- County Line
- PLSS Townships
- PLSS Sections

PROPOSED PIPELINE CROSSINGS  
1) Pipeline crossing at Weld County Road 13  
2) Pipeline crossing at Weld County Road 17





## EXHIBIT D

### [Best Management Practices for Well Pads]

- 1. Odor Mitigation.** Operator will prevent odors by routing to closed loop systems to the maximum extent practicable. Odor emitting from the Subject Wells must be controlled immediately. Operator must minimize odors by proactively addressing and resolving, to the maximum extent practicable, citizen concerns within 24 hours. Operator must add additives to drilling fluids to prevent or minimize odors but cannot mask odors. In order to meet the provisions of this section, Operator implements the following measures:
  - A. Erect walls around the Well Pads as required by the Town to limit airflow through the well sites during the drilling and completion of wells. Determination of full or partial wraps will be mutually agreed upon by Operator and the Town;
  - B. Utilization of additive concentration to drilling mud to neutralize odors;
  - C. Wiping down the drill pipe each time that the drilling operation “trips” out of the hole;
  - D. Continue to evaluate different additive formulations that have the potential to better suppress odors, including but not limited to non-diesel based additives;
  - E. During flowback and well completions, utilize closed-loop green completion techniques to the maximum extent practicable to minimize emissions and the flaring of natural gas; and
  - F. Drill cutting will be run through a centrifugal dryer to minimize odor during temporary time on location and during transport to disposal.
- 2. Noise Mitigation.** To reduce the noise effects on the Town and its residents and to provide cost benefits to Operator, all permanent equipment with engines or motors that can be electrified will be electrified from the power grid. Additionally,
  - a. Operator agrees to use a quiet completions fleet on all well sites for completion operations;
  - b. Operator agrees to use a quiet rig with modifications such as noise dampening baffles, louver, muffler enclosures and portable walls as needed.
  - c. Erect walls around the Well Pads as required by the Town during the drilling and completion of wells. Determination of full or partial wraps will be mutually agreed upon by Operator and the Town;

- d. Operator will develop and implement in consultation with the Town a Noise Mitigation and Monitoring Plan that provides for continuous monitoring and modeling from four (4) sides of the facility at least 350 feet from the sound wall where possible provided that approval from surrounding surface owners can be obtained. The plan should identify site-specific noise mitigation techniques such as dirt moving to attenuate noise, and source- based noise mitigation.
- 3. Lighting.** Operator will install down cast lighting or some other form of lighting that mitigates light pollution and spill-over onto adjacent properties; provided, however, that Operator may still use lighting that is necessary for public and occupational safety.
- 4. Road Repairs.** The Parties recognize that truck traffic accessing the Well Pads may cause damage to Town roads and that road repairs may be needed to mitigate such damage. Operator will arrange for a qualified outside consultant to perform a road impact study for all Town roads that are used to access a Well Pad during the term of the Agreement. The consultant will conduct the first part of the study prior to Operator's drilling and completions phase of operations at such Well Pad and the second part of the study after Operator completes all drilling and completions at such Well Pad. The Parties will use these studies to determine the extent of any damage accruing to the road during the study period. Operator will then promptly pay Town to repair such damage or else arrange and pay the cost of such repairs itself based on Town's preference.
- 5. Drilling Pipe and other Large Tubulars Loading.** Operator shall make all attempts possible to avoid loading large tubulars between 7:00 p.m. and 7:00 a.m. Mountain Time.
- 6. Complaint Responsiveness.** Operator shall be available by, among other potential means, telephone between 7:00 a.m. and 7:00 p.m. Mountain Time to address Town and citizen complaints. Such complaints shall be addressed and, to the extent practicable, resolved within twenty four (24) hours of receipt.

## **EXHIBIT E**

### **[Specifications for Access Roads and Mud Tracking]**

Access Roads. Access points to public roads shall be located, improved and maintained to assure adequate capacity for efficient movement of existing and projected traffic volumes and to minimize traffic hazards. Access roads shall be improved to a point one hundred (100) feet from connection to a public road. The access road shall be an aggregate bed track-out apron in the appropriate depth to support the weight load requirements of the vehicles accessing the facilities.

Plans and Specifications. Plans and specifications for installing stabilized access shall be in keeping with this section. At a minimum include the following items:

1. Location.
2. Length.
3. Width.
4. Thickness.
5. Type of materials.
6. Aggregate size. Filter fabric shall be used under the aggregate to minimize the migration of stone into the underlying soil by heavy vehicle loads.

All plans shall include the installation, inspection, and maintenance schedules with the responsible party identified, and approved by the Town Engineer or Public Works Director.

At the time any Town road is paved, the access road standards in effect at that time will apply. Operator agrees to coordinate with the Town to improve connected access roads to those standards.

Mud Tracking. The Operator shall take all practicable measures to ensure that vehicles do not track mud and debris onto Town streets. Operator also agrees that any access road shall be improved pursuant to the above Access Roads Section to alleviate mud and debris tracking onto Town streets. If mud and debris is nonetheless deposited on Town streets, in excess of de minimus levels, the streets shall be cleaned immediately by the Operator. If for some reason this cannot be done, or needs to be postponed, the Town shall be notified of the Operator's plan for mud and debris removal.

EXHIBIT F-1: Right of Way Dedication

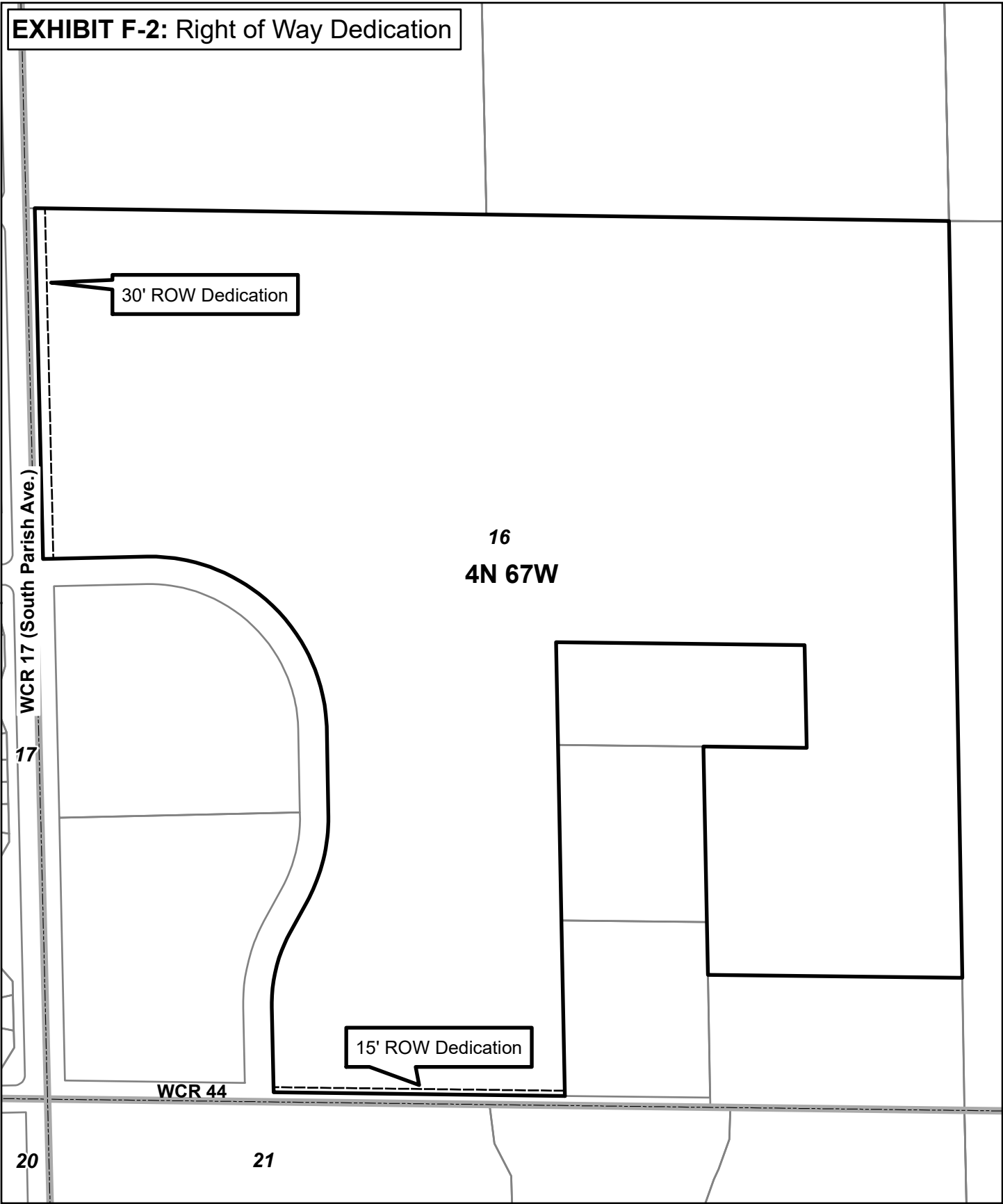


- Property Boundary
- Tax Parcels
- PLSS Sections

0 750 1,500 Feet



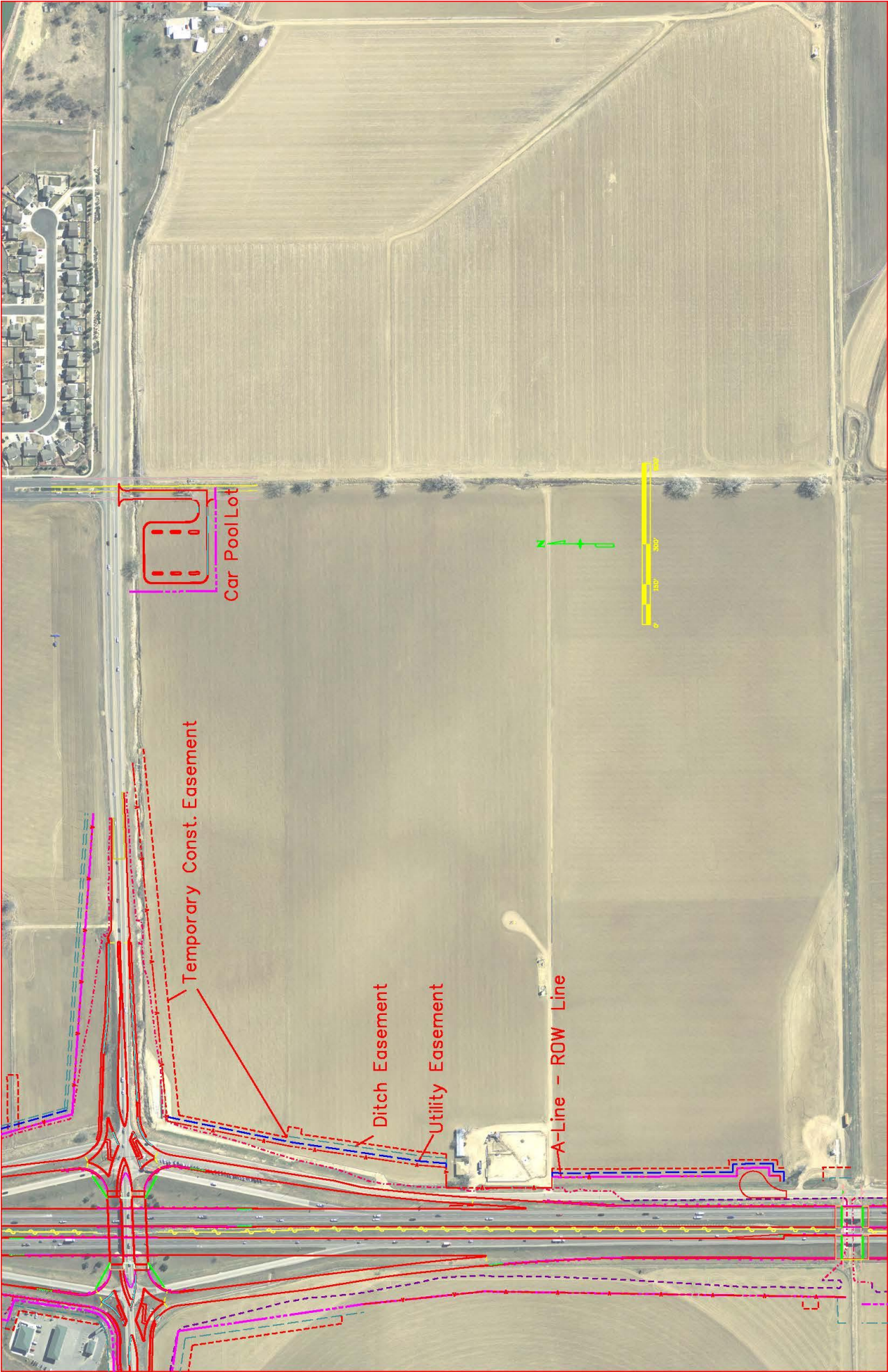
**EXHIBIT F-2: Right of Way Dedication**



- Property Boundary
- Tax Parcels
- PLSS Sections

0 750 1,500 Feet

EXHIBIT G: CDOT DEDICATION



**First Amendment**

**Poudre Valley REA**

**Franchise Agreement Extension**

**FIRST AMENDMENT TO FRANCHISE AGREEMENT  
TOWN OF JOHNSTOWN, COLORADO  
AND  
POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.**

This First Amendment to the Franchise Agreement between the Town of Johnstown, Colorado ("Town") and Poudre Valley Rural Electric Association, Inc. ("Poudre Valley") is upon the following terms and conditions:

1. The parties entered into a Franchise Agreement dated May 17, 1999 that granted a franchise to Poudre Valley that was lawfully accepted by Poudre Valley ("Franchise Agreement"). The expiration date of the franchise under the terms of the Franchise Agreement is December 31, 2019. The parties have been diligently negotiating a new franchise agreement to extend the franchise another twenty (20) years, to and including December 31, 2039. Because the parties have not yet finalized the new franchise agreement, the parties desire to extend the expiration date of the franchise under the terms of the Franchise Agreement for a short duration and thus continue operating under the terms of the existing agreement.

2. Article 13 of the Franchise Agreement provides that, if the parties have not renewed the franchise at the expiration of the term, Poudre Valley shall continue to provide services thereunder. Article 16 of the Franchise Agreement provides that the parties may amend the terms of the franchise.

3. To allow the parties additional time to execute a new agreement, the parties desire to extend the term of the Franchise Agreement by four (4) months, up to and including midnight on April 30, 2020, or until the parties execute a new franchise agreement, whichever occurs first. Except as amended herein, the parties reaffirm the Franchise Agreement, including but not limited to Poudre Valley's right to furnish, sell and distribute electricity in the Town and corresponding obligation to pay a franchise fee to the Town.

IN WITNESS WHEREOF, this First Amendment to Franchise Agreement is entered into by the Town and Poudre Valley effective as of December 16, 2019.

TOWN OF JOHNSTOWN, COLORADO

By: \_\_\_\_\_  
Gary Lebsack, Mayor

Date of Signature: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Diana Seele, Town Clerk

POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

**AGENDA ITEM 7**

**Town Manager Report**

**AGENDA ITEM 10A**

**Public Hearing**

**Consolidated Service Plan  
(Vista Commons Metropolitan  
District Nos. 1-4)**

**Resolution 2019-32**

\*PUBLIC HEARING PROCEDURE – Resolution 2019-32, Approving the Consolidated Service Plan for Vista Commons Metropolitan District Nos. 1-4

1. Open public hearing.
2. Receive information from staff.
3. Receive information from applicant.
4. Receive information from public.
  - a. Ask to hear from anyone who supports the Service Plan.
  - b. Ask to hear from anyone who opposes the Service Plan.
5. Receive rebuttal from applicant. (*Discretionary and only if warranted at the time.*)
6. Additional questions from Council, if any. (*Council may ask questions at any time until the hearing is closed.*)
7. Close the public hearing. (*No more questions from Council*)
8. Discussion and deliberation among Council.
9. Make a decision and/or motion from Council.

SUGGESTED MOTIONS

For Approval I move to approve Resolution 2019-32, A Resolution Approving the Consolidated Service Plan for Vista Commons Metropolitan Districts Nos. 1-4

For Approval with Conditions I move to approve Resolution 2019-32, A Resolution Approving the Consolidated Service Plan for Vista Commons Metropolitan Districts Nos. 1-4, with the following amendments to the proposed Service Plan, \_\_\_\_\_ and direct the Town Attorney to revise the Service Plan accordingly.

For Denial I move to deny approval of Resolution No. 2019-32, A Resolution Approving the Consolidated Service Plan for Vista Commons Metropolitan Districts Nos. 1-4.



## TOWN COUNCIL AGENDA COMMUNICATION

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**AGENDA DATE:** December 16, 2019

**ITEM NUMBER:** 10B

**SUBJECT: Public Hearing** – Resolution Approving the Consolidated Service Plan for Vista Commons Metropolitan Districts Nos. 1-4.

**ACTION PROPOSED:** Consider Resolution No. 2019-32

**PRESENTED BY:** Town Attorney and Jim Mann (Financial Advisor)

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**AGENDA ITEM DESCRIPTION:** An application for approval of a Consolidated Service Plan (“Service Plan”) was submitted for Vista Commons Metropolitan Districts Nos. 1-4 (“Districts”) by Vista Ag Properties, LLC, a Nebraska limited liability company, the property owner, and Pratt Development Co LLC, a Colorado limited liability company, the developer of the property (“Developer”), pursuant to the requirements of the Special District Control Act, Title 32, Article 1, Part 2, C.R.S. The Service Plan was submitted in connection with a development known as Vista Commons, generally located at the northeast corner of Interstate I-25 and State Highway 60. The development is subject to the Pratt Technology Campus Annexation Agreement, dated April 3, 2000, and a Preliminary Plat approved on or about April 1, 2019.

To satisfy the statutory requirements, the Service Plan includes (1) a description of the proposed services, (2) a financial plan as to how the services are to be financed, (3) a preliminary engineering or architectural survey showing how the proposed services are to be provided, (4) a map of the proposed District boundaries, (5) an estimate of the population and valuation for assessment of the proposed District, (6) a description of the facilities to be constructed and the standards for construction, (7) a general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the district, and (8) a proposed intergovernmental agreement.

The boundaries of the proposed Districts include 145.3 acres with an anticipated population at full development of approximately 1,075 people. District No. 1 is the coordinating district and is anticipated to provide covenant enforcement, manage the common areas and issue debt. District No. 2 is the residential district consisting of approximately 42 acres, and is anticipated to include 109 single family homes and 321 multi-family residential units. District Nos. 3 and 4 are the commercial districts and are anticipated to include 820,000 square feet of commercial space.

The Service Plan is generally consistent with the Model Service Plan adopted by Town Council on February 22, 2017. The maximum debt mill levy for the residential district is 40 mills; the maximum debt mill levy is 50 mills; and the maximum operations and maintenance mill levy is 10 mills. The mill levies are subject to Gallagher Adjustment. A Gallagher Adjustment means, primarily, that if the residential assessment ratio is changed, the mill levy may be increased above the cap so that ratio change is revenue neutral to the Districts.

The capital plan, attached as Exhibit E to the Service Plan, estimates project costs of approximately \$66,695,487. The capital Plan has been reviewed by Greg Weeks, the Town’s Engineer, who finds that the preliminary estimates of cost and reasonable.

The financial plan provides that the Districts will have the ability to issue debt in the amount of \$31,300,000. To provide flexibility to allow the Districts to issue additional debt if the financial capacity increases without having to seek a modification of the Service Plan, the maximum debt authorization under the Service Plan is \$39,000,000.

The Districts are not entitled to issue debt, impose a mill levy or charge development fees until the Developer obtains final approval of a final plat for the first phase of the residential development. Prior to the issuance of any debt, the Districts are required to submit financial forecasts and feasibility reports to the Town. The Service Plan does not permit the Districts to utilize exemption from the Town’s sales and use tax. To attempt to address concerns regarding a developer’s control of the Districts subsequent to homeowners residing in the residential district, the Service Plan requires that the Districts enter into intergovernmental agreements governing the relationship between and among the Districts that contain provisions, among

other matters, relating to the orderly development of the public improvements and the payment of debt. The Districts are required to submit the proposed intergovernmental agreements to the Town for review prior to execution. The Districts may not thereafter amend the intergovernmental agreements without consent of all the Districts that are parties thereto. An amendment, without consent, will be considered a material modification of the Service Plan and require the Districts to seek approval from Town Council. Consistent with the Model Service Plan, the Districts are entitled to impose one-time development fees to fund District expenses. The financial plan does not reflect the anticipated revenue to be generated from the development fees to re-pay debt.

The Districts anticipate operating a non-potable water system. While the Developer will be required to dedicate the raw water to the Town, the Service Plan allows the Districts to enter into a separate intergovernmental agreement with the Town with respect to operation of the non-potable system and the Districts' ability to manage the raw water. The financial plan reflects that District No. 1 will be generate revenue from irrigation system fees to pay for operation of the non-potable system.

Pursuant to state law, the Town Council must approve the Service Plan before the Districts are formed and entitled to operate. The Service Plan must be approved through a public hearing process and, upon approval, be submitted to the Weld County District Court for an election regarding the organization of the Districts. Notice of this public hearing was published in *The Johnstown Breeze* and provided to interested persons by the proponents of the Districts.

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**LEGAL ADVICE:** The Town Attorney and the Town's special counsel, Sam Light, have reviewed the proposed Consolidated Service Plan. The Town also retained special counsel subsequent to Mr. Light's retirement, Jim Hunsaker.

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**FINANCIAL ADVICE:** The Town's financial advisor, Jim Mann of Ehlers, a municipal advisory firm, has reviewed the financial plan.

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**RECOMMENDED ACTION:** Consider Resolution No. 2019-32.

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**SUGGESTED MOTION:**

**For Approval:** I move to approve Resolution No. 2019-32, a Resolution Approving the Consolidated Service Plan for Vista Commons Metropolitan Districts Nos. 1-4.

**For Approval with Conditions:** I move to approve Resolution No. 2019-32, a Resolution Approving the Consolidated Service Plan for Vista Commons Metropolitan Districts Nos. 1-4, with the following amendments to the proposed Service Plan, \_\_\_\_\_, and direct the Town Attorney to revise the Service Plan accordingly.

**For Denial:** I move to deny approval of Resolution No. 2019-32, a Resolution Approving the Consolidated Service Plan for Vista Commons Metropolitan Districts Nos. 1-4.

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**Reviewed:**

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**Town Manager**

# Memo

**To:** Avi Rocklin, Attorney  
Town of Johnstown

**From:** James A. Mann, Senior Municipal Advisor

**Cc:** Jim Harrington, Senior Municipal Advisor

**Date:** April 5, 2019

**Subject:** Vista Commons Metropolitan District Nos. 1-4

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## Vista Commons Metropolitan District Review

**Review of Service Plan  
(Review dated April 5, 2019)**

### Introduction

Comments contained herein are based on a review of the District Service Plan draft, unspecified date, and the Financial Plan prepared by Stan Bernstein and Associates, dated September 26, 2018, (included as Exhibit F of the Service Plan).

### Review and Analysis

1. The Vista Commons development encompasses 145.30 acres, which will be developed into 106 single family residential units, 321 multi-family residential units and 821,000 square feet of office and commercial development over the course of the next 18 years. It is anticipated that the single-family units will be developed over the course of two (2) years, the multi-family units being developed over the next ten (10) years and the office/commercial square footage being developed over the next 18 years. At full buildout of the development, the service plan indicates that there will be approximately 1,075 new residents to the Town, assuming 2.5 residents per unit average.
2. The purpose of the Districts is to provide for the planning, design, acquisition, construction, installation and financing of the public improvements associated with the district. It is further anticipated that the Districts will maintain ownership, operate and maintain the trails and related amenities within the Districts.

3. Section V (C) of the Service Plan includes an estimate that approximately \$49.9 M of public improvement investment will need to be made for the project to move forward. The engineering opinion of probable costs prepared by Colorado Civil Group, LLC, dated August 14, 2017, for the public improvements (Exhibit E) enumerates the costs and includes a 10% construction contingency. Projects included in the estimate are as follows:

a. Grading & Earthwork	\$2,089,520.33
b. Water System	\$3,083,232.50
c. Non-Potable Water System	\$4,189,675.00
d. Sanitary Sewer System	\$1,568,875.00
e. Storm Drainage	\$1,716,335.00
f. Street Improvements	\$13,805,184.95
g. Landscaping	\$4,003,460.58
h. Offsite & Other Utilities	\$3,859,650.00
i. Park & Recreation Amenities	\$2,500,000.00
j. Site Improvements	\$2,152,184.00
k. Design, Engineering, Contingency	\$10,913,592.80
Total	\$49,890,710.23

4. The Service Plan assumes the following beginning price points for the development:

a. Single-Family Detached:	\$375,000
b. Multi-Family Units	\$160,000
c. Retail/Office	\$175/square foot

Based on expected inflationary increases in residential housing costs, the plan includes an annual 2.0% increase in the base prices until the final units are constructed. The Plan further indicates that the value of homes will achieve a 2.0% biennial market reassessment.

The plan does not include any inflationary increases in construction costs for the retail/office component and it is not anticipated that the retail/office component will achieve biennial market reassessments.

5. Revenues to pay debt service and support operations are provided from Property Taxes and Specific Ownership Taxes.
6. Section V(A)(14) identifies a maximum debt issuance of \$50.00 M, with an interest rate not to exceed 12% and underwriting costs not to exceed 4% of the par amount of the bonds. The interest on Developer Debt shall not exceed the lesser of the current Bond-Buyer 20-Bond GO index plus 4% or 12%.

7. Section V(A)(16) identifies that the District may impose and collect recurring fees for administrative, operations and maintenance expenses and for service, programs or facilities furnished by the Districts.
8. Section VI(C) of the service plan indicates that the Commercial Debt Mill Levy shall not exceed fifty (50) mills, subject to a Gallagher Adjustment. The service plan further indicates that the Residential Debt Mill Levy shall not exceed forty (40) mills, subject to a Gallagher Adjustment.

Section II, Definitions, Gallagher Amendment, states that if on or after January 1, 2018, there are changes to the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement that the Maximum Debt Mill Levy and Operations and Maintenance Mill Levy may be increased or decreased to reflect such changes.

9. Section VI(C), Mill Levy Imposition indicates that Developer Debt Mill Levy shall expire and be forgiven twenty (20) years after the date of the initial imposition by the Districts. The section further states that the Maximum Debt Mill Levy shall not exceed forty (40) years for any property developed for residential uses.
10. Section VI(C)(4) indicates that the maximum Operations and Maintenance Mill Levy will be ten (10) mills.
11. The Financial Plan reflects several series of debt to be issued as follows:

District #2	2021	\$1,000,000
	2026	\$1,400,000
	2029	\$1,400,000
District #3	2023	\$1,900,000
	2026	\$1,450,000
	2033	\$2,900,000
	2035	\$7,250,000
District #4	2025	\$4,500,000
	2030	\$1,000,000
	2038	12,000,000

Combined issuance costs shall not exceed 7%.

12. At project buildout, the anticipated assessed valuation is projected to be \$33,587,368. The breakout of the three Districts is as follows:

District #2	\$8,505,993
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District #3	13,245,750
District #4	11,835,625

## Comments

1. The Financial Plan identifies organizational costs of \$75,000 and an Operations and Maintenance Budget of \$50,000 to be funded through the Operations and Maintenance Mill Levy, however no itemized budget was included. The plan should include an Operations and Maintenance Budget to reflect the necessary funding required to operate and maintain the District at full build-out. Said budget should include, but not be limited to administrative support, arbitrage services, and auditing services in addition to the general maintenance of facilities constructed as part of the Service Plan and reminding the responsibility of the District.

Further, while the plan identifies that there will be a ten (10) mill levy on all property for Operations and Maintenance the finance plan is unclear as to whether that amount is being levied for operations. In District 2, the finance plan shows a total mill levy of forty (40) mills. In Districts 3-4, the finance plan shows a total mill levy of fifty (50) mills.

2. The Financial Plan identifies that residential property values will economically increase 2% biennially, while the value of new construction is increasing at 2% annually. The Financial Plan does not include any growth in construction costs and/or valuation for the retail/office component. We believe these numbers to be reasonable and conservative.
3. The plan identifies January 1, 2018 as the base year for the Mill levy Adjustment. A legal interpretation of this provision may need to be considered prior to implementation, as the adjustment is usually provided starting January 1 of the year of approval and does not apply retroactively to prior years.
4. Projects identified in Exhibit E reflect all costs associated with the development, some of which are internal to the development and others that are external benefitting more than the residents of the development. The Town may wish to consider which costs associated with the development are reasonably expected to be extraordinary and those that are due to the normal course of development, and thus presumably paid for through the sale of lot/house packages.

A cursory review of the plan indicates that there are approximately \$12.00-\$13.00 M of Regional type improvement enumerated in the plan, however, the plan is asking for reimbursements of capital expenses in the amount of \$26.55 M. The Town may wish to further evaluate the level of contributions necessary to cause the development to occur.

The project estimates were developed in 2017, per the finance plan. The Town may wish to have the project estimate amounts updated to reflect current market conditions prior to proceeding with approval.

5. Section V(A)(14) identifies a maximum amount of debt to be issued at \$50.00 M. Exhibit E, Financial Plan, shows a series of debt issues aggregating a total of \$28.55 M. These numbers are significantly different. If the developer is willing to undertake the project with reimbursement of \$26.55 M of project expense, then a significantly higher maximum debt authorization should not be necessary. As the construction estimates already include a 10% contingency, a large additional debt issuance authority also should not be necessary. Also, see comments under Notes 4, 9 and 10.
6. The Financial Plan identifies that the debt issues will be paid over a 30-year period. The Financial Plan only provides data through 2052, leaving unpaid principal. The plan should be updated to reflect the discharge of the debt. Further, Section IV(D)(2) states that the Mill Levy imposition is limited to 40 years following its inception for residential uses, however does not have the same limitation for the office/retail development. The 30-year length of debt payments are reasonable.
7. The Financial Plan, Sources and Uses of the debt issues, identify a maximum \$40.00/\$1,000 bond underwriting cost and a maximum \$30.00/\$1,000 bond issuance cost for each bond issuance. These costs may be excessive but do reflect several small debt issues. The District would be better served through the issuance of consolidated multi-purpose debt issues to achieve economy of scale on underwriting and issuance costs. The issuance costs should be enumerated. Also see Note 10.
8. The proponent has not provided a market study/analysis to support the residential and office/retail absorption or value assumptions. A market study would be beneficial to the review.
9. The proponent did not provide an overall cash flow projection reflecting full sources and uses for the development. While a reasonable return on the proponent's investment is warranted, it is impossible to determine whether the return on investment the proponent is receiving is reasonable without a full review of the sources/uses and cash flow of the project.
10. The proponent, and subsequent Metropolitan District Board should use an independent Municipal Advisor, as prescribed by Government Finance Officers Association best practices, when issuing debt. As the funds for the repayment of the debt will be generated through taxes levied against the real property of the district, an advisor with a fiduciary duty to the District and ultimately the taxpayers should be consulted prior to the issuance of any deb.

### **Conclusion**

While we raise questions and concerns as stated above, overall the plan of finance contained within the Service Plan allows for a reasonable expectation that the debt as proposed would be discharged appropriately. We make no representation as to whether the amount of taxpayer contribution is appropriate.



**Resolution  
No. 2019-32**

**TOWN OF JOHNSTOWN, COLORADO  
RESOLUTION NO. 2019-32**

**RESOLUTION APPROVING THE CONSOLIDATED SERVICE PLAN  
FOR VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4**

**WHEREAS**, pursuant to Section 32-1-204.5, C.R.S., a Consolidated Service Plan for Vista Commons Metropolitan District Nos. 1-4, a copy of which is attached hereto and incorporated herein by reference as Exhibit A, was submitted to the Town Council of the Town of Johnstown (the “Town Council”) for approval; and

**WHEREAS**, Vista Ag Properties, LLC, a Nebraska limited liability company, the owner of the property within the proposed boundaries of the Vista Commons Metropolitan District Nos. 1-4, has requested approval of the Consolidated Service Plan for Vista Commons Metropolitan District Nos. 1-4; and

**WHEREAS**, pursuant to the provisions of Title 32, Article 1, Part 2, C.R.S. as amended, the Town Council, following due notice, held a public hearing on the proposed Consolidated Service Plan for Vista Commons Metropolitan District Nos. 1-4, on December 16, 2019; and

**WHEREAS**, the Town Council considered the Service Plan and all other testimony and evidence presented at the hearing; and

**WHEREAS**, based upon the testimony and evidence presented at the hearing, Town Council finds that the Consolidated Service Plan for Vista Commons Metropolitan District Nos. 1-4 should be approved, subject to the conditions set forth below, in accordance with Section 32-1-204.5(1)(c), C.R.S.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO, THAT:**

1. **Satisfaction of Statutory Requirements as to Filing and Notice**. The Town Council, as the governing body of the Town of Johnstown, Colorado, does hereby determine, based on representations by and on behalf of the proponents of the Vista Commons Metropolitan District Nos. 1-4 (collectively, the “Districts”), including Vista Ag Properties, LLC, a Nebraska limited liability company, the owner of the property (the “Owner”), and Pratt Development Co LLC, a Colorado limited liability company, the developer of the property (the “Developer”), that all of the requirements of Title 32, Article 1, Part 2, C.R.S., as amended, relating to the filing of the proposed Consolidated Service Plan for the Districts (the “Service Plan”) have been fulfilled and that notice of the hearing was given.

2. **Jurisdiction**. Based on representations by and on behalf of the proponents of the Districts, including the Owner and the Developer, the Town Council has jurisdiction over the subject matter of the proposed Service Plan pursuant to Title 32, Article 1, Part 2, C.R.S., as amended.

3. **Findings.** Pursuant to Section 32-1-204.5, C.R.S., Section 32-1-202(2), C.R.S., and Section 32-1-203(2), C.R.S., the Town Council does hereby find and determine, based on the Service Plan, the representations by and on behalf of the proponents of the Districts, including the Owner and the Developer, and other evidence presented at the public hearing, that:

- (a) There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
- (b) The existing service in the area to be served by the Districts is inadequate for present and projected needs;
- (c) The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;
- (d) The area to be included in the Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
- (e) Adequate service is not, and will not be, available to the area through the Town or County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
- (f) The facility and service standards of the Districts are compatible with the facility and service standards of the Town;
- (g) The proposal is in substantial compliance the Johnstown Area Comprehensive Plan;
- (h) The proposal is in compliance with any duly adopted Town, regional or state long-range water quality management plan for the area;
- (i) The creation of the Districts is in the best interests of the area proposed to be served;
- (j) The creation of the Districts is in the best interests of the residents and future residents of the area proposed to be served; and
- (k) The proposal will not foster urban development that is remote or incapable of being integrated with existing urban areas, and will not place a burden on the Town or adjacent jurisdictions to provide urban services to residents of the Districts.

4. **Service Plan Approved; Conditions and Limitations.** The Town Council hereby approves the Consolidated Service Plan for Vista Commons Metropolitan District Nos. 1-4, attached as Exhibit A, as may be amended, if at all, as set forth below. This approval is given specifically subject to the following conditions and limitations pursuant to Section 32-1-204.5(1)(c), C.R.S.:

- (a) The Town's approval of the Service Plan shall not relieve the Owner, the Developer or any other owner of property in the Districts of: (i) any requirement under the annexation agreement pertaining to the property within the Districts' boundaries or any other such binding agreement(s); and (ii) the requirement to provide financial guarantees for construction of, and dedicate to the Town, all required public improvements.
- (b) Once the Districts have been duly organized, any material modification of the Service Plan shall require an amendment to the Service Plan, which must be approved by Town Council.
- (c) At its first meeting after the effective date of this Resolution and in no event later than sixty (60) days after the formation election of the Districts, the Board of Directors of each of the Districts shall execute the Intergovernmental Agreement with the Town ("IGA") and the Districts' Indemnity Letter in the forms set forth as exhibits to the Service Plan presented to the Town Council at its December 16, 2019 hearing, or in forms otherwise acceptable to the Town Attorney, and shall deliver the fully executed originals of the IGA and Indemnity Letter to the Town.
- (d) The conditions set forth in this Resolution are not intended and shall not be construed to enlarge, diminish or otherwise affect any of the requirements, limitations or other provisions of the Service Plan or the IGA.
- (e) The Service Plan, attached as Exhibit A, shall be amended, if at all, pursuant to direction of Town Council at the December 16, 2019 hearing. If so directed, the Town Attorney shall modify the Service Plan and provide the finalized version of the Service Plan to the Town Clerk for filing with the records of the Town and to the owners of the property within the proposed boundaries of the Districts for, among other purposes, filing with the Weld County District Court.

5. **Execution of Town IGA.** The IGA referred to in Section 4(c) above is hereby approved in essentially the same form as the copy of such IGA set forth as Exhibit D to the Service Plan, which was presented to the Town Council at its December 16, 2019 hearing. The Mayor and Town Clerk are hereby authorized to execute the IGA on behalf of the Town provided the same has first been executed by the Districts.

6. **Filing of Resolution.** A certified copy of this Resolution, with the attached Service Plan, as may be amended, shall be filed in the records of the Town and submitted to the owners of the property within the proposed boundaries of the Vista Commons Metropolitan District Nos. 1-4 for the purpose of filing in the Weld County District Court.

PASSED, SIGNED, APPROVED, AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2019.

ATTEST:

**TOWN OF JOHNSTOWN, COLORADO**

By: \_\_\_\_\_  
Diana Seele, Town Clerk

By: \_\_\_\_\_  
Gary Lebsack, Mayor

**Executive Summary**

**(Proposed Vista Commons  
Metropolitan District)**



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**Memorandum**

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To: Town Council of Town of Johnstown

From: Spencer Fane, LLP  
David S. O'Leary Esq.

Re: Executive Summary - Proposed Vista Commons Metropolitan District Nos. 1-4

Date: Revised and Resubmitted October 4, 2019

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The proposed formation of the Vista Commons Metropolitan District Nos. 1-4 (the "Districts") encompasses the property generally located to the North of State Highway 60, to the East of Interstate 25, and to the West of Highplains Boulevard, and is proposed to include approximately 145.3 acres of land in its boundaries, divided, based upon initial planning to include approximately 42 or more acres of residential development and approximately 821,000 or more square feet of commercial, retail, office, and other non-residential development, as well as a proposed hotel which is anticipated to have approximately 100 rooms, all entirely within the boundaries of the Town of Johnstown (the "Town"). The Districts are proposed to provide services and powers provided for metropolitan districts authorized by the Special District Act, pursuant to Title 32, C.R.S. and provided within similar districts within the Town, for consideration on the next possible public hearing of the Town Council (the "Council") of the Town in order to meet the requirements of a formation election in December 2018.

The owner of the property in the current boundaries of the Districts is Vista Ag Properties, LLC. The Developer of the project is Pratt Development Co LLC and is affiliated with Riverbend Development, LLC. Construction cost estimates were assembled by the Developer with consultation with the District Engineer, Colorado Civil Group, Inc., which has experience in the costing and construction of similar facilities.

Developer representatives or its affiliates will make up the initial District Boards in order to develop the area in accordance with approved development plans with the Town. The new Districts will help pay for and structure the financing of public improvements and to make the lots and the property permit ready and will help absorb finished lots, homes and commercial property into the Town tax base.

**I. Major Service Plan Points for Vista Commons Metropolitan District Nos. 1-4.**

- Approximately 145.3 acres of property in the initial boundaries within the Town to be part of the area referred to as "Vista Commons".
- Initial estimates of capital public improvements totaling approximately \$66,695,487.59 are estimates for four (4) primary phases of development which are currently planned for the project. The final costs of construction and the installation or acquisition of improvements will



be determined based upon actual construction of improvements according to approved development plans with the Town.

- Anticipated development of approximately 109 single family residential units, 321 multi-family residential units, approximately 821,000 square feet of commercial space, and an approximately 100-room hotel, which may vary based upon final zoning and plat/development plan approvals.
- The estimated assessed value (in 2019 dollars) at full build-out is \$53,429,542 (\$7,414,542 – residential and \$46,015,000 – commercial). An additional \$38,563,258 in oil and gas estimated assessed valuation is also possible and projected in the financial proforma attached to the service plan.
- The estimated cost of the public improvements needed for the project is an estimated \$66,695,487.59, which is needed for development of the property within the Districts.
- Public Improvements need additional financing from the Districts to complete.
- Debt is proposed to be issued in one or more series of bond issuances to allow for financing of constructed infrastructure and expedient completion of the Development.
- Maximum Mill Levy cap on residential property of 40 mills for debt, and an estimated operations and administration mill levy of 10 mills, is proposed.
- Maximum Mill Levy cap on commercial property of 50 mills for debt, and an estimated operations and administration mill levy of 10 mills, is proposed.
- Total projected mill levy of 40 mills for debt (residential), 40 mills for debt (commercial), and 10 mills for operations and maintenance, allows for financing of approximately \$31,300,000 based upon initial financial plan estimates, not inclusive of any fees.
- Requested Debt Authorization of \$39,000,000 allows for 125% coverage of the projected financial plan capacity, for the initial 145.3 acres of land proposed to be developed. The proponents for the Districts would respectfully ask for the additional flexibility in financing to provide for additional prospective capacity and provision of supplemental financial proforma based upon approved development plans or preliminary plats and . This additional capacity is requested to allow for contingencies and financing variations based upon changes to construction costs, development build out and absorption of the project and potential financing of capital costs needed. Updated financial proforma will be provided to the town based upon actual construction and development plan approvals of the Town to be provided in the future.
- Maximum voted interest rate of 12%, maximum underwriting discount of 4%.
- Metropolitan district powers allowed by the Special District Act and consistent with other Town of Johnstown metropolitan districts.



- It is the intent of the Districts to provide for covenant enforcement, design review and operations of District improvements in lieu of a homeowners association.
- Formation Election after approval of the Service Plan in November-December of 2019, with a TABOR election at the next opportunity for debt election. The earlier formation is requested to allow for initial construction and contracts/developer approvals to proceed. Debt shall not be issued until after the TABOR election and any necessary Town approvals as required by Johnstown or the Service Plan.
- There are no current residents within the Districts and no debt or bonds have been issued.
- Mill levies, interest rate limitations and underwriting discounts will be consistent with the present Town imposed limitations with other service plans approved by the Town.
- Maximum term of any bond issue is 30 years for General Obligation Bonds.
- Intergovernmental Agreement with the Town of Johnstown to implement Service Plan restrictions.
- Vista Commons Metropolitan District Nos. 1-4 shall develop and finance its own property.

Vista Commons Metropolitan District Nos. 1-4 Service Plan will serve the best interests of the taxpayers, property owners and development of the property within the project area, will minimize non-interested party obligations, and will maximize both development and absorption within the Districts and Town without delays in development. The formation of the Districts will allow for financing and development to pay for only those improvements and costs which are a direct benefit to the property within the Districts.

We look forward to working with the Town on this matter.



# **Consolidated Service Plan**

**CONSOLIDATED SERVICE PLAN  
FOR  
VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4  
TOWN OF JOHNSTOWN, COLORADO**

Prepared

by

SPENCER FANE, LLP  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203

Revised and resubmitted: August 23, 2019

Revised and Resubmitted: October 4, 2019

Approved: December 16, 2019

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<b>EXHIBIT A</b>	Legal Descriptions
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<b>EXHIBIT G</b>	Form of District Disclosure Notice
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## **I. INTRODUCTION**

### **A. Intent and Purpose.**

The Town intends that this Service Plan grant authority to the Districts to provide for the planning, design, acquisition, construction, installation and financing of Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The Town and the Districts acknowledge that the Districts are independent units of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law, this Service Plan or an intergovernmental agreement with the Town, the Districts' activities are subject to review by the Town only insofar as the activities may deviate in a material manner from the requirements of the Service Plan.

### **B. Need for the Districts.**

There are currently no other governmental entities, including the Town, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation and financing of the Public Improvements or the ownership, operation and maintenance of the Public Improvements that are not accepted for ownership, operation and maintenance by the Town or another entity. Formation of the Districts is therefore necessary in order for the Public Improvements to be provided in the most economic manner possible.

### **C. Town's Objective.**

The Town's objective in approving the Service Plan is to authorize the Districts to provide for the planning, design, acquisition, construction, installation and financing of the Public Improvements from the proceeds of Debt that may be issued by the Districts and to provide for the ownership, operation and maintenance of any Public Improvement not otherwise accepted for ownership, operation or maintenance by the Town or another entity. Debt is expected to be repaid by an ad valorem property tax no higher than the Maximum Debt Mill Levy and other legally available revenues of the Districts. Debt issued within these parameters and, as further described in the Financial Plan, is intended to insulate property owners from excessive tax and financial burdens and result in a timely and reasonable repayment. Public Improvements costs that cannot be funded within these parameters are not costs to be paid by the Districts.

The Town intends to authorize the Districts to have the ability to plan, design, acquire, construct, install and finance the initial Public Improvements necessary to develop the Project and seeks the timely payment of Debt related to those initial Public Improvements so that the financial burden on End Users is minimized. The Districts shall be required to obtain authorization of the Town, in the form of an intergovernmental agreement, prior to issuing Debt for redevelopment of an existing Public Improvement.

Unless otherwise agreed in an intergovernmental agreement, the Town requires that all property classified as "residential" shall be located solely within the boundaries of a Residential District and that all property classified as "commercial" shall be located solely within the boundaries of a Commercial District. For purposes of this distinction, "commercial property" shall mean all property other than "residential real property" as that term is defined in Article X, Section

3(1)(b) of the Colorado Constitution. The distinction facilitates two goals: (1) to have similarly situated properties governed by common interests, and (2) to apply a lower maximum tax burden on residential owners. The foregoing shall not prohibit the Residential and Commercial Districts from sharing the costs of Public Improvements in compliance with the provisions of this Service Plan and applicable law.

The Town intends that the Districts 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 for continuation of any operations.

## **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 subdivision improvement development agreement, preliminary or final plat or other process established by the Town for identifying, among other matters, the Public Improvements necessary for facilitating development of property within a part or all of the Service Area as approved by the Town pursuant to the Town Code, as amended from time to time.

Board: means the board of directors of each District.

Bond, Bonds or Debt: means bonds, notes, contracts, reimbursement agreements or other multiple fiscal year financial obligations issued by the Districts or other obligations for the payment of which a District has promised to impose an ad valorem property tax mill levy and/or impose and collect Development Fees.

Bond Counsel Opinion: means the opinion, to be provided by an attorney licensed in Colorado and published in the then current publication of the Bond Buyer Directory of Municipal Bond Attorneys, providing that the Debt that is the subject of the opinion was issued in accordance with the provisions of the Service Plan.

Capital Plan: means the Capital Plan described in Section V.C. which includes: (a) a list of the Public Improvements that may be developed by the District; (b) an engineer's estimate of the cost of the Public Improvements; and (c) a pro forma capital expenditure plan correlating expenditures with development.

Commercial District: means any one or all of Vista Commons Metropolitan District Nos. 3 and 4, which shall contain solely commercial property within their boundaries.

Coordinating District: means Vista Commons Metropolitan District No. 1.

Cost Verification Report: means a report provided by an engineer or accountant as required pursuant to Section V.A.26.

Covenant Enforcement and Design Review Services: means those covenant enforcement and design review services authorized in the Special District Act.



Debt: See Bond, Bonds or Debt.

Developer: means the owner or owners of the property within the Service Area, any affiliates of such owner or owners and their successors and assigns other than End Users.

Developer Debt: means bonds, notes, contracts, reimbursement agreements or other multiple fiscal year financial obligations issued by the Districts to the Developer within the Districts for reimbursement of sums advanced or paid for funding of Public Improvements and/or operation and maintenances expenses. Developer Debt shall be subordinate to other Debt of the Districts.

Developer Debt Mill Levy Limitation Term: means the Developer Debt Mill Levy Imposition Term set forth in Section VI.D.1.

Development Fee: means a one-time development or system development fee that may be imposed by the Districts on a per-unit (*residential*) or per square-foot (*non-residential*) basis at or prior to the issuance of a building permit for the unit or structure to assist with the planning and development of the Public Improvements.

District: means any one of the Districts.

Districts: means Vista Commons Metropolitan District No. 1, Vista Commons Metropolitan District No. 2, Vista Commons Metropolitan District No. 3, and Vista Commons Metropolitan District No. 4, collectively.

End User: means any owner or occupant of any taxable residential real property or commercial property within the Districts after such property has been vertically developed. By way of illustration, a resident homeowner, renter, commercial property owner or commercial tenant is an End User. The Developer and any business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant approved by the Town 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 Developer or the Districts.

External Financial Advisor Certification: means the certification required to be provided pursuant to Section V.A.10. below.

Financial Plan: means the Financial Plan described in Section VI, which describes (i) how the Public Improvements are to be financed; (ii) how Debt may be incurred; and (iii) the estimated operating revenue derived from property taxes.

Gallagher Adjustment: means, if, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut

or abatement, the Maximum Debt Mill Levy and Operations and Maintenance Mill Levy may be increased or decreased to reflect such changes, such increases and 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 applicable mill levy, as adjusted for changes occurring after January 1, 2019, 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.

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

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

Maximum Debt Authorization: means the total Debt the Districts are permitted to incur as set forth in Section V.A.14. below.

Maximum Commercial Debt Mill Levy: means the maximum mill levy a District is permitted to impose upon taxable property other than "residential real property" as that term is defined in Article X, Section 3(1)(b) of the Colorado Constitution for payment of Debt as set forth in Section VI.C. below.

Maximum Debt Mill Levy: means the maximum mill levy the Districts are permitted to impose for payment of Debt as set forth in Section VI.C below, and includes, as appropriate, the Maximum Commercial Debt Mill Levy and the Maximum Residential Debt Mill Levy.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy as set forth in Section VI.D. below.

Maximum Residential Debt Mill Levy: means the maximum mill levy a District is permitted to impose upon taxable "residential real property" as that term is defined in Article X, Section 3(1)(b) of the Colorado Constitution for payment of Debt as set forth in Section VI.C. below.

Operations and Maintenance Mill Levy: means the mill levy the Districts are permitted to impose for payment of administrative, operations and maintenance expenses as set forth in Section VI.C. below.

Privately Placed Debt: means Debt that is issued by the placement of the Debt directly with the Debt purchaser and without the use of an underwriter as a purchaser and reseller of the Debt, and includes, but is not limited to, Developer Debt and bank loans.

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

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed and financed as listed on the Capital Plan, attached as **Exhibit E**, and generally described in the Special District Act, or as set forth

in an Approved Development Plan or intergovernmental agreement with the Town, to serve the anticipated inhabitants and taxpayers of the Service Area, except as specifically limited in Section V below and as approved by the Board from time to time.

Publicly Marketed Debt: means Debt that is offered for sale to the public by the Districts with the use of an underwriter as a purchaser and reseller of the Debt.

Recurring Fee(s): means any recurring fee, rate, toll, penalty or charge imposed by the Districts for administrative, operations and maintenance costs and for services, programs or facilities provided by the Districts as limited by the provisions of Section V.A.15. below, but in no event to be used for payment of Debt.

Refunding Bonds or Refunding Debt: means Debt issued for purposes of refunding any Bond or Debt.

Residential District: means Vista Commons Metropolitan District No. 2.

Service Area: means the property within the District Boundaries and any property that may be subsequently included in accordance with the Special District Act and this Service Plan.

Service Plan: means this service plan for the Districts approved by Town Council.

Service Plan Amendment: means an amendment to the Service Plan approved by Town Council in accordance with the Town'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 property taxes imposed by the Districts.

Town: means the Town of Johnstown, Colorado.

Town Code: means the Town Code of the Town of Johnstown, Colorado.

Town Council: means the Town Council of the Town of Johnstown, Colorado.

### **III. BOUNDARIES**

The area of the District Boundaries includes approximately One Hundred Forty Five and 30/100 (145.30) acres more or less. Legal descriptions of the District Boundaries are attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the District Boundaries is attached hereto as **Exhibit C-1**. Proofs of Ownership and consents of the owners to organization of the Districts for all properties within the District Boundaries are attached hereto as **Exhibit C-2**. The Districts' boundaries may change from time to time as the Districts undergo

inclusions and exclusions pursuant to the Special District Act, subject to the limitations set forth in Section V below and as authorized by the Town.

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

The Service Area consists of approximately One Hundred Forty Five and 30/100 (145.30) acres of residential and commercial 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 Districts at build-out is estimated to be approximately one thousand seventy-five (1,075) people (based upon approximately 2.5 persons per residential unit (for 430 units).

The Town's approval of this Service Plan does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the commercial area that may be identified in this Service Plan.

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

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

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

1. Operations and Maintenance Limitation. The purpose of the Districts is to provide for the planning, design, acquisition, construction, installation and financing of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The Districts shall only operate and maintain those Public Improvements that are not accepted for ownership, operation and maintenance by the Town or other appropriate entity in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and the Town Code.

2. Trails and Amenities. The Districts may own, operate and maintain trails and related amenities within the Districts. All parks and trails shall be open to the general public, including Town residents who do not reside in the Districts, free of charge. Any fee imposed by the Districts for access to recreation improvements owned by the Districts, other than parks and trails, shall not result in Town residents who reside outside the Districts paying a user fee that is greater than, or otherwise disproportionate to, amounts paid by residents of the Districts and shall not result in the Districts' residents subsidizing the use by non-Districts' residents. The Districts shall be entitled to impose a reasonable administrative fee to cover additional expenses associated with use of District recreational improvements, other than parks and trails, by Town residents who do not reside in the Districts to ensure that such use is not subsidized by the Districts' residents.

3. Fire Protection, Ambulance and Emergency Services Limitation. The Districts 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 Town. 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. The Districts shall not be authorized to provide for ambulance or emergency medical services unless the provision of such service is approved by the Town in an intergovernmental agreement.
4. Television Relay and Translation Limitation. The Districts 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 Town.
5. Telecommunication Facilities. The Districts agree that no telecommunication facilities owned, operated or otherwise allowed by the Districts shall affect the ability of the Town to expand its public safety telecommunication facilities or impair the Town's existing telecommunication facilities.
6. Construction Standards Limitation. The Districts shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction. The Districts shall obtain the Town's approval of civil engineering plans and applicable permits for construction and installation of Public Improvements prior to performing such work.
7. Zoning and Land Use Requirements; Sales and Use Tax. The Districts shall be subject to all of the Town's zoning, subdivision, building code and other land use requirements. The Districts shall not exercise any exemption from Town sales or use tax, whether directly or indirectly.
8. Growth Limitations. The Districts acknowledge that the Town shall not be limited in implementing Town Council or voter approved growth limitations, even though such actions may reduce or delay development within the Districts and the realization of revenue to the Districts.
9. Conveyance. The Districts agree to convey to the Town, at no expense to the Town and upon written notification from the Town, any real property owned by the Districts that is necessary, in the Town's sole discretion, for any Town capital improvement projects for transportation, utilities or drainage. The Districts shall, at no expense to the Town and upon written notification from the Town, transfer to the Town all rights-of-way, fee interests and easements owned

by the Districts that the Town determines are necessary for access to and operation and maintenance of the Public Improvements to be owned, operated and maintained by the Town, consistent with an Approved Development Plan.

10. Privately Placed Debt Limitation. Prior to the issuance of any Privately Placed Debt, including but not limited to any Developer Debt, the Districts shall obtain the certification of an External Financial Advisor approved by the Town, in form substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the Districts' 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 Districts.

The Districts shall submit written notice to the Town Manager of the name of the proposed External Financial Advisor which shall either be approved or objected to by the Town within twenty (20) days of the submittal of such written notice to the Town Manager. If the Town Manager does not object to such selection within the twenty (20) day period, the Town Manager's approval shall be deemed to have been given to the District retaining the External Financial Advisor named in the written notice.

Within ten (10) days subsequent to the issuance of Privately Placed Debt, the Districts shall provide the Town with copies of the relevant Debt documents, the External Financial Advisor Certification and the Bond Counsel Opinion addressed to the Districts and the Town regarding the issuance of the Debt.

11. Inclusion Limitation. The Districts shall not include within their boundaries any property outside the District Boundaries without the prior written consent of the Town. The Districts shall only include within its boundaries property that has been annexed to the Town and no portion of any of the Districts shall ever consist of property not within the Town's corporate boundaries.

12. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate Debt mill levies within the overlapping Districts will not at any time exceed the lesser of the Maximum Debt Mill Levy that applies to either of the overlapping Districts.

13. Debt Limitation. Unless otherwise approved in an intergovernmental agreement with the Town, on or before the effective date of approval by the Town Council of a final subdivision plat for the first phase of the Residential District,

the Districts shall not: (a) issue any Debt; (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; or (c) impose and collect any Development Fees.

14. Maximum Debt Authorization. The Districts shall not issue Debt in excess of Thirty-Nine Million Dollars (\$39,000,000) without the Town's written consent. Refunded Debt, wherein the initial debt issuance counted toward the Maximum Debt Authorization, and Debt in the form of an intergovernmental agreement between one or more of the Districts shall not count against the Maximum Debt Authorization set forth herein.

15. Recurring Fee Limitation. The Districts may impose and collect Recurring Fees for administrative, operations and maintenance expenses and for services, programs or facilities furnished by the Districts. Any Recurring Fees for administrative, operations and maintenance expenses not specifically set forth in the Financial Plan, including a subsequent increase in such Recurring Fees, shall be subject to review and approval by the Town, either administratively or by formal action of Town Council, at the discretion of the Town Manager. If the Town does not respond to a written request for the imposition of the Recurring Fee or an increase in such Recurring Fee within forty-five (45) days of receipt of a written request from the Districts, the Town shall be deemed to have approved the ability of the Districts to impose or increase the Recurring Fee as described in the request. Any Recurring Fees imposed or increased for operation and maintenance expenses without approval as set forth herein shall constitute a material departure from the Service Plan. The revenue from a Recurring Fee shall not be used to pay for Debt.

16. Monies from Other Governmental Sources. The Districts 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 for which the Town is eligible to apply, except pursuant to an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and are a revenue source for the Districts without any limitation.

17. Consolidation Limitation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is with another Vista Commons Metropolitan District.

18. Public Improvement Fee Limitation. The Districts shall not collect, receive, spend or pledge to any Debt or use to pay for operations and maintenance services, any fee, assessment, tax or charge which is collected by a retailer in the Districts on the sale of goods or services by such retailer and which is measured by the sales price of such goods or services, except pursuant to an intergovernmental agreement with the Town.

19. Bankruptcy Limitation. It is expressly intended that all of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the

Maximum Debt Mill Levy and the Recurring Fees, that have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S.:

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

The filing of any bankruptcy petition by the Districts shall constitute, simultaneously with such filing, a material departure of the express terms of this Service Plan, and thus an express violation of the approval of this Service Plan.

20. Water Rights/Resources Limitation. Water to satisfy the needs of the Project shall be dedicated by the Developer to the Town. The Districts shall not acquire, manage, adjudicate or develop water rights or resources except pursuant to an intergovernmental agreement with the Town. As the Districts intend to provide for a non-potable irrigation system, which will be owned, operated and maintained by the Districts, the Districts shall be permitted to manage the raw water for the District irrigation water system in the manner set forth in a subsequently executed intergovernmental agreement with the Town.

21. Eminent Domain Limitation. Absent the prior written approval of the Town, the Districts shall not exercise their statutory power of eminent domain or dominant eminent domain for the purpose of condemning property outside of the Service Area. Additional approval from the Town shall not be required prior to the Districts’ exercise of their statutory power of eminent domain or dominant eminent domain with respect to property within the Service Area. In no event shall the Districts exercise their statutory power of dominant eminent domain to condemn property owned by the Town.

22. Covenant Enforcement and Design Review Services. The Districts shall have the power, but not the obligation, to provide Covenant Enforcement and Design Review Services within the Districts in accordance with the Colorado Statutes as they are amended from time to time. The Town shall not bear any responsibility for Covenant Enforcement and Design Review Services within the boundaries of the Districts. The Town’s architectural control, design review and other zoning, land use, development, design and other controls are separate requirements that must be met in addition to any similar controls or services undertaken by the Districts.



23. Special Improvement Districts. The District shall not be entitled to create a special improvement district pursuant to Section 32-1-1101.7, C.R.S., unless otherwise provided pursuant to an intergovernmental agreement with the Town.

24. Reimbursement Agreement with Adjacent Landowners. If the Districts utilize reimbursement agreements to obtain reimbursements from adjacent landowners for costs of improvements that benefit the third-party landowners, such agreements shall be done in accordance with the Town Code. Any and all resulting reimbursements received for such improvement shall be used to re-pay the cost of the Public Improvement that is the subject of the reimbursement agreement or shall be deposited in the District's debt service fund and used for the purpose of retiring Debt. The District shall maintain an accurate accounting of the funds received and disbursed pursuant to reimbursement agreements.

25. Land Purchase Limitation. Proceeds from the sale of Debt and other revenue of the Districts may not be used to pay the Developer for the acquisition from the Developer of any real property, easements or other interests required to be dedicated for public use by annexation agreements, Approved Development Plans, the Town Code or other development requirements, unless otherwise provided pursuant to an intergovernmental agreement with the Town. Examples of ineligible reimbursements include, but are not limited to: the acquisition of rights of way, easements, water rights, land for public drainage, parkland, or open space, unless separate consent is given by resolution of the Town Council.

26. Developer Reimbursement of Public Improvement Related Costs. Prior to the reimbursement to the Developer for costs incurred in the organization of the Districts, or for funds expended on the Districts behalf related to the Public Improvements, or for the acquisition of any part of the Public Improvements, the Districts shall receive: a) the report of an engineer retained by the Districts, independent of the Developer and licensed in Colorado verifying that, in such engineer's professional opinion, the reimbursement for the costs of the Public Improvements that are the subject of the reimbursement or acquisition, including the construction costs and the soft costs, but excluding the accounting and legal fees, are, in such engineer's opinion, reasonable and are related to the provision of the Public Improvements or are related to the Districts' organization; and b) the report of an accountant retained by the Districts, independent of the Developer and licensed in Colorado verifying that, in such accountant's professional opinion, the reimbursement for the accounting and legal fees that are the subject of the reimbursement or acquisition, are, in such accountants opinion, reasonable and related to the Public Improvements or the Districts' organization. Upon request, the Districts shall provide the reports to the Town.

27. Developer Reimbursement of Administration, Operations and Maintenance Related Costs. Prior to the reimbursement to the Developer for costs incurred or for funds expended on behalf of the District related to the administration of the Districts or the operation and maintenance of the Public Improvements, the Districts shall receive the report of an accountant retained by the Districts, who is

independent of the Developer and licensed in Colorado, verifying that, in such accountant's professional opinion, the reimbursement of the funds advanced for such administration, operations or maintenance costs, are, in such accountant's opinion, receivable and related to the administration, operations or maintenance of the Districts or the Public Improvements. Upon request, the Districts shall provide the report to the Town.

28. Board Meetings and Website Limitations. Once an End User owns property in the Service Area, the Districts' Board meeting(s) shall be conducted within the boundaries of the Town. The Districts' website(s) shall include the name of the Project or a name that allows residents of the development community to readily locate the Districts online and shall also include an updated street map for those properties within the Service Area that have constructed streets that are open for public use.

29. Financial Review. The Town shall be permitted to conduct periodic reviews of the financial powers of the Districts in the Service Plan in the manner and form provided in Section 32-1-1101.5, C.R.S., as amended from time to time. As provided in the statute, the Town may conduct the first financial review in fifth calendar year after the calendar year in which a special district's ballot issue to incur general obligation indebtedness was approved by its electors. After such fifth calendar year and notwithstanding the provisions of the statute, the Town may conduct the financial review at any time, by providing sixty (60) days written notice to the Districts, except that the Town may not conduct a financial review within sixty (60) months of the completion of its most recent financial review. The Town's procedures for conducting a financial review under this Paragraph, and the remedies available to the Town as a result of such financial review, shall be identical to those provided for in Section 32-1-1101.5(2), C.R.S., as amended from time to time. The Districts shall be responsible for payment of the Town consultant and legal and administrative costs associated with such review, and the Town may require a deposit of the estimated costs thereof.

B. Service Plan Amendment Requirement.

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in this Service Plan shall be deemed to be material modifications to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts, including the remedy of enjoining the issuance of additional authorized but unissued Debt, until such material modification is remedied.

C. Capital Plan.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation and financing of the Public Improvements within and without the boundaries of the Districts. A Capital Plan, attached hereto as **Exhibit E**, includes: (1) a list of the

Public Improvements to be developed by the District, supported by an engineering or architectural survey; (2) a good faith estimate of the cost of the Public Improvements; and (3) a pro forma capital expenditure plan correlating expenditures with development. The Public Improvements described in the Capital Plan may be modified in an Approved Development Plan or an intergovernmental agreement with the Town, and may differ from the Capital Plan without constituting a material modification of this Service Plan. To the extent that the Capital Plan sets forth the timing of the construction of the Public Improvements, such timing may also deviate from the Capital Plan within reason without constituting a material modification of this Service Plan. As shown in the Capital Plan, the estimated cost of the Public Improvements for the initial Districts boundaries (of approximately 145.3 acres) is approximately Sixty-Six Million, Six Hundred Ninety Five Thousand, Four Hundred Eighty Seven and 59/100 Dollars (\$66,695,487.59). Costs of required Public Improvements that cannot be financed by the Districts within the parameters of this Service Plan and the financial capability of the Districts are expected to be financed by the Developer of the Project.

#### D. Multiple District Structure.

The Town anticipates that the Districts, collectively, will undertake the planning, design, acquisition, construction, installation and financing of the Public Improvements contemplated herein. District No. 1 is proposed to be the Coordinating District and may coordinate the financing, construction and maintenance of the Public Improvements. District Nos. 2, 3 and 4 are proposed to be the financing districts and contain the residential and/or commercial development within their respective boundaries in accordance with Approved Development Plans. Specifically, the Districts shall enter into one or more intergovernmental agreements governing the relationship between and among the Districts with respect to the planning, design, acquisition, construction, installation and financing of the Public Improvements contemplated herein and with respect to the administration, operations and maintenance of the Districts. Such intergovernmental agreements between and among the Districts, and all amendments thereto, shall be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of this Service Plan. Accordingly, any determination of any Board to set aside said intergovernmental agreement, or any provision thereof or amendment thereto, without the consent of all of the Districts shall be a material modification of the Service Plan. All intergovernmental agreements and amendments thereto proposed between or among the Districts regarding the subject matter of this Service Plan shall be submitted to the Town at least forty-five (45) days prior to their execution by the Districts, for Town review. Such Town review and approval shall be with reference to whether the intergovernmental agreement(s) are in compliance with this Service Plan, the Intergovernmental Agreement, and the terms of any Approved Development Plan or other instrument related to the Public Improvements. If the Town within such forty-five (45) days submits qualified objections to the proposed agreement or amendment, then the Districts shall work with the Town to resolve such objections and obtain Town Council approval, by resolution, of the form of such agreement or amendment prior to the Districts' execution thereof. The Town by a writing signed by the Town Manager may elect to waive such forty-five (45) day period.

## VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation and financing of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts are reasonably able to pay from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total Debt that the Districts shall be permitted to issue shall not exceed the Maximum Debt Authorization, Thirty-Nine Million and 00/100 Dollars (\$39,000,000.00), and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. This Maximum Debt Authorization of \$39,000,000 allows for 125% coverage of the estimated financial plan and proforma projections to provide an additional contingency for changes in actual construction, increases in assessed valuation and unforeseen changes and contingencies. All Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, as set forth in this Service Plan, including ad valorem property taxes or Development Fees.

The Financial Plan, prepared by Stan Bernstein and Associates, and attached hereto as **Exhibit F**, sets forth (i) how the Public Improvements are to be financed; (ii) the proposed indebtedness with a schedule indicating the years in which the Debt is scheduled to be issued; and (iii) the estimated operating revenue derived from property taxes for the Districts. The Maximum Debt Authorization is supported by the Financial Plan.

In addition to the other requirements of this Service Plan, at least forty-five (45) days prior to the issuance of any Debt, the Districts shall submit to the Town the then-current financial forecasts and feasibility reports for such proposed issuance, together with a current certification, of the Board(s) issuing such Debt, dated within sixty (60) days of such submittal, that such proposed Debt is in compliance with the Service Plan.

In its discretion, the Town may require additional financial forecasts and feasibility reports to evaluate the Financial Plan for commercial projects, wherein the Town is sharing revenue with, or providing additional economic incentives to, the Developer. Such a requirement shall be set forth in an intergovernmental agreement with the Town.

B. Maximum Voted Interest Rate, Maximum Underwriting Discount, Maximum Interest Rate on Developer Debt.

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 to exceed twelve percent (12%). The proposed maximum underwriting discount shall be four percent (4%). Debt, when issued, shall comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities. Failure to observe the requirements established in this paragraph shall constitute a material modification under the Service Plan.

The interest rate on Developer Debt shall not exceed the lesser of the current Bond Buyer 20-Bond GO index plus four percent (4%) or twelve percent (12%). Developer Debt shall

be subordinate to other Debt of the Districts and shall be subject to the debt limitation term provided in Section VI.D below.

C. Mill Levies.

1. Maximum Commercial Debt Mill Levy. The Maximum Commercial Debt Mill Levy shall be fifty (50) mills subject to a Gallagher Adjustment. For the portion of any aggregate Debt which is equal to or less than fifty percent (50%) of the Commercial 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 Commercial 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.

2. Maximum Residential Debt Mill Levy. The Maximum Residential Debt Mill Levy shall be forty (40) mills subject to a Gallagher Adjustment.

3. Maximum Mixed-Use Debt Mill Levy. If residential real property and commercial property are included within the boundaries of the same District, whether a Residential District or a Commercial District, the Maximum Residential Debt Mill Levy shall apply, provided however, if the inclusion of the residential real property and the commercial property within the same District is approved by the Town in an intergovernmental agreement along with approval of imposition of the Maximum Commercial Debt Mill Levy, the Maximum Commercial Debt Mill Levy shall apply.

4. Operations and Maintenance Mill Levy. The Operations and Maintenance Mill Levy shall be a mill levy the Districts are permitted to impose for payment of the Districts' administrative, operations and maintenance costs, which shall include, but not be limited to, the funding of operating reserves and sufficient ending fund balances to assure sufficient cash flow to fund expenses as they come due. The maximum Operations and Maintenance Mill Levy shall be ten (10) mills, subject to a Gallagher Adjustment, and shall at all times not exceed the maximum mill levy necessary to pay those expenses.

5. Subdistricts. To the extent that a 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 each 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. Mill Levy Imposition Term.

1. Developer Debt Mill Levy Imposition Term. Developer Debt shall expire and be forgiven twenty (20) years after the date of the initial imposition by the Districts of an ad valorem property tax to pay any Debt, unless otherwise provided pursuant to an intergovernmental agreement with the Town. Refunding Bonds shall not be subject to this Developer Debt Mill Levy Imposition Term so long as such Refunding Bonds are not owned by the Developer or by a party related to the Developer. Developer Debt shall not have any call protection.

2. Maximum Debt Mill Levy Imposition Term: In addition to the Developer Debt Mill Levy Imposition Term, a 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 the District imposing the mill levy are End Users residing in such 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 Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the Districts 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, the Developer of property within the boundaries of the Districts.

F. Publicly-Marketed Debt.

At least ten (10) business days prior to the issuance of Publicly-Marketed Debt, the Districts shall provide the Town with the marketing documents that have been or shall be published. Within ten (10) days subsequent to the issuance of Publicly-Marketed Debt, the Districts shall provide the Town with the Bond Counsel Opinion addressed to the Districts and the Town regarding the issuance of the Debt and copies of the relevant Debt documents.

G. Security for Debt.

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

H. District Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated cost of the Districts' organization and initial operations, are anticipated to be Seventy-Five Thousand Dollars (\$75,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts 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.

## **VII. ANNUAL REPORT**

### **A. General.**

The Districts shall be responsible for submitting an annual report in an electronic format to the Town no later than August 1<sup>st</sup> of each year following the year in which the Order and Decree creating the Districts has been issued (the "report year"). The Town retains the right, pursuant to Section 32-1-207(3)(c) and (3)(d), C.R.S., to obtain, and the District shall be obligated to provide, annual reports from the District beyond five years after the District's organization.

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

The annual report required by this Section VII shall include information as to any of the following events that occurred during the report year:

1. Narrative of the Districts progress in implementing the Service Plan and a summary of the development in the Project.
2. Boundary changes made or proposed.
3. Intergovernmental agreements executed.
4. A summary of any litigation involving the Districts.
5. Proposed plans for the year immediately following the report year.
6. Construction contracts executed and the name of the contractors as well as the principal of each contractor.
7. Status of the Districts' Public Improvement construction schedule and the Public Improvement schedule for the following five years.
8. Notice of any uncured defaults.
9. A list of all Public Improvements constructed by the Districts that have been dedicated to and accepted by the Town.
10. If requested by the Town, copies of minutes of all meetings of the Districts' boards of directors.
11. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel and the date, place and time of the regular meetings of the Board.
12. Certification from the Boards that the Districts are in compliance with all provisions of the Service Plan.

13. Copies of any Agreements with the Developer entered into in the report year.

14. Copies of any Cost Verification Reports provided to the Districts in the report year.

C. Summary of Financial Information.

The annual report shall include a summary of the following information for the report year:

1. Assessed value of Taxable Property within the Districts' boundaries.
2. Total acreage of property within the Districts' boundaries.
3. Most recently filed audited financial statements of the Districts, to the extent audit financial statements are required by state law or most recently filed audit exemption.
4. Annual budget of the Districts.
5. Resolutions regarding issuance of Debt or other financial obligations, including relevant financing documents, credit agreements, and official statements.
6. Outstanding Debt (stated separately for each class of Debt).
7. Outstanding Debt service (stated separately for each class of Debt).
8. The Districts' tax revenue.
9. Other revenues of the Districts.
10. The Districts' Public Improvements expenditures.
11. The Districts' other expenditures.
12. The Districts' inability to pay any financial obligations as they come due.
13. The amount and terms of any new Debt issued.
14. Any Developer Debt.

**VIII. DISSOLUTION**

Upon a determination of the Town Council that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions in the District Court for dissolution, pursuant to the applicable State statutes. Dissolution shall not occur until the Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.



## **IX. INTERGOVERNMENTAL AGREEMENTS**

The Intergovernmental Agreement to be entered into between the Town and the Districts at the Districts' organizational meeting is attached as **Exhibit D**. The Districts shall submit the executed Intergovernmental Agreement to the Town within ten (10) days of the Districts' organizational meeting.

The Districts shall enter into one or more intergovernmental agreements from time to time to allocate their respective responsibilities for the provision of the Public Improvements. In addition to the requirements of V.D. above, the Districts shall submit a copy of any such intergovernmental agreement to the Town Manager within ten (10) business days of execution.

The Districts and the Developer shall also execute indemnification letters in the form attached hereto as **Exhibit H**. The Developer's indemnification letter shall be submitted to the Town as part of this Service Plan. The Districts shall approve and execute the indemnification letter at their first Board meeting after their organizational election, in the same form as the indemnification letter set forth as **Exhibit H**, and shall deliver an executed original to the Town within ten (10) days of the Districts' organizational meeting.

## **X. NON-COMPLIANCE WITH SERVICE PLAN**

In the event it is determined that the Districts have undertaken any act or omission which violates the Service Plan or constitutes a material departure from the Service Plan, the Town may impose any of the sanctions set forth in the Town Code and pursue any sanctions or remedies available under law, including but not limited to affirmative injunctive relief to require the Districts to act in accordance with the provisions of this Service Plan. To the extent permitted by law, the Districts hereby waive the provisions of C.R.S. § 32-1-207(3)(b) with respect to the Town and agree not to rely on such provisions as a bar to the enforcement by the Town of any provisions of this Service Plan.

## **XI. MISCELLANEOUS**

A. Headings. Paragraph headings and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Service Plan.

B. Town Consent. Unless otherwise provided herein or provided in an intergovernmental agreement with the Town, references in this Service Plan to Town consent or Town approval shall require the consent of Town Council.

C. Town Expenses. The Districts shall pay any and all expenses, including but not limited to professional service fees and attorneys' fees, incurred by the Town in enforcing any provision of the Service Plan.

D. Disclosure Notice. The Districts' disclosure document required pursuant to Section 32-1-104.8, C.R.S. shall be in substantial conformance with form of such notice set forth in **Exhibit G**.

## **XII. CONCLUSION**

It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2), C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries;
4. The area to be included in the Districts 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 Town 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 Districts are compatible with the facility and service standards of the Town 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 Town Code;
8. The proposal is in compliance with any duly adopted Town, regional or state long-range water quality management plan for the area; and
9. The creation of the Districts is in the best interests of the area proposed to be served.

**EXHIBIT A**

SERVICE PLAN FOR VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4

Legal Descriptions –District Boundaries

## VISTA COMMONS METROPOLITAN DISTRICT NO. 1

A parcel of land, located in the Southwest Quarter (SW1/4) of Section Two (2), Township 4 North (T.4N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Weld, State of Colorado and being more particularly described as follows:

**BEGINNING** at the Center Quarter corner of said Section 2 and assuming the East line of the Southwest Quarter of Section 29 as bearing North 00°23'01" West being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2651.92 feet and with all other bearings contained herein relative thereto;

THENCE South 00°23'01" East along the East line of said Southwest Quarter a distance of 496.66 feet;

THENCE South 89°36'44" West a distance of 187.16 feet;

THENCE along the arc of a curve concave to the Northeast a distance of 166.61 feet, having a Radius of 810.00 feet, a Delta of 11°47'07" and is subtended by a Chord that bears North 84°29'43" West a distance of 166.32 feet;

THENCE North 01°04'52" West to the North line of said Southwest Quarter a distance of 475.69 feet;

THENCE North 88°59'05" East a distance of 193.03 feet;

THENCE South 00°20'59" East a distance of 104.00 feet;

THENCE South 88°59'05" West a distance of 104.72 feet;

THENCE South 00°20'59" East a distance of 104.00 feet;

THENCE North 88°59'05" East a distance of 209.44 feet;

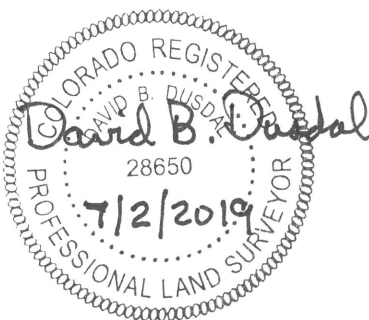
THENCE North 00°20'59" West to the North line of said Southwest Quarter a distance of 208.00 feet;

THENCE North 88°59'05" East along said North line a distance of 60.66 feet to the **POINT OF BEGINNING**;

Said described parcel of land contains 142,210 Square Feet or 3.265 Acres, more or less (±).

### SURVEYORS STATEMENT

I, David B. Dusdal, a Colorado Registered Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking and that it is true and correct to the best of my knowledge and belief.

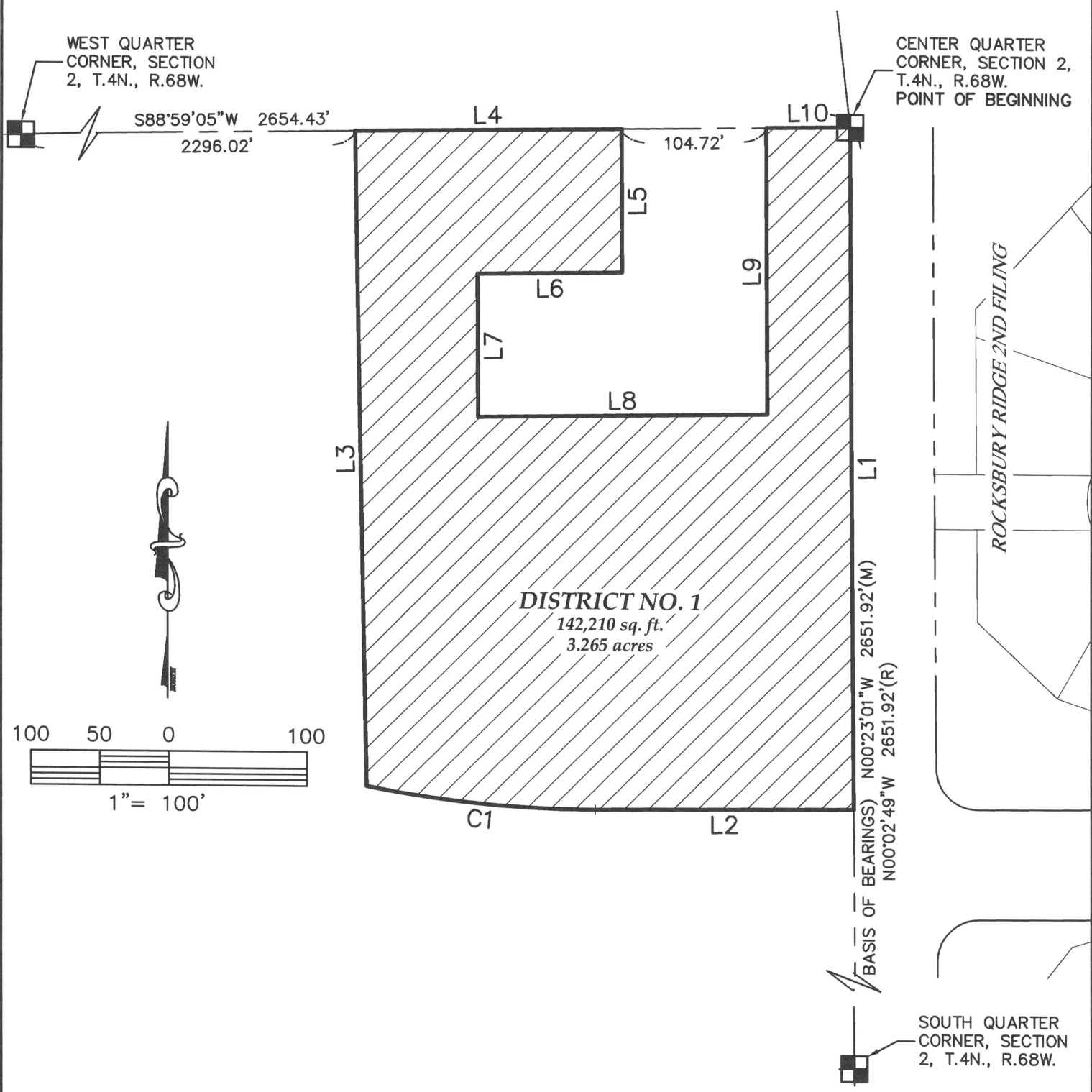


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David B. Dusdal - On Behalf of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

#### **KING SURVEYORS**

650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011



David B. Dusdal – On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)



KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550  
phone: (970) 686-5011 | fax: (970) 686-5821  
email: [contact@KingSurveyors.com](mailto:contact@KingSurveyors.com)

PROJECT NO:20180020

DATE: 6/27/2019

CLIENT: CCG

DWG: 20180020-EXH-D1-PARCEL

DRAWN: MM CHECKED: DBD

LINE TABLE		
LINE	BEARING	LENGTH
L1	S00°23'01"E	496.66'
L2	S89°36'44"W	187.16'
L3	N01°04'52"W	475.69'
L4	N88°59'05"E	193.03'
L5	S00°20'59"E	104.00'
L6	S88°59'05"W	104.72'
L7	S00°20'59"E	104.00'
L8	N88°59'05"E	209.44'
L9	N00°20'59"W	208.00'
L10	N88°59'05"E	60.66'

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CHORD	CH BEARING
C1	166.61'	810.00'	11°47'07"	166.32'	N84°29'43"W



David B. Dusdal – On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13–80–105 C.R.S. 2012)



KING SURVEYORS

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phone: (970) 686-5011 | fax: (970) 686-5821  
email: [contact@KingSurveyors.com](mailto:contact@KingSurveyors.com)

PROJECT NO:20180020

DATE: 6/27/2019

CLIENT: CCG

DWG: 20180020–EXH–D1–PARCEL

DRAWN: MM CHECKED: DBD

EXHIBIT A

**VISTA COMMONS METROPOLITAN**  
**DISTRICT NO. 2**

Two parcels of land, located in the Southwest Quarter (SW1/4) of Section Two (2), Township 4 North (T.4N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Weld, State of Colorado and being more particularly described as follows:

**TRACT A**

**COMMENCING** at the South Quarter corner of said Section 2 and assuming the East line of the Southwest Quarter of Section 2 as bearing North 00°23'01" West being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2651.92 feet and with all other bearings contained herein relative thereto;

THENCE North 00°23'01" West along the East line of said Southwest Quarter a distance of 121.18 feet to the North Right-of-Way line of State Highway 60;  
THENCE South 89°00'12" West along said North Right-of-Way a distance of 749.01 feet to the **POINT OF BEGINNING**;

THENCE continuing along said Right-of-way line South 89°00'12" West a distance of 80.00 feet;  
THENCE North 00°46'10" West a distance of 191.46 feet;  
THENCE along the arc of a curve concave to the Southwest a distance of 321.35 feet, having a Radius of 470.00 feet, a Delta of 39°10'28" and is subtended by a Chord that bears North 20°21'25" West a distance of 315.13 feet;  
THENCE North 50°03'21" East a distance of 80.00 feet;  
THENCE along the arc of a non-tangent curve concave to the Southwest a distance of 194.12 feet, having a Radius of 550.00 feet, a Delta of 20°13'21" and is subtended by a Chord that bears North 50°03'19" West a distance of 193.12 feet;  
THENCE North 60°09'59" West a distance of 82.39 feet;  
THENCE North 02°34'28" West a distance of 606.66 feet;  
THENCE South 89°43'32" West a distance of 327.72 feet;  
THENCE North 86°23'57" West a distance of 118.31 feet;  
THENCE along the arc of a non-tangent curve concave to the Southeast a distance of 1364.30 feet, having a Radius of 705.00 feet, a Delta of 110°52'38" and is subtended by a Chord that bears North 49°45'39" East a distance of 1161.16 feet;  
THENCE South 74°48'02" East a distance of 255.26 feet;  
THENCE along the arc of a curve concave to the Northeast a distance of 96.45 feet, having a Radius of 890.00 feet, a Delta of 06°12'32" and is subtended by a Chord that bears South 77°54'18" East a distance of 96.40 feet;  
THENCE North 08°59'26" East a distance of 80.00 feet;  
THENCE along the arc of a non-tangent curve concave to the Northeast a distance of 132.58 feet, having a Radius of 810.00 feet, a Delta of 09°22'42" and is subtended by a Chord that bears South 85°41'55" East a distance of 132.44 feet;  
THENCE North 89°36'44" East to the East line of said Southeast Quarter a distance of 187.16 feet;  
THENCE South 00°23'01" East along said East line a distance of 1302.09 feet;  
THENCE South 89°36'44" West a distance of 211.63 feet;  
THENCE along the arc of a curve concave to the Southeast a distance of 559.52 feet, having a Radius of 880.00 feet, a Delta of 36°25'46" and is subtended by a Chord that bears South 71°23'51" West a distance of 550.14 feet;  
THENCE South 53°10'58" West a distance of 132.25 feet;  
THENCE along the arc of a non-tangent curve concave to the Southwest a distance of 316.02 feet, having a Radius of 550.00 feet, a Delta of 32°55'15" and is subtended by a Chord that bears South 17°13'48" East a distance of 311.69 feet;  
THENCE South 00°46'10" East a distance of 191.14 feet to the **POINT OF BEGINNING**;

Said described Tract A contains 1,828,121 Square Feet or 41.968 Acres, more or less (±).

Together with:

**TRACT B**

**COMMENCING** at the Center Quarter corner of said Section 2 and assuming the East line of the Southwest Quarter of Section 29 as bearing North 00°23'01" West being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2651.92 feet and with all other bearings contained herein relative thereto;

THENCE South 88°59'05" West along the North line of said Southwest Quarter a distance of 60.66 feet to the **POINT OF BEGINNING**;

THENCE South 00°20'59" East a distance of 104.00 feet;

THENCE South 88°59'05" West a distance of 104.72 feet;

THENCE North 00°20'59" West to the North line of said Southwest Quarter a distance of 104.00 feet;

THENCE North 88°59'05" East along said North line a distance of 104.72 feet to the **POINT OF BEGINNING**;

Said described Tract B contains 10,890 Square Feet or 0.250 Acres, more or less (±).

**SURVEYORS STATEMENT**

I, David B. Dusdal, a Colorado Registered Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking and that it is true and correct to the best of my knowledge and belief.



---

David B. Dusdal - On Behalf of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

**KING SURVEYORS**  
650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011



**DIST. 2 - TRACT B**  
10,890 sq. ft.  
0.250 acres

L19  
L18  
L17  
L16  
L15  
POINT OF BEGINNING  
CENTER 1/4 COR,  
SEC 2, T.4N.,  
R.68W.  
POINT OF  
COMMENCEMENT  
TRACT B

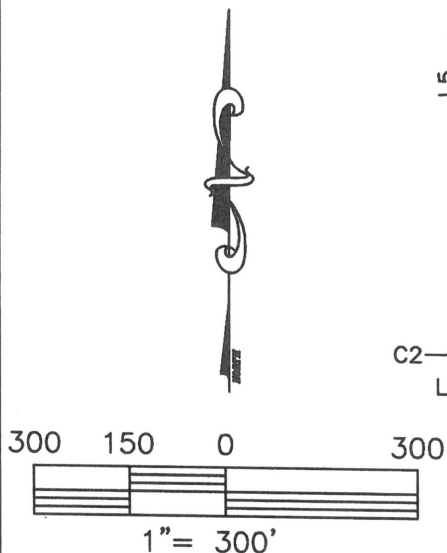
**DIST. 2 - TRACT A**  
1,828,121 sq. ft.  
41.968 acres

ROCKSBURY  
RIDGE 2ND  
FILING

ROCKSBURY RIDGE 1ST FILING

HIGH PLAINS BOULEVARD

SOUTH QUARTER  
CORNER, SECTION  
2, T.4N., R.68W.  
POINT OF  
COMMENCEMENT  
TRACT A



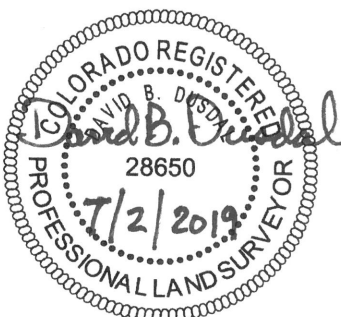
SOUTHWEST CORNER  
SECTION 2, T.4N.,  
R.68W.

POINT OF  
BEGINNING

STATE HIGHWAY 60

S89°13'50"W 2645.56'

N00°23'01"W  
121.18'



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David B. Dusdal — On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650



**KING SURVEYORS**

650 E. Garden Drive | Windsor, Colorado 80550  
phone: (970) 686-5011 | fax: (970) 686-5821  
email: contact@KingSurveyors.com

**PROJECT NO: 20180020**

**DATE: 7/1/2019**

**CLIENT: CCG**

**DWG: 20180020-D2-Parcel-Rev1**

**DRAWN: MM CHECKED: DD**

LINE TABLE		
LINE	BEARING	LENGTH
L1	S89°00'12"W	80.00'
L2	N00°46'10"W	191.46'
L3	N50°03'21"E	80.00'
L4	N60°09'59"W	82.39'
L5	N02°34'28"W	606.66'
L6	S89°43'32"W	327.72'
L7	N86°23'57"W	118.31'
L8	S74°48'02"E	255.26'
L9	N08°59'26"E	80.00'
L10	N89°36'44"E	187.16'
L11	S00°23'01"E	1302.09'
L12	S89°36'44"W	211.63'
L13	S53°10'58"W	132.25'
L14	S00°46'10"E	191.14'
L15	S88°59'05"W	60.66'
L16	S00°20'59"E	104.00'
L17	S88°59'05"W	104.72'
L18	N00°20'59"W	104.00'
L19	N88°59'05"E	104.72'

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CHORD	CH BEARING
C1	321.35'	470.00'	39°10'28"	315.13'	N20°21'25"W
C2	194.12'	550.00'	20°13'21"	193.12'	N50°03'19"W
C3	1364.30'	705.00'	110°52'38"	1161.16'	N49°45'39"E
C4	96.45'	890.00'	6°12'32"	96.40'	S77°54'18"E
C5	132.58'	810.00'	9°22'42"	132.44'	S85°41'55"E
C6	559.52'	880.00'	36°25'46"	550.14'	S71°23'51"W
C7	316.02'	550.00'	32°55'15"	311.69'	S17°13'48"E



David B. Dusdal – On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

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email: contact@KingSurveyors.com

PROJECT NO:20180020  
DATE: 7/1/2019  
CLIENT: CCG  
DWG: 20180020–EXH–D2–PARCEL–R  
DRAWN: MM CHECKED: DD

EXHIBIT A

**VISTA COMMONS METROPOLITAN**  
**DISTRICT NO. 3**

Three parcels of land, located in the Southwest Quarter (SW1/4) of Section Two (2), Township 4 North (T.4N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Weld, State of Colorado and being more particularly described as follows:

**COMMENCING** at the South Quarter corner of said Section 2 and assuming the East line of the Southwest Quarter of Section 2 as bearing North 00°23'01" West being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2651.92 feet and with all other bearings contained herein relative thereto;

THENCE North 00°23'01" West along the East line of said Southwest Quarter a distance of 121.18 feet to the North Right-of-Way line of State Highway 60 and the Southeast corner of that parcel of land referred to as **District No. 3, Tract A** and the **POINT OF BEGINNING**;

THENCE along the boundary of said Tract A the following seven (7) courses:

THENCE South 89°00'12" West along said North Right-of-Way line a distance of 749.01 feet;

THENCE North 00°46'10" West a distance of 191.14 feet;

THENCE along the arc of a curve concave to the Southwest a distance of 316.02 feet, having a Radius of 550.00 feet, a Delta of 32°55'15" and is subtended by a Chord that bears North 17°13'48" West a distance of 311.69 feet;

THENCE North 53°10'58" East 132.25 feet;

THENCE along the arc of a curve concave to the Southeast a distance of 559.52 feet, having a Radius of 880.00 feet, a Delta of 36°25'46" and is subtended by a Chord that bears North 71°23'51" East a distance of 550.14 feet;

THENCE North 89°36'44" East to the East line of the Southeast Quarter a distance of 211.63 feet;

THENCE South 00°23'01" East along said East line a distance of 731.99 feet to the **POINT OF BEGINNING**;

Said described Tract A contains 532,298 Square Feet or 12.220 Acres, more or less (±).

**TOGETHER WITH** that parcel of land referred to as **District No. 3, Tract B** and being more particularly described as follows:

**COMMENCING** at the South Quarter corner of said Section 2 and assuming the East line of the Southwest Quarter of Section 2 as bearing North 00°23'01" West being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2651.92 feet and with all other bearings contained herein relative thereto;

THENCE North 00°23'01" West along the East line of said Southwest Quarter a distance of 121.18 feet to the North Right-of-Way line of State Highway 60;

THENCE South 89°00'12" West along said North Right-of-Way line a distance of 829.02 feet to the Southeast corner of that parcel of land referred to as **District No. 3, Tract B** and the **POINT OF BEGINNING (said point referred to as POINT A)**;

THENCE along the boundary of said Tract B the following fifteen (15) courses:

THENCE South 89°00'12" West along said North Right-of-Way line a distance of 479.97 feet;

THENCE North 00°34'30" West a distance of 283.86 feet;

THENCE South 89°25'56" West a distance of 252.70 feet;

THENCE along the arc of a non-tangent curve concave to the Southwest a distance of 542.58 feet, having a Radius of 1,090.00 feet, a Delta of 28°31'14" and is subtended by a Chord that bears North 24°13'34" West a distance of 536.99 feet;

THENCE North 55°45'04" East a distance of 320.60 feet;

THENCE North 55°45'14" East a distance of 80.00 feet;

THENCE along the arc of a non-tangent curve concave to the Northeast a distance of 351.52 feet, having a Radius of 705.00 feet, a Delta of 28°34'06" and is subtended by a Chord that bears North 19°57'43" West a distance of 347.89 feet;

THENCE South 86°23'57" East a distance of 118.31 feet;  
THENCE North 89°43'32" East a distance of 327.72 feet;  
THENCE South 02°34'28" East a distance of 606.66 feet;  
THENCE South 60°09'59" East a distance of 82.39 feet;  
THENCE along the arc of a curve concave to the Southwest a distance of 194.12 feet, having a Radius of 550.00 feet, a Delta of 20°13'21" and is subtended by a Chord that bears South 50°03'19" East a distance of 193.12 feet;  
THENCE South 50°03'21" West a distance of 80.00 feet;  
THENCE along the arc of a non-tangent curve concave to the Southwest a distance of 321.35 feet, having a Radius of 470.00 feet, a Delta of 39°10'28" and is subtended by a Chord that bears South 20°21'25" East a distance of 315.13 feet;  
THENCE S 00°46'10" East a distance of 191.46 feet to the North Right-of-Way line of State Highway 60 and the **POINT OF BEGINNING (said point referred to as POINT A);**

Said described Tract B contains 725,903 Square Feet or 16.664 Acres, more or less (±).

**TOGETHER WITH** that parcel of land referred to as **District No. 3, Tract C** and being more particularly described as follows:

**COMMENCING** at the Center Quarter corner of said Section 2 and assuming the East line of the Southwest Quarter of Section 29 as bearing North 00°23'01" West being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2651.92 feet and with all other bearings contained herein relative thereto;

THENCE South 88°59'05" West along the North line of said Southwest Quarter a distance of 60.66 feet;  
THENCE South 00°20'59" East a distance of 104.00 feet to the **POINT OF BEGINNING;**

THENCE South 00°20'59" East a distance of 104.00 feet;  
THENCE South 88°59'05" West a distance of 104.72 feet;  
THENCE North 00°20'59" West a distance of 104.00 feet;  
THENCE North 88°59'05" East a distance of 104.72 feet to the **POINT OF BEGINNING;**

Said described Tract C contains 10,890 Square Feet or 0.250 Acres, more or less (±).

Total Square feet of Tracts A, B and C is 1,269,091 Square Feet  
Total Acreage of Tracts A, B and C is 29.134 Acres.

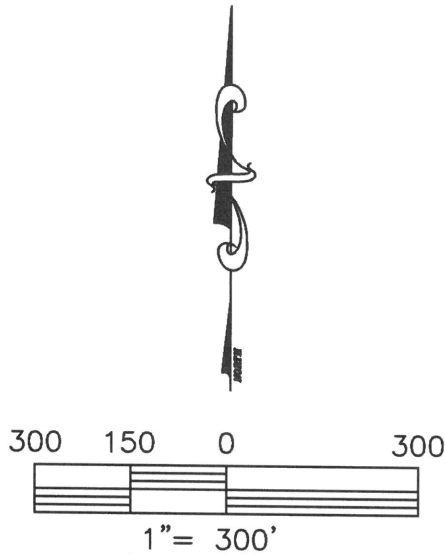
**SURVEYORS STATEMENT**

I, David B. Dusdal, a Colorado Registered Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking and that it is true and correct to the best of my knowledge and belief.



David B. Dusdal - On Behalf of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

**KING SURVEYORS**  
650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011

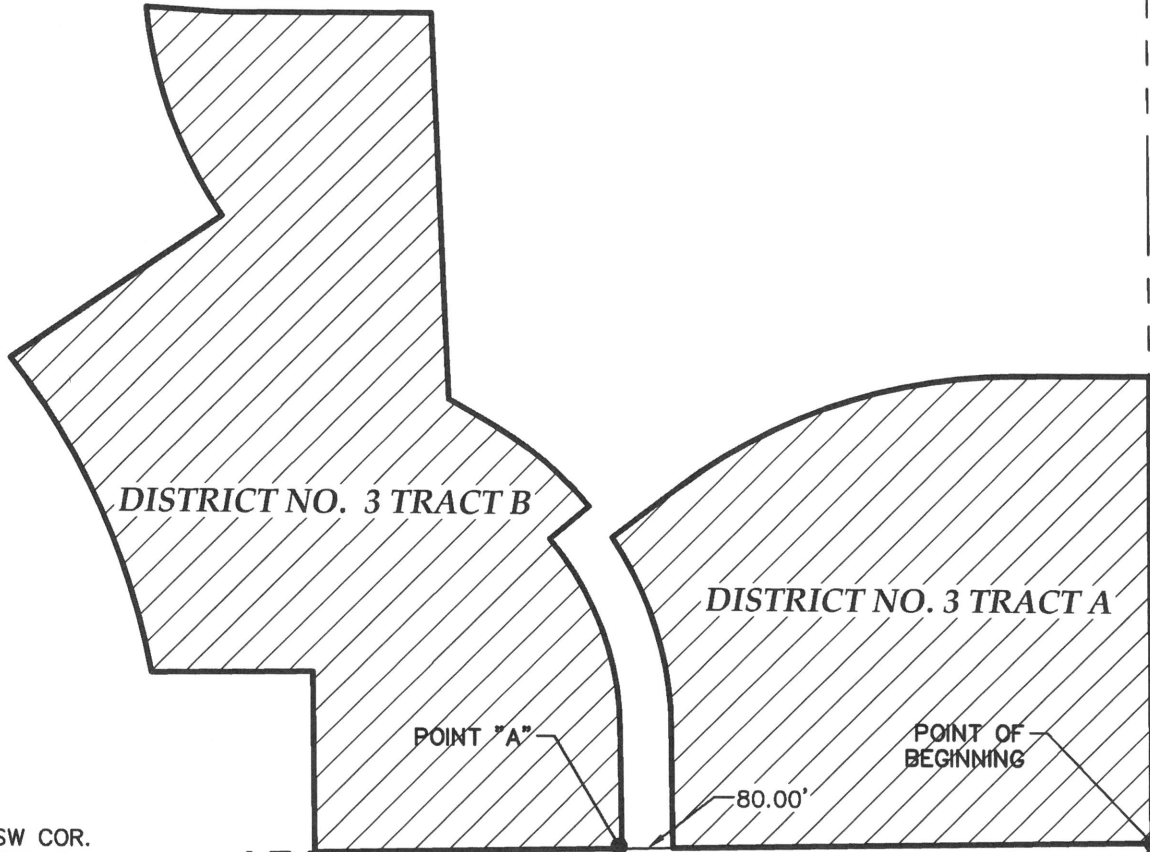


DISTRICT NO. 3 TRACT C

CENTER 1/4 COR.,  
SEC. 2, T.4N.,  
R.68W.

ROCKSBURY  
RIDGE 2ND  
FILING

DISTRICT 3 GROSS  
1,269,091 SQ.FT.  
29.134 ACRES



HIGH PLAINS BOULEVARD — (BASIS OF BEARINGS) N00°23'01"W 2651.92'(M)  
N00°02'49"W 2651.92'(R)

ROCKSBURY RIDGE 1ST FILING

SW COR.  
SEC. 2, T.4N.,  
R.68W.

S89°00'12"W 829.02'  
STATE HIGHWAY 60  
S89°13'50"W 2645.56'  
N00°23'01"W 121.18'

S 1/4 COR., SEC.  
2, T.4N., R.68W.  
POINT OF  
COMMENCEMENT



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David B. Dusdal — On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650



KING SURVEYORS

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email: [contact@KingSurveyors.com](mailto:contact@KingSurveyors.com)

PROJECT NO: 20180020  
DATE: 7/1/2019  
CLIENT: CCG  
DWG: 20180020-EXH-D3-OVERVIEW  
DRAWN: DRS CHECKED: DBD



CURVE TABLE

CURVE	LENGTH	RADIUS	DELTA	CHORD	CH BEARING
C1	316.02'	550.00'	32°55'15"	311.69'	N17°13'48"W
C2	559.52'	880.00'	36°25'46"	550.14'	N71°23'51"E

LINE TABLE

LINE	BEARING	LENGTH
L1	S89°00'12"W	749.01'
L2	N00°46'10"W	191.14'
L3	N53°10'58"E	132.25'
L4	N89°36'44"E	211.63'
L5	S00°23'01"E	731.99'

CENTER QUARTER  
CORNER, SECTION  
2, T.4N., R.68W.

ROCKSBURY  
RIDGE 2ND  
FILING

ROCKSBURY RIDGE 1ST FILING

L5 HIGH PLAINS BOULEVARD

SOUTH QUARTER  
CORNER, SECTION  
2, T.4N., R.68W.  
POINT OF  
COMMENCEMENT

DISTRICT NO. 3  
TRACT B

DISTRICT NO. 3 TRACT A

532,298 sq. ft.  
12.220 acres

POINT OF  
BEGINNING

STATE HIGHWAY 60



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David B. Dusdal – On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650



KING SURVEYORS

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phone: (970) 686-5011 | fax: (970) 686-5821  
email: contact@KingSurveyors.com

PROJECT NO: 20180020  
DATE: 6/27/2019  
CLIENT: CCG  
DWG: 20180020-EXH-D3-TRACT A  
DRAWN: MM CHECKED: DBD

CURVE TABLE

CURVE	LENGTH	RADIUS	DELTA	CHORD	CH BEARING
C3	542.58'	1090.00'	28°31'14"	536.99'	N24°13'34"W
C4	351.52'	705.00'	28°34'06"	347.89'	N19°57'43"W
C5	194.12'	550.00'	20°13'21"	193.12'	S50°03'19"E
C6	321.35'	470.00'	39°10'28"	315.13'	S20°21'25"E

DISTRICT NO. 3  
TRACT C

CENTER QUARTER  
CORNER, SECTION  
2, T.4N., R.68W.

ROCKSBURY  
RIDGE 2ND  
FILING

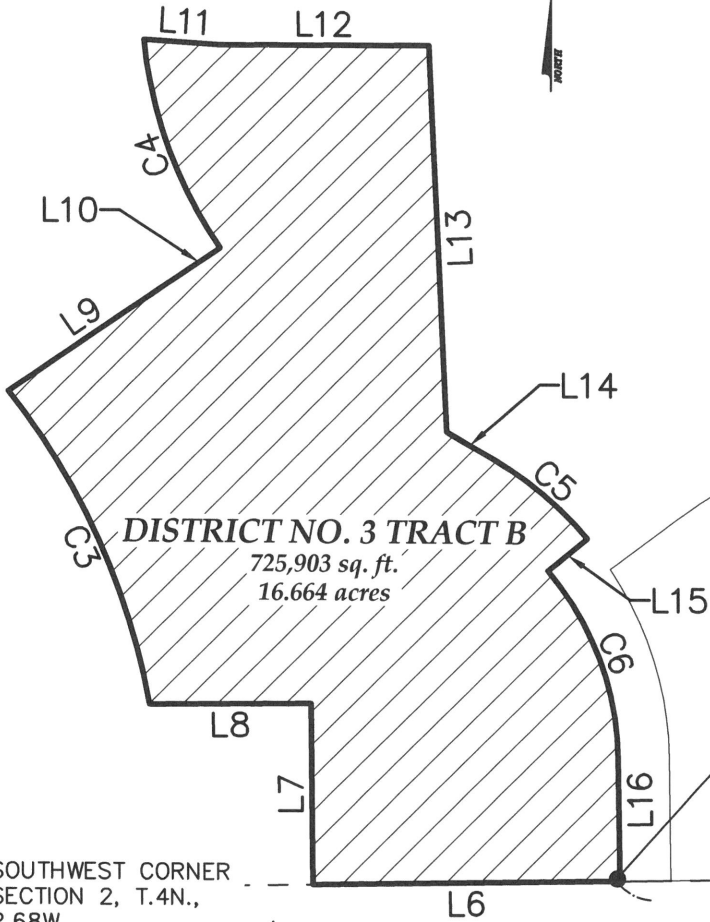
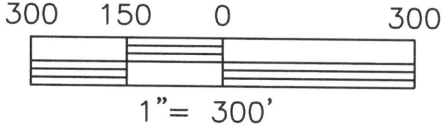
ROCKSBURY  
RIDGE 1ST FILING

HIGH PLAINS BOULEVARD — (BASIS OF BEARINGS) N00°23'01"W 2651.92'(M)  
N00°02'49"W 2651.92'(R)

SOUTH QUARTER  
CORNER, SECTION  
2, T.4N., R.68W.  
POINT OF  
COMMENCEMENT

LINE TABLE

LINE	BEARING	LENGTH
L6	S89°00'12"W	479.97'
L7	N00°34'30"W	283.86'
L8	S89°25'56"W	252.70'
L9	N55°45'04"E	320.60'
L10	N55°45'14"E	80.00'
L11	S86°23'57"E	118.31'
L12	N89°43'32"E	327.72'
L13	S02°34'28"E	606.66'
L14	S60°09'59"E	82.39'
L15	S50°03'21"W	80.00'
L16	S00°46'10"E	191.46'

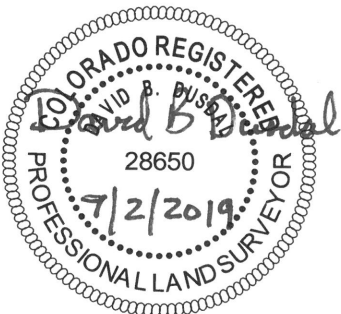


POINT "A"  
POINT OF  
BEGINING

S89°00'12"W 829.02'  
STATE HIGHWAY 60

S89°13'50"W 2645.56'

N00°23'01"W  
121.18'



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David B. Dusdal — On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650



KING SURVEYORS

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email: contact@KingSurveyors.com

PROJECT NO:20180020

DATE: 7/1/2019

CLIENT: CCG

DWG: 20180020-EXH-D3-TRACT B

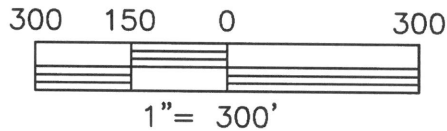
DRAWN: DRS CHECKED: DBD

## DISTRICT NO. 3 TRACT C

10,890 sq. ft.  
0.253 acres

LINE TABLE

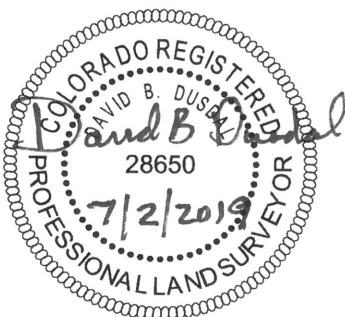
LINE	BEARING	LENGTH
L1	S88°59'05"W	60.66'
L2	N00°20'59"W	104.00'
L3	S00°20'59"E	104.00'
L4	S88°59'05"W	104.72'
L5	N00°20'59"W	104.00'
L6	N88°59'05"E	104.72'

DISTRICT NO. 3  
TRACT BDISTRICT NO. 3  
TRACT AHIGH PLAINS BOULEVARD — (BASIS OF BEARINGS) N00°23'01"W 2651.92'(M)  
N00°02'49"W 2651.92'(R)

ROCKSBURY RIDGE 1ST FILING

ROCKSBURY  
RIDGE 2ND  
FILINGSOUTHWEST CORNER  
SECTION 2, T.4N.,  
R.68W.S89°00'12"W 829.02'  
STATE HIGHWAY 60

S89°13'50"W 2645.56'

N00°23'01"W  
121.18'SOUTH QUARTER  
CORNER, SECTION  
2, T.4N., R.68W.  
POINT OF  
COMMENCEMENTDavid B. Dusdal — On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.



## KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550

phone: (970) 686-5011 | fax: (970) 686-5821

email: contact@KingSurveyors.com

PROJECT NO: 20180020

DATE: 7/1/2019

CLIENT: CCG

DWG: 20180020-EXH-D3-TRACT C

DRAWN: DRS CHECKED: DD



## **VISTA COMMONS METROPOLITAN DISTRICT NO. 4**

Two parcels of land, located in the Southwest Quarter (SW1/4) of Section Two (2), Township 4 North (T.4N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Weld, State of Colorado and being more particularly described as follows:

**COMMENCING** at the South Quarter corner of said Section 2 and assuming the East line of the Southwest Quarter of Section 29 as bearing North 00°23'01" West being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2651.92 feet and with all other bearings contained herein relative thereto;

### **TRACT A**

THENCE North 00°23'01" West along the East line of said Southwest Quarter a distance of 121.18 feet to the North Right-of-Way line of State Highway 60;

THENCE South 89°00'12" West along said North Right-of-Way a distance of 1308.98 feet to the **POINT OF BEGINNING**;

THENCE along the North Right-of-Way line of State Highway 60 the following Four (4) courses:

THENCE South 89°00'12" West a distance of 367.94 feet;

THENCE South 01°00'08" East 23.80 feet;

THENCE South 88°59'57" West a distance of 545.65 feet;

THENCE North 82°39'47" West a distance of 146.88 feet;

THENCE along the East Right-of-Way line of Interstate Highway 25 the following Three (3) courses:

THENCE North 14°27'14" West a distance of 955.31 feet;

THENCE North 00°31'59" West a distance of 1322.17 feet;

THENCE along the arc of a curve concave to the Southwest a distance of 281.14 feet, having a Radius of 5,780.00 feet, a Delta of 02°47'13" and is subtended by a Chord that bears North 01°56'53" West a distance of 281.12 feet to the North Line of said Southwest Quarter;

THENCE North 88°59'05" East along said North Line a distance of 2,252.86 feet;

THENCE South 01°04'52" East a distance of 475.69;

THENCE along the arc of a non-tangent curve concave to the Northeast a distance of 34.03 feet, having a Radius of 810.00 feet, a Delta of 02°24'25" and is subtended by a Chord that bears South 79°48'21" East a distance of 34.02 feet;

THENCE South 08°59'26" West a distance of 80.00 feet;

THENCE along the arc of a non-tangent curve concave to the Southwest a distance of 96.45 feet, having a Radius of 890.00 feet, a Delta of 06°12'32" and is subtended by a Chord that bears North 77°54'18" West a distance of 96.40 feet;

THENCE North 74°48'02" West a distance of 255.26 feet;

THENCE along the arc of a curve concave to the Southeast a distance of 1,715.82 feet, having a Radius of 705.00 feet, a Delta of 139°26'44" and is subtended by a Chord that bears South 35°28'36" West a distance of 1,322.62 feet;

THENCE South 55°45'14" West a distance of 80.00 feet;

THENCE South 55°45'04" West a distance of 320.60 feet;

THENCE along the arc of a non-tangent curve concave to the Southwest a distance of 542.58 feet, having a Radius of 1,090.00 feet, a Delta of 28°31'14" and is subtended by a Chord that bears South 24°13'34" East a distance of 536.99 feet;

THENCE North 89°25'56" East a distance of 252.70 feet;

THENCE South 00°34'30" East a distance of 283.86 feet to the **POINT OF BEGINNING**;

Said described Tract A contains 3,229,204 Square Feet or 74.132 Acres, more or less (±).

Together With:

**TRACT B**

**COMMENCING** at the Center Quarter corner of said Section 2 and assuming the East line of the Southwest Quarter of Section 29 as bearing North 00°23'01" West being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2651.92 feet and with all other bearings contained herein relative thereto;

THENCE South 88°59'05" West along the North line of said Southwest Quarter a distance of 165.38;

THENCE South 00°20'59" East a distance of 104.00 feet to the **POINT OF BEGINNING**;

THENCE South 00°20'59" East a distance of 104.00 feet;

THENCE South 88°59'05" West a distance of 104.72 feet;

THENCE North 00°20'59" West a distance of 104.00 feet;

THENCE North 88°59'05" East a distance of 104.72 feet to the **POINT OF BEGINNING**;

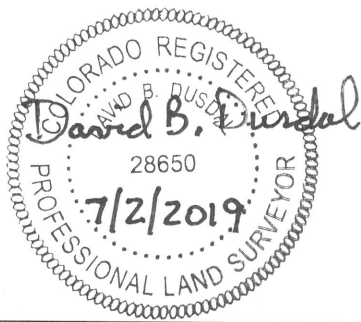
Said described Tract B contains 10,890 Square Feet or 0.250 Acres, more or less (±).

Total Square feet of Tracts A and B is 3,240,094 Square Feet

Total Acreage of Tracts A and B is 74.382 Acres.

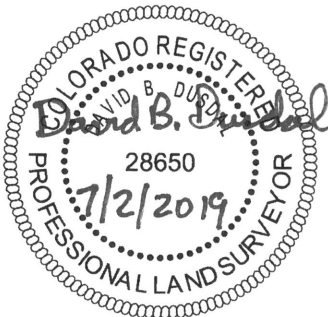
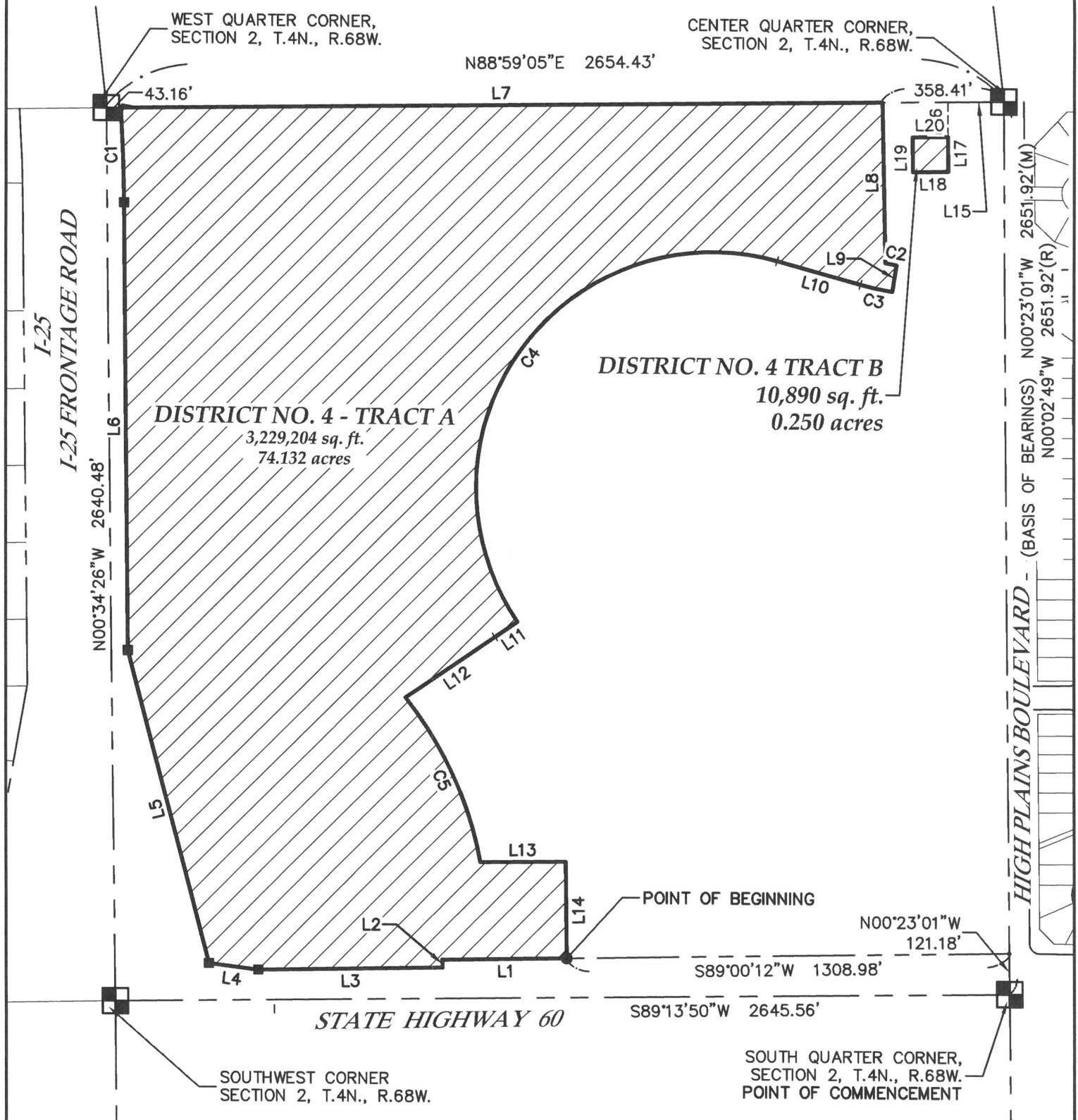
**SURVEYORS STATEMENT**

I, David B. Dusdal, a Colorado Registered Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking and that it is true and correct to the best of my knowledge and belief.



\_\_\_\_\_  
David B. Dusdal - On Behalf of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

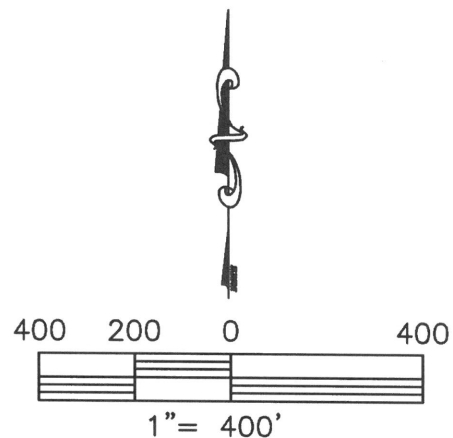
**KING SURVEYORS**  
650 East Garden Drive  
Windsor, Colorado 80550  
(970) 686-5011



David B. Dusdal – On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

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## KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550

phone: (970) 686-5011 | fax: (970) 686-5821

email: [contact@KingSurveyors.com](mailto:contact@KingSurveyors.com)

PROJECT NO: 20180020

DATE: 7/01/2019

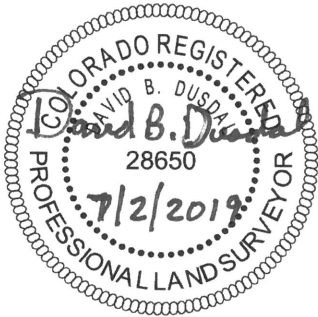
CLIENT: CCG

DWG: 20180020-EXH-D4-PARCEL

DRAWN: DRS CHECKED: DBD

LINE TABLE		
LINE	BEARING	LENGTH
L1	S89°00'12"W	367.94'
L2	S01°00'08"E	23.80'
L3	S88°59'57"W	545.65'
L4	N82°39'47"W	146.88'
L5	N14°27'14"W	955.31'
L6	N00°31'59"W	1322.17'
L7	N88°59'05"E	2252.86'
L8	S01°04'52"E	475.69'
L9	S08°59'26"W	80.00'
L10	N74°48'02"W	255.26'
L11	S55°45'14"W	80.00'
L12	S55°45'04"W	320.60'
L13	N89°25'56"E	252.70'
L14	S00°34'30"E	283.86'
L15	N88°59'05"E	165.38'
L16	S00°20'59"E	104.00'
L17	S00°20'59"E	104.00'
L18	S88°59'05"W	104.72'
L19	N00°20'59"W	104.00'
L20	N88°59'05"E	104.72'

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CHORD	CH BEARING
C1	281.14'	5780.00'	2°47'13"	281.12'	N01°56'53"W
C2	34.03'	810.00'	2°24'25"	34.02'	S79°48'21"E
C3	96.45'	890.00'	6°12'32"	96.40'	N77°54'18"W
C4	1715.82'	705.00'	139°26'44"	1322.62'	S35°28'36"W
C5	542.58'	1090.00'	28°31'14"	536.99'	S24°13'34"E



David B. Dusdal – On Behalf Of King Surveyors  
Colorado Registered Professional  
Land Surveyor #28650

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KING SURVEYORS

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phone: (970) 686-5011 | fax: (970) 686-5821  
email: [contact@KingSurveyors.com](mailto:contact@KingSurveyors.com)

PROJECT NO:20180020  
DATE: 7/2/2019  
CLIENT: CCG  
DWG: 20180020–EXH–D4–PARCEL  
DRAWN: MM CHECKED: DD

## **EXHIBIT B**

SERVICE PLAN FOR VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4

Johnstown Vicinity Map



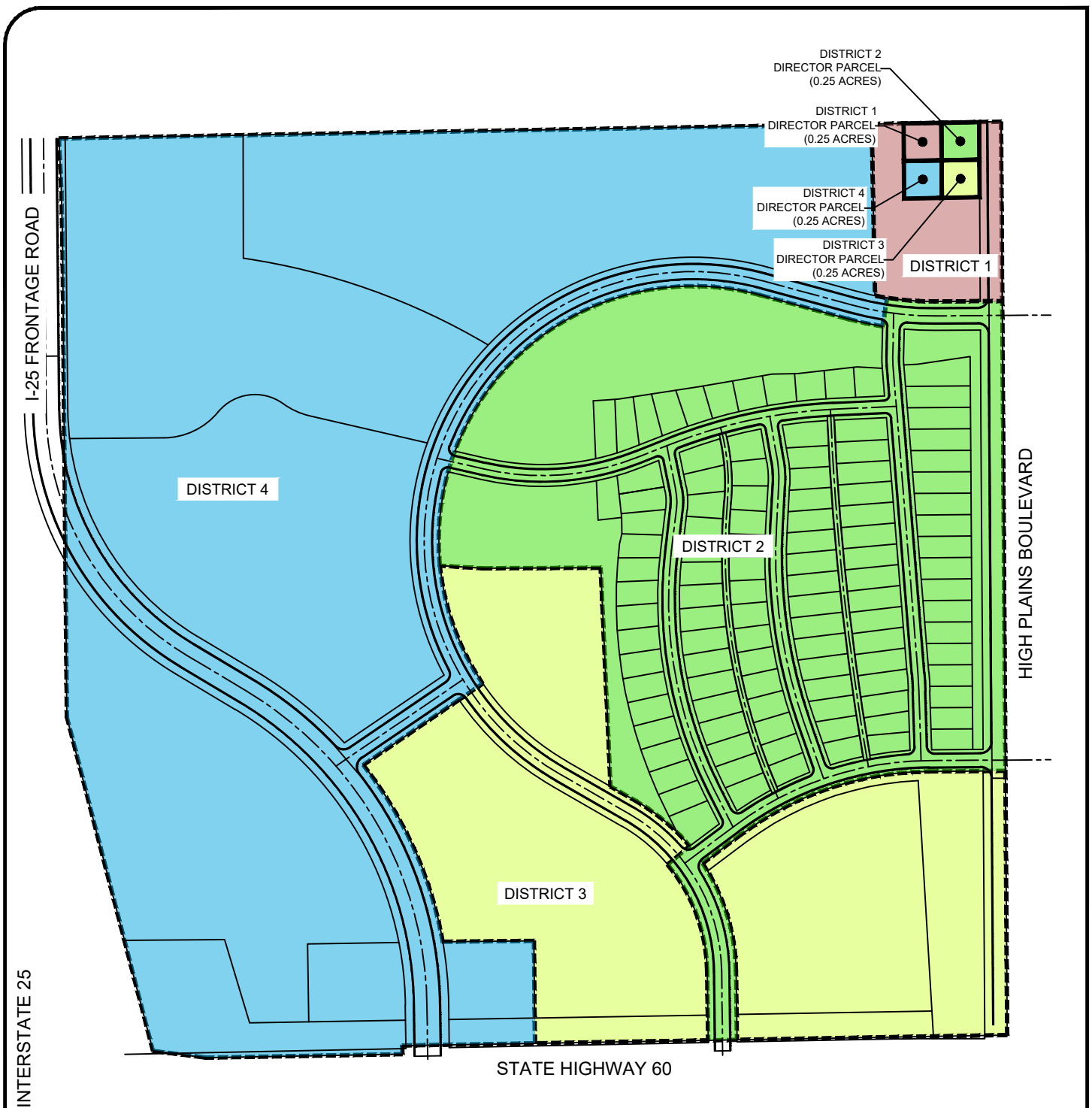
## VICINITY MAP

SCALE: 1" = 1000'

**EXHIBIT C-1**

SERVICE PLAN FOR VISTA COMMONS METROPOLITAN DISTRICT NO. 1-4

District Boundary Map



- DISTRICT 1 (3.265 ACRES)
- DISTRICT 2 (42.218 ACRES)
- DISTRICT 3 (29.134 ACRES)
- DISTRICT 4 (74.382 ACRES)

OCTOBER 4, 2019

## EXHIBIT A DISTRICT BOUNDARIES

## VISTA COMMONS METROPOLITAN DISTRICT



2204 HOFFMAN DRIVE  
LOVELAND, COLORADO 80538  
(970) 278-0029



**EXHIBIT C-2**

SERVICE PLAN FOR VISTA COMMONS METROPOLITAN DISTRICT NO. 1-4

Proofs of Ownership and Consent of Owners

Vista AG Properties, LLC  
505 East 8<sup>th</sup> Avenue  
Yuma, Colorado 80759


Town Council  
Town of Johnstown, Colorado  
450 S Parish Ave  
Johnstown, CO 80534

**RE: Proposed Vista Commons Metropolitan District Nos. 1-4 (collectively, the "District")**

To the Town Council of the Town of Johnstown:

Vista AG Properties, LLC constitutes all owners of the property within the initial District Boundaries, excluding rights of way and tracts dedicated to the Town, attached as Exhibit A to the proposed Service Plan for the Vista Commons Metropolitan District Nos. 1-4. The purpose of this letter is to advise that the following property owners consent to the organization of the District.

Vista AG Properties, LLC  
A Nebraska Limited Liability Company

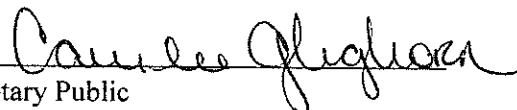
By: 

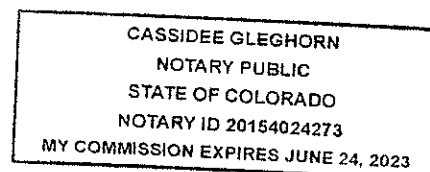
STATE OF COLORADO     )  
  ) ss.  
COUNTY OF Yuma     )

On this 12<sup>th</sup> day of August, 2019, before me, a Notary Public, personally appeared George L. Seward in their capacity as an authorized representative of Vista AG Properties, LLC, a Nebraska limited liability company, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same in the indicated capacity as his free act and deed.

Witness my hand and seal of office.

My commission expires: 6-24-23

  
Notary Public





# ONE REPORT

To: PINNACLE CONSULTING GROUP

Date Ordered: 08-02-2019

Attn: CARLA HAWKINS

Order Number 807536

Fax:

Phone: 970-669-3611 XT

Address: VACANT LAND - PARCEL #'S 106102000026  
AND 106102000027 WELD, CO 00000

County: WELD

## LEGAL DESCRIPTION

THE SOUTHWEST 1/4 OF SECTION 2, TOWNSHIP 4 NORTH, RANGE 68 WEST OF THE 6TH P.M.,  
COUNTY OF WELD, STATE OF COLORADO, EXCEPT THE FOLLOWING DESCRIBED PORTIONS,  
(CONTINUED..) \*PLEASE SEE ATTACHED VESTING DEED FOR COMPLETE DESCRIPTION\*

## OWNERSHIP & ENCUMBRANCES

Certification Date: 07-30-2019

OWNERSHIP: VISTA AG PROPERTIES, LLC, A NEBRASKA LIMITED LIABILITY  
COMPANY

<u>Doc Type</u>	<u>Doc Fee</u>	<u>Date</u>	<u>Reference#</u>
WARRANTY DEED	NA	10-04-2013	3968588
WARRANTY DEED	\$0.05	03-08-2013	3915971

## ENCUMBRANCES AND OTHER DOCUMENTS

<u>Item</u>	<u>Payable To</u>	<u>Amount</u>	<u>Date</u>	<u>Reference#</u>
MECHANIC'S LIEN	JLD INVEST LLC	\$392,619.42	04-09-19	4479837
ASSIGNMENT OF REN	BANK OF COLORADO		10-04-13	3968659
DEED OF TRUST	BANK OF COLORADO	\$3,590,000.00	10-04-13	3968658

Cust Ref#

By: JASON MCNEILL  
Land Title  
Property Resource Specialist  
Email: jamcneill@ltgc.com  
Phone: 970-267-5009  
Fax:

This ONE REPORT is based on a limited search of the county real property records and is intended for informational purposes only. The ONE REPORT does not constitute any form of warranty or guarantee of title or title insurance, and should not be used by the recipient of the ONE REPORT as the basis for making any legal, investment or business decisions. The recipient of the ONE REPORT should consult legal, tax and other advisors before making any such decisions. The liability of Land Title Guarantee Company is strictly limited to (1) the recipient of the ONE REPORT, and no other person, and (2) the amount paid for the ONE REPORT.



Prepared For:  
**PINNACLE CONSULTING GROUP**  
**CARLA HAWKINS**

**Reference:** VACANT LAND - PARCEL #'S 106102000026  
AND 106102000027 WELD, CO 00000

**Attached are the additional documents you requested:**

**Doc Type**

**Recorded**

**Reception#/BookPage**

JASON MCNEILL  
**Land Title**  
**Property Resource Specialist**  
**Email:** jamcneill@ltgc.com  
**Phone:** 970-267-5009  
**Fax:**

ADD.DOCS 807536

**EXHIBIT D**

SERVICE PLAN FOR VISTA COMMONS METROPOLITAN DISTRICT NO. 1-4

Intergovernmental Agreement between the Districts and Johnstown

**INTERGOVERNMENTAL AGREEMENT BETWEEN**  
**THE TOWN OF JOHNSTOWN, COLORADO**  
**AND**  
**VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4**

THIS AGREEMENT is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the TOWN OF JOHNSTOWN, a home-rule municipal corporation of the State of Colorado (“Town”), and VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4, quasi-municipal corporations and political subdivisions of the State of Colorado (the “Districts”). The Town and the Districts are collectively referred to as the “Parties.”

**RECITALS**

WHEREAS, the Districts were organized to provide those services and to exercise powers as are more specifically set forth in the Districts’ Service Plan approved by the Town on December \_\_\_\_, 2019 (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the Town and the Districts; and

WHEREAS, unless otherwise defined herein, the capitalized terms used in this Agreement shall have the meaning set forth in the Service Plan; and

WHEREAS, the Town and the Districts 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 Limitation. The Districts shall only operate and maintain those Public Improvements that are not accepted for ownership, operations and maintenance by the Town or other appropriate entity in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and the Town Code.

2. Trails and Amenities. The Districts may own, operate and maintain trails and related amenities within the Districts. All parks and trails shall be open to the general public, including Town residents who do not reside in the Districts, free of charge. Any fee imposed by the Districts for access to recreation improvements owned by the Districts, other than parks and trails, shall not result in Town residents who reside outside the Districts paying a user fee that is greater than, or otherwise disproportionate to, amounts paid by residents of the Districts and shall not result in the Districts’ residents subsidizing the use by non-Districts’ residents. The Districts shall be entitled to impose a reasonable administrative fee to cover additional expenses associated

with use of District recreational improvements, other than parks and trails, by Town residents who do not reside in the Districts to ensure that such use is not subsidized by the Districts' residents.

3. Fire Protection, Ambulance and Emergency Services Limitation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, except pursuant to an amendment to this Agreement or a subsequent intergovernmental agreement with the Town. 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. The Districts shall not be authorized to provide for ambulance or emergency medical services, except pursuant to an amendment to this Agreement or a subsequent intergovernmental agreement with the Town.

4. Television Relay and Translation Limitation. The Districts 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, except pursuant to an amendment to this Agreement or a subsequent intergovernmental agreement with the Town.

5. Telecommunication Facilities. The Districts agree that no telecommunication facilities owned, operated or otherwise allowed by the Districts shall affect the ability of the Town to expand its public safety telecommunication facilities or impair the Town's existing telecommunication facilities.

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

7. Zoning and Land Use Requirements; Sales and Use Tax. The Districts shall be subject to all of the Town's zoning, subdivision, building code and other land use requirements. The District shall not exercise any exemption from Town sales or use tax, whether directly or indirectly.

8. Growth Limitations. The Districts agree that the Town shall not be limited in implementing Town Council or voter approved growth limitations, even though such actions may reduce or delay development within the Districts and the realization of revenue to the Districts.

9. Conveyance. The Districts agree to convey to the Town, at no expense to the Town and upon written notification from the Town, any real property owned by the Districts that is necessary, in the Town's sole discretion, for any Town capital improvement projects for transportation, utilities or drainage. The Districts shall, at no expense to the Town and upon written notification from the Town, transfer to the Town all rights-of-way, fee interests and easements owned by the Districts that the Town determines are necessary for access to and operation and

maintenance of the Public Improvements to be owned, operated and maintained by the Town, consistent with an Approved Development Plan.

10. Privately Placed Debt Limitation. Prior to the issuance of any Privately Placed Debt, including but not limited to any Developer Debt, the Districts shall obtain the certification of an External Financial Advisor approved by the Town, in form substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the Districts' 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 Districts.

The Districts shall submit written notice to the Town Manager of the name of the proposed External Financial Advisor which shall either be approved or objected to by the Town within twenty (20) days of the submittal of such written notice to the Town Manager. If the Town Manager does not object to such selection within the twenty (20) day period, the Town Manager's approval shall be deemed to have been given to the District retaining the External Financial Advisor named in the written notice.

Within ten (10) days subsequent to the issuance of Privately Placed Debt, the Districts shall provide the Town with copies of the relevant Debt documents, the External Financial Advisor Certification and the Bond Counsel Opinion addressed to the Districts and the Town regarding the issuance of the Debt.

11. Inclusion Limitation. The Districts shall not include within their boundaries any property outside the District Boundaries without the prior approval of Town Council. The Districts shall only include within its boundaries property that has been annexed to the Town and no portion of any of the Districts shall ever consist of property not within the Town's corporate boundaries.

12. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate Debt mill levies within the overlapping Districts will not at any time exceed the lesser of the Maximum Debt Mill Levy that applies to either of the overlapping Districts.

13. Debt Limitation. Unless otherwise approved by separate intergovernmental agreement or an amendment to this Agreement, on or before the effective date of approval by the Town Council of a final subdivision plat for the first phase of the Residential District, the Districts shall not: (a) issue any Debt; (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; or (c) impose and collect any Development Fees, except pursuant to an amendment to this Agreement or a subsequent intergovernmental agreement with the Town.



14. Maximum Debt Authorization. The Districts shall not issue Debt in excess of Thirty-Nine Million Dollars (\$39,000,000). Refunded Debt, wherein the initial debt issuance counted toward the Maximum Debt Authorization, and Debt in the form of an intergovernmental agreement between one or more of the Districts shall not count against the Maximum Debt Authorization set forth herein.

15. Recurring Fee Limitation. The Districts may impose and collect Recurring Fees for administrative, operations and maintenance expenses and for services, programs or facilities furnished by the Districts. Any Recurring Fees for administrative, operations and maintenance expenses not specifically set forth in the Financial Plan, including a subsequent increase in such Recurring Fees, shall be subject to review and approval by the Town, either administratively or by formal action of Town Council, at the discretion of the Town Manager. If the Town does not respond to a written request for the imposition of the Recurring Fee or an increase in such Recurring Fee within forty-five (45) days of receipt of a written request from the Districts, the Town shall be deemed to have approved the ability of the Districts to impose or increase the Recurring Fee as described in the request. Any Recurring Fees imposed or increased for operation and maintenance expenses without approval as set forth herein shall constitute a material departure from the Service Plan. The revenue from a Recurring Fee shall not be used to pay for Debt.

16. Monies from Other Governmental Sources. The Districts 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 for which the Town is eligible to apply, except pursuant to an amendment to this Agreement or a subsequent intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and are a revenue source for the Districts without any limitation.

17. Consolidation Limitation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior approval of Town Council, unless such consolidation is with another Vista Commons Metropolitan District.

18. Public Improvement Fee Limitation. The Districts shall not collect, receive, spend or pledge to any Debt or use to pay for operations and maintenance services, any fee, assessment, tax or charge which is collected by a retailer in the Districts on the sale of goods or services by such retailer and which is measured by the sales price of such goods or services, except pursuant to an amendment to this Agreement or a subsequent intergovernmental agreement with the Town.

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

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

The filing of any bankruptcy petition by the Districts shall constitute, simultaneously with such filing, a material departure of the express terms of this Service Plan, and thus an express violation of the approval of this Service Plan.

20. Water Rights/Resources Limitation. Water to satisfy the needs of the Project shall be dedicated by the Developer to the Town. The Districts shall not acquire, manage, adjudicate or develop water rights or resources except pursuant to a separate intergovernmental agreement with the Town. As the Districts intend to provide for a non-potable irrigation system, which will be owned, operated and maintained by the Districts, the Districts shall be permitted to manage the raw water for the District irrigation water system in the manner set forth in a subsequently executed intergovernmental agreement with the Town. All construction of the non-potable water system improvements shall be in accordance with Approved Development Plans with the Town and comply with Town Code.

21. Eminent Domain Limitation. Absent the prior written approval of the Town, the Districts shall not exercise their statutory power of eminent domain or dominant eminent domain for the purpose of condemning property outside of the Service Area. Additional approval from the Town shall not be required prior to the Districts’ exercise of their statutory power of eminent domain or dominant eminent domain with respect to property within the Service Area. In no event shall the Districts exercise their statutory power of dominant eminent domain to condemn property owned by the Town.

22. Covenant Enforcement and Design Review Services. The Districts shall have the power, but not the obligation, to provide Covenant Enforcement and Design Review Services within the Districts in accordance with the Colorado Statutes as they are amended from time to time. The Town shall not bear any responsibility for Covenant Enforcement and Design Review Services within the boundaries of the Districts. The Town’s architectural control, design review and other zoning, land use, development, design and other controls are separate requirements that must be met in addition to any similar controls or services undertaken by the Districts.

23. Special Improvement Districts. The District shall not be entitled to create a special improvement district pursuant to Section 32-1-1101.7, C.R.S., except pursuant to an amendment to this Agreement or a subsequent intergovernmental agreement with the Town.

24. Reimbursement Agreement with Adjacent Landowners. If the Districts utilize reimbursement agreements to obtain reimbursements from adjacent landowners for costs of improvements that benefit the third-party landowners, such agreements shall be done in accordance with Town Code. Any and all resulting reimbursements received for such improvement shall be used to re-pay the cost of the Public Improvement that is the subject of the reimbursement agreement or shall be deposited in the District’s debt service fund and used for the

purpose of retiring Debt. The District shall maintain an accurate accounting of the funds received and disbursed pursuant to reimbursement agreements.

25. Land Purchase Limitation. Proceeds from the sale of Debt and other revenue of the Districts shall not be used to pay the Developer for the acquisition from the Developer of any real property, easements or other interests required to be dedicated for public use by annexation agreements, Approved Development Plans, the Town Code or other development requirements, except pursuant to an amendment to this Agreement or a subsequent intergovernmental agreement with the Town. Examples of ineligible reimbursements include, but are not limited to: the acquisition of rights of way, easements, water rights, land for public drainage, parkland, or open space, unless separate consent is given by resolution of the Town Council.

26. Developer Reimbursement of Public Improvement Related Costs. Prior to the reimbursement to the Developer for costs incurred in the organization of the Districts, or for funds expended on the Districts behalf related to the Public Improvements, or for the acquisition of any part of the Public Improvements, the Districts shall receive: a) the report of an engineer retained by the Districts, independent of the Developer and licensed in Colorado verifying that, in such engineer's professional opinion, the reimbursement for the costs of the Public Improvements that are the subject of the reimbursement or acquisition, including the construction costs and the soft costs, but excluding the accounting and legal fees, are, in such engineer's opinion, reasonable and are related to the provision of the Public Improvements or are related to the Districts' organization; and b) the report of an accountant retained by the Districts, independent of the Developer and licensed in Colorado verifying that, in such accountant's professional opinion, the reimbursement for the accounting and legal fees that are the subject of the reimbursement or acquisition, are, in such accountants opinion, reasonable and related to the Public Improvements or the Districts' organization. Upon request, the Districts shall provide the reports to the Town.

27. Developer Reimbursement of Administration, Operations and Maintenance Related Costs. Prior to the reimbursement to the Developer for costs incurred or for funds expended on behalf of the District related to the administration of the Districts or the operation and maintenance of the Public Improvements, the Districts shall receive the report of an accountant retained by the Districts, who is independent of the Developer and licensed in Colorado, verifying that, in such accountant's professional opinion, the reimbursement of the funds advanced for such administration, operations or maintenance costs, are, in such accountants opinion, receivable and related to the administration, operations or maintenance of the Districts or the Public Improvements. Upon request, the Districts shall provide the report to the Town.

28. Board Meetings and Website Limitations. Once an End User owns property in the Service Area, the Districts' Board meeting(s) shall be conducted within the boundaries of the Town of Johnstown. The Districts' website(s) shall include the name of the Project or a name that allows residents of the development community to readily locate the Districts online and shall also include an updated street map for those properties within the Service Area that have constructed streets that are open for public use.

29. Financial Review. The Town shall be permitted to conduct periodic reviews of the financial powers of the Districts in the Service Plan in the manner and form provided in

Section 32-1-1101.5, C.R.S., as amended from time to time. As provided in the statute, the Town may conduct the first financial review in fifth calendar year after the calendar year in which a special district's ballot issue to incur general obligation indebtedness was approved by its electors. After such fifth calendar year and notwithstanding the provisions of the statute, the Town may conduct the financial review at any time, by providing sixty (60) days written notice to the Districts, except that the Town may not conduct a financial review within sixty (60) months of the completion of its most recent financial review. The Town's procedures for conducting a financial review under this Paragraph, and the remedies available to the Town as a result of such financial review, shall be identical to those provided for in Section 32-1-1101.5(2), C.R.S., as amended from time to time. The Districts shall be responsible for payment of the Town consultant and legal and administrative costs associated with such review, and the Town may require a deposit of the estimated costs thereof.

30. Service Plan Amendment Requirement. Actions of the Districts which violate the limitations set forth in this Service Plan shall be deemed to be material modifications to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts, including the remedy of enjoining the issuance of additional authorized but unissued debt, until such material modification is remedied.

31. Maximum Debt Mill Levy. The Maximum Debt Mill Levy shall be maximum mill levy the Districts are permitted to impose for payment of Debt and includes, as appropriate, the Maximum Commercial Debt Mill Levy and the Maximum Residential Debt Mill Levy, and shall be determined as follows:

(a) Maximum Commercial Debt Mill Levy. The Maximum Commercial Debt Mill Levy shall be fifty (50) mills subject to a Gallagher Adjustment.

(b) Maximum Residential Debt Mill Levy. The Maximum Residential Debt Mill Levy shall be forty (40) mills subject to a Gallagher Adjustment.

(c) Maximum Mixed-Use Debt Mill Levy. If residential real property and commercial property are included within the boundaries of the same District, whether a Residential District or a Commercial District, the Maximum Residential Debt Mill Levy shall apply, provided however, if the inclusion of the residential real property and the commercial property within the same District is approved by the Town in an amendment to this Agreement or in a subsequent intergovernmental agreement along with approval of imposition of the Maximum Commercial Debt Mill Levy, the Maximum Commercial Debt Mill Levy shall apply.

32. Operations and Maintenance Mill Levy. The Operations and Maintenance Mill Levy shall be a mill levy the Districts are permitted to impose for payment of the Districts' administrative, operations and maintenance costs, which shall include, but not be limited to, the funding of operating reserves and sufficient ending fund balances to assure sufficient cash flow to fund expenses as they come due. The maximum Operations and Maintenance Mill Levy shall be ten (10) mills, subject to a Gallagher Adjustment, and shall at all times not exceed the maximum mill levy necessary to pay those expenses.

33. Subdistricts. To the extent that a 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 each 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.

34. Mill Levy Imposition Term.

(a) Developer Debt shall expire and be forgiven twenty (20) years after the date of the initial imposition by the Districts of an ad valorem property tax to pay any Debt, except as otherwise provided in an amendment of this Agreement or subsequent intergovernmental agreement with the Town approved by resolution of the Town Council. Refunding Bonds shall not be subject to this Developer Debt Mill Levy Imposition Term so long as such Refunding Bonds are not owned by the Developer or by a party related to the Developer. Developer Debt shall not have any call protection.

(b) Maximum Debt Mill Levy Imposition Term: In addition to the Developer Debt Mill Levy Imposition Term, a 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 the District imposing the mill levy are End Users residing in such 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.

35. Dissolution. Upon a determination of the Town Council that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions in the District Court for dissolution, pursuant to the applicable State statutes. Dissolution shall not occur until the Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

36. 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 Town:           Attn: Town Manager  
Town of Johnstown  
450 S. Parish Avenue  
Johnstown, CO 80534  
Phone: (970) 587-4664

To the Districts:       Vista Commons Metropolitan District Nos. 1-4  
Attn: District Manager  
c/o Pinnacle Consulting Group, Inc.

550 W. Eisenhower Blvd.  
Loveland, Colorado 80537  
Phone: 970-669-3611  
Fax: 970-669-3612

*With copy to:* Spencer Fane LLP  
Attn: David S. O'Leary, Esq.  
1700 Lincoln, Suite 2000  
Denver, CO 80203  
Phone: 303-839-3800  
Fax: 303-839-3838  
[doleary@spencerfane.com](mailto:doleary@spencerfane.com)

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.

37. 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.

38. 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.

39. Default/Remedies. Upon the occurrence of any event of breach or default by either Party, the non-defaulting party shall provide written notice to the other Party. The defaulting Party shall immediately proceed to cure or remedy such breach or default, and in any event, such breach or default shall be cured within fifteen (15) days after receipt of the notice. Following the cure period in the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available by 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, to the extent permitted by law.

40. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado and venue shall be in the County in which the Districts are located.

41. 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.

42. 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.

43. 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 Districts and the Town 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 Districts and the Town shall be for the sole and exclusive benefit of the Districts and the Town.

44. 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.

45. 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.

46. No Liability of Town. The Town has no obligation whatsoever to construct any improvements that the Districts are required to construct, or pay any debt or liability of the Districts, including any Bonds.

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

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

VISTA COMMONS METROPOLITAN  
DISTRICT NOS. 1-4

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

Attest:

\_\_\_\_\_  
Secretary

TOWN OF JOHNSTOWN, COLORADO

By: \_\_\_\_\_  
Mayor

Attest:

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



**EXHIBIT E**

SERVICE PLAN FOR VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4

Capital Plan



September 25, 2019

Town of Johnstown, CO  
450 S Parish Avenue  
Johnstown, CO 80534

**Re:** *Vista Commons Metropolitan District – Service Plan Engineers Cost Estimate  
Johnstown, Colorado*  
**Proj. No:** *0050.0002.01*

To Whom It May Concern:

Our office prepared the Service Plan Engineers Cost Estimate for the Vista Commons project located in Johnstown, Colorado. The cost estimate was prepared based on the Vista Commons Preliminary Development Plan (PDP) construction drawings. Our office prepared an itemized bid schedule for public improvements in the PDP construction drawings. This itemized bid schedule was emailed to four (4) General Contractors that regularly work in or near Johnstown, Colorado. All four (4) General Contractors submitted bid estimates for the project. Our office averaged the bid schedule unit costs to create an accurate estimate for the Vista Commons project.

In conclusion, the Service Plan Engineers Cost Estimate for the Vista Commons project is reasonable. Please let me know if you have any questions.

Sincerely,

**COLORADO CIVIL GROUP, INC.**

Chris E. Messersmith, PE



VISTA COMMONS METROPOLITAN DISTRICT  
CONCEPTUAL OPINION OF COST

ITEM NO.	DESCRIPTION	UNITS	ESTIMATED QUANTITIES					QUANTITY CHECK	UNIT COST <sup>1</sup>	PROJECT COSTS					PROJECT COST CHECK
			TOTAL PROJECT	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4			DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	TOTAL PROJECT	
A	GRADING & EARTHWORK														
1	CLEARING AND GRUBBING	ACRE	145.3	3.3	40.1	27.8	74.1	YES	\$1,000.00	\$3,300.00	\$40,100.00	\$27,800.00	\$74,100.00	\$145,300.00	YES
2	EROSION CONTROL (1.25% ±)	LS	1	1	1	1	1	N/A	VARIES	\$5,250.00	\$122,000.00	\$46,000.00	\$126,000.00	\$299,250.00	N/A
3	STRIP & STOCKPILE TOPSOIL (4")	CY	78,139	1,775	21,565	14,950	39,849	YES	\$2.75	\$4,880.33	\$59,303.44	\$41,113.11	\$109,585.67	\$214,882.56	YES
4	REPLACE TOPSOIL (4")	CY	78,139	1,775	21,565	14,950	39,849	YES	\$3.75	\$6,655.00	\$80,868.33	\$56,063.33	\$149,435.00	\$293,021.67	YES
5	UNCLASSIFIED EXCAVATION (CUT), PLACEMENT & COMPACTION	CY	205,790	4,674	56,794	39,373	104,949	YES	\$6.00	\$28,042.96	\$340,764.45	\$236,240.69	\$629,691.91	\$1,234,740.00	YES
	GRADING & EARTHWORK SUBTOTAL									\$48,128.29	\$643,036.22	\$407,217.13	\$1,088,812.57	\$2,187,194.22	
B	WATER SYSTEM														
1	6" PVC WATER LINE	LF	540	0	280	60	200	YES	\$90.00	\$0.00	\$25,200.00	\$5,400.00	\$18,000.00	\$48,600.00	YES
2	8" PVC WATER LINE	LF	9,617	0	6,263	741	2,613	YES	\$85.00	\$0.00	\$532,355.00	\$62,985.00	\$222,105.00	\$817,445.00	YES
3	12" PVC WATER LINE	LF	4,005	0	852	510	2,643	YES	\$127.50	\$0.00	\$108,630.00	\$65,025.00	\$336,982.50	\$510,637.50	YES
4	8"x6" MRJ TEE	EA	27	0	14	3	10	YES	\$775.00	\$0.00	\$10,850.00	\$2,325.00	\$7,750.00	\$20,925.00	YES
5	8"x8" MRJ TEE	EA	9	0	7	0	2	YES	\$1,150.00	\$0.00	\$8,050.00	\$0.00	\$2,300.00	\$10,350.00	YES
6	12"x8" MRJ TEE	EA	2	0	1	0	1	YES	\$1,725.00	\$0.00	\$1,725.00	\$0.00	\$1,725.00	\$3,450.00	YES
7	20"x12" WET-TAP - 12" GTV	EA	1	0	0	0	1	YES	\$9,800.00	\$0.00	\$0.00	\$0.00	\$9,800.00	\$9,800.00	YES
8	20"x8" WET-TAP - 8" GTV	EA	2	0	1	0	1	YES	\$9,000.00	\$0.00	\$9,000.00	\$0.00	\$9,000.00	\$18,000.00	YES
9	6" MRJ GTV	EA	27	0	14	3	10	YES	\$1,600.00	\$0.00	\$22,400.00	\$4,800.00	\$16,000.00	\$43,200.00	YES
10	8" MRJ GTV	EA	29	0	22	0	7	YES	\$2,175.00	\$0.00	\$47,850.00	\$0.00	\$15,225.00	\$63,075.00	YES
11	12" MRJ GTV	EA	4	0	2	0	2	YES	\$3,275.00	\$0.00	\$6,550.00	\$0.00	\$6,550.00	\$13,100.00	YES
12	AIR-VAC VAULT	EA	2	0	0	0	2	YES	\$6,000.00	\$0.00	\$0.00	\$0.00	\$12,000.00	\$12,000.00	YES
13	FIRE HYDRANT ASSEMBLY	EA	27	0	14	3	10	YES	\$5,750.00	\$0.00	\$80,500.00	\$17,250.00	\$57,500.00	\$155,250.00	YES
14	RESIDENTIAL WATER SERVICE	EA	109	0	109	0	0	YES	\$3,100.00	\$0.00	\$337,900.00	\$0.00	\$0.00	\$337,900.00	YES
15	MULTI-FAMILY WATER SERVICE (CONCEPTUAL)	EA	3	0	3	0	0	YES	\$62,000.00	\$0.00	\$186,000.00	\$0.00	\$0.00	\$186,000.00	YES
16	COMMERCIAL WATER SERVICE (CONCEPTUAL)	EA	14	0	0	7	7	YES	\$62,000.00	\$0.00	\$0.00	\$434,000.00	\$434,000.00	\$868,000.00	YES
	WATER SYSTEM SUBTOTAL									\$0.00	\$1,377,010.00	\$591,785.00	\$1,148,937.50	\$3,117,732.50	
C	NON-POTABLE WATER SYSTEM														
1	8" PVC WATER LINE	LF	12,320	0	6,610	741	4,969	YES	\$85.00	\$0.00	\$561,850.00	\$62,985.00	\$422,365.00	\$1,047,200.00	YES
2	8"x8" MRJ TEE	EA	11	0	8		3	YES	\$1,150.00	\$0.00	\$9,200.00	\$0.00	\$3,450.00	\$12,650.00	YES
3	8" MRJ GTV	EA	33	0	24	0	9	YES	\$2,175.00	\$0.00	\$52,200.00	\$0.00	\$19,575.00	\$71,775.00	YES
4	RESIDENTIAL IRRIGATION SERVICE	EA	109	0	109	0	0	YES	\$3,100.00	\$0.00	\$337,900.00	\$0.00	\$0.00	\$337,900.00	YES
5	MULTI-FAMILY/COMMERCIAL IRRIGATION SERVICE (ESTIMATE)	EA	12	0	0	6	6	YES	\$62,000.00	\$0.00	\$0.00	\$372,000.00	\$372,000.00	\$744,000.00	YES
6	RESERVOIR, PUMP STATION, AND WATER RIGHTS (ESTIMATE)	LS	1	1	1	1	1	N/A	\$2,000,000.00	\$0.00	\$666,666.67	\$666,666.67	\$666,666.67	\$2,000,000.00	YES
	NON-POTABLE WATER SYSTEM SUBTOTAL									\$0.00	\$1,627,816.67	\$1,101,651.67	\$1,484,056.67	\$4,213,525.00	
D	SANITARY SEWER INSTALLATION														
1	10" PVC SANITARY SEWER LINE	LF	2,559	0	1,491	643	425	YES	\$115.00	\$0.00	\$171,465.00	\$73,945.00	\$48,875.00	\$294,285.00	YES
2	8" PVC SANITARY SEWER LINE	LF	7,001	0	3,836	341	2,824	YES	\$90.00	\$0.00	\$345,240.00	\$30,690.00	\$254,160.00	\$630,090.00	YES
3	48" MANHOLE	EA	32	0	19	4	9	YES	\$4,900.00	\$0.00	\$93,100.00	\$19,600.00	\$44,100.00	\$156,800.00	YES
4	4" SANITARY SEWER SERVICES	EA	109	0	109	0	0	YES	\$3,500.00	\$0.00	\$381,500.00	\$0.00	\$0.00	\$381,500.00	YES
5	MULTI-FAMILY/COMMERCIAL SS SERVICES (ESTIMATE)	EA	17	0	3	7	7	YES	\$7,000.00	\$0.00	\$21,000.00	\$49,000.00	\$49,000.00	\$119,000.00	YES
6	CITY OF JOHNSTOWN REGIONAL SANITARY SEWER FEE <sup>3</sup>	SFE	1,115	0	115	566	434	YES	\$9,500.00	\$0.00	\$1,092,500.00	\$5,377,000.00	\$4,123,000.00	\$10,592,500.00	YES
	SANITARY SEWER SUBTOTAL									\$0.00	\$2,104,805.00	\$5,550,235.00	\$4,519,135.00	\$12,174,175.00	



VISTA COMMONS METROPOLITAN DISTRICT  
CONCEPTUAL OPINION OF COST

ITEM NO.	DESCRIPTION	UNITS	ESTIMATED QUANTITIES					QUANTITY CHECK	UNIT COST <sup>1</sup>	PROJECT COSTS					PROJECT COST CHECK
			TOTAL PROJECT	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4			DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	TOTAL PROJECT	
F	STORM DRAINAGE														
1	DETENTION POND EXCAVATION	CY	39,688	6,292	11,132	8,873	13,391	YES	\$5.00	\$31,460.00	\$55,660.00	\$44,365.00	\$66,955.00	\$198,440.00	YES
2	24" STORM	LF	1,379	0	461	838	80	YES	\$95.00	\$0.00	\$43,795.00	\$79,610.00	\$7,600.00	\$131,005.00	YES
3	36" STORM	LF	3,303	0	1,553	750	1,000	YES	\$130.00	\$0.00	\$201,890.00	\$97,500.00	\$130,000.00	\$429,390.00	YES
4	48" STORM	LF	2,040	0	100	0	1,940	YES	\$175.00	\$0.00	\$17,500.00	\$0.00	\$339,500.00	\$357,000.00	YES
5	BOX CULVERT	LF	270	0	120	0	150	YES	\$950.00	\$0.00	\$114,000.00	\$0.00	\$142,500.00	\$256,500.00	YES
6	BOX CULVERT WINGWALLS	EA	4	0	2		2	YES	\$15,000.00	\$0.00	\$30,000.00	\$0.00	\$30,000.00	\$60,000.00	YES
7	DETENTION POND OUTLET STURCTURE	EA	4	1	1	1	1	YES	\$17,500.00	\$17,500.00	\$17,500.00	\$17,500.00	\$17,500.00	\$70,000.00	YES
8	10' TYPE R INLET	EA	20	0	12	0	8	YES	\$9,750.00	\$0.00	\$117,000.00	\$0.00	\$78,000.00	\$195,000.00	YES
9	60" MANHOLE	EA	14	0	8	3	3	YES	\$6,125.00	\$0.00	\$49,000.00	\$18,375.00	\$18,375.00	\$85,750.00	YES
10	72" MANHOLE	EA	7	0	0	0	7	YES	\$7,350.00	\$0.00	\$0.00	\$0.00	\$51,450.00	\$51,450.00	YES
	STORM DRAINAGE SUBTOTAL									\$48,960.00	\$646,345.00	\$257,350.00	\$881,880.00	\$1,834,535.00	
G	STREET IMPROVEMENTS														
1	STATE HIGHWAY 60 - MAJOR ARTERIAL - NORTH HALF	LF	2,500	0	0	1,305	1,195	YES	\$670.02	\$0.00	\$0.00	\$874,376.10	\$800,673.90	\$1,675,050.00	YES
2	HIGH PLAINS BOULEVARD - MAJOR ARTERIAL - WEST HALF	LF	2,615	0	1,769	846	0	YES	\$617.18	\$0.00	\$1,091,791.42	\$522,134.28	\$0.00	\$1,613,925.70	YES
3	I-25 FRONTAGE ROAD - MINOR ARTERIAL - FULL SECTION	LF	3,006	0			3,006	YES	\$1,124.83	\$0.00	\$0.00	\$0.00	\$3,381,238.98	\$3,381,238.98	YES
4	INTERNAL STREET - MAJOR COLLECTOR - FULL SECTION	LF	4,274	0	947	740	2,587	YES	\$792.52	\$0.00	\$750,516.44	\$586,464.80	\$2,050,249.24	\$3,387,230.48	YES
5	INTERNAL STREET - MINOR COLLECTOR - FULL SECTION	LF	962	0	962	0	0	YES	\$521.16	\$0.00	\$501,355.92	\$0.00	\$0.00	\$501,355.92	YES
6	INTERNAL STREET - LOCAL STREET - FULL SECTION	LF	4,664	0	4,664	0	0	YES	\$376.90	\$0.00	\$1,757,861.60	\$0.00	\$0.00	\$1,757,861.60	YES
7	INTERNAL STREET - ALLEY - FULL SECTION	LF	2,047	0	2,047	0	0	YES	\$147.20	\$0.00	\$301,318.40	\$0.00	\$0.00	\$301,318.40	YES
8	STREET LIGHTS	EA	45	0	21	7	17	YES	\$2,500.00	\$0.00	\$52,500.00	\$17,500.00	\$42,500.00	\$112,500.00	YES
9	TRAFFIC SIGNALS	EA	2	0	0	1	1	YES	\$350,000.00	\$0.00	\$0.00	\$350,000.00	\$350,000.00	\$700,000.00	YES
10	TRAFFIC CONTROL, SIGNAGE, PAVEMENT MARKINGS	LS	1	1	1	1	1	N/A	N/A	\$5,250.00	\$122,000.00	\$46,000.00	\$126,000.00	\$299,250.00	N/A
11	UTILITY SLEEVES (CROSSINGS)	EA	15	0	11	0	4	YES	\$5,000.00	\$0.00	\$55,000.00	\$0.00	\$20,000.00	\$75,000.00	YES
	STREET IMPROVEMENTS SUBTOTAL									\$5,250.00	\$4,632,343.78	\$2,396,475.18	\$6,770,662.12	\$13,804,731.08	
H	LANDSCAPING														
1	NON-IRRIGATED LANDSCAPE AREAS	SF	621,520	0	0		621,520	YES	\$0.06	\$0.00	\$0.00	\$0.00	\$37,291.20	\$37,291.20	YES
2	IRRIGATED LANDSCAPE AREAS	SF	394,620	0	49,312	206,570	138,738	YES	\$6.10	\$0.00	\$300,803.20	\$1,260,077.00	\$846,301.80	\$2,407,182.00	YES
3	50/50 LANDSCAPE AREAS	SF	590,146	144,702	445,444	0	0	YES	\$3.08	\$445,682.16	\$1,371,967.52	\$0.00	\$0.00	\$1,817,649.68	YES
4	GATEWAY FEATURE	EA	1	0	0	0	1	YES	\$500,000.00	\$0.00	\$0.00	\$0.00	\$500,000.00	\$500,000.00	YES
	LANDSCAPING SUBTOTAL									\$445,682.16	\$1,672,770.72	\$1,260,077.00	\$1,383,593.00	\$4,762,122.88	
I	OFFSITE AND OTHER UTILITIES														
1	OFFSITE WET UTILITIES (PENDING DESIGN)	LS	1	0	1	1	1	N/A	\$1,750,000.00	\$0.00	\$583,333.33	\$583,333.33	\$583,333.33	\$1,750,000.00	YES
2	DRY UTILITIES (5%±)	LS	1	1	1	1	1	N/A	N/A	\$0.00	\$903,000.00	\$366,450.00	\$840,200.00	\$2,109,650.00	N/A
	OFFSITE AND OTHER UTILITIES SUBTOTAL									\$0.00	\$1,486,333.33	\$949,783.33	\$1,423,533.33	\$3,859,650.00	
J	PARK AND RECREATION AMENITIES														
1	REGIONAL PARK AND RECREATION FACILITY	LS	1	0	0	0	1	YES	\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00	\$2,000,000.00	YES
2	LOCAL POOL FACILITY <sup>2</sup>	LS	1	0	0	1	0	YES	\$1,500,000.00	\$0.00	\$0.00	\$1,500,000.00	\$0.00	\$1,500,000.00	YES
3	POTENTIAL REGIONAL TRAIL SYSTEM	LS	1	0	1	1	1	N/A	\$500,000.00	\$0.00	\$166,666.67	\$166,666.67	\$166,666.67	\$500,000.00	YES
	PARK AND RECREATION AMENITIES SUBTOTAL									\$0.00	\$166,666.67	\$1,666,666.67	\$2,166,666.67	\$4,000,000.00	



VISTA COMMONS METROPOLITAN DISTRICT  
CONCEPTUAL OPINION OF COST

ITEM NO.	DESCRIPTION	UNITS	ESTIMATED QUANTITIES					QUANTITY CHECK	UNIT COST <sup>1</sup>	PROJECT COSTS					PROJECT COST CHECK
			TOTAL PROJECT	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4			DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	TOTAL PROJECT	
K	SITE IMPROVEMENTS														
1	RESIDENTIAL FENCING (PERIMETER)	LF	3,320	0	3,320	0	0	YES	\$40.00	\$0.00	\$132,800.00	\$0.00	\$0.00	\$132,800.00	YES
2	PARKING LOTS (PENDING DESIGN)	SF	504,846	0	0	181,926	322,920	YES	\$4.00	\$0.00	\$0.00	\$727,704.00	\$1,291,680.00	\$2,019,384.00	YES
	SITE IMPROVEMENTS SUBTOTAL									\$0.00	\$132,800.00	\$727,704.00	\$1,291,680.00	\$2,152,184.00	

<sup>1</sup>UNIT COSTS IN BOLD HAVE BEEN UPDATED

<sup>2</sup>APPROXIMATE, COSTS TO BE DETERMINED BY ACTUAL CONSTRUCTION COSTS

<sup>3</sup>CITY OF JOHNSTOWN REGIONAL SANITARY SEWER FEE ADDED (4-OCT-19)

DIRECT CONSTRUCTION COSTS SUBTOTAL	\$548,020.45	\$14,489,927.39	\$14,908,944.98	\$22,158,956.86	\$52,105,849.68
ENGINEERING DESIGN AND ADMINISTRATION (7%)	\$38,361.43	\$1,014,294.92	\$1,043,626.15	\$1,551,126.98	\$3,647,409.48
CONSTRUCTION MANAGEMENT AND ADMINISTRATION (8%)	\$43,841.64	\$1,159,194.19	\$1,192,715.60	\$1,772,716.55	\$4,168,467.97
GEOTECHNICAL ENGINEER/MATERIALS TESTING (3%)	\$16,440.61	\$434,697.82	\$447,268.35	\$664,768.71	\$1,563,175.49
CONSTRUCTION CONTINGENCY (10%)	\$54,802.05	\$1,448,992.74	\$1,490,894.50	\$2,215,895.69	\$5,210,584.97
PROJECT TOTAL	\$701,466.18	\$18,547,107.06	\$19,083,449.57	\$28,363,464.78	\$66,695,487.59



VISTA COMMONS METROPOLITAN DISTRICT  
CONCEPTUAL PROJECT COSTS PER YEAR

ITEM NO.	DESCRIPTION	CONCEPTUAL PROJECT COSTS PER YEAR									
		1	2	3	4	5	6	7	8	9	10
A	GRADING & EARTHWORK										
1	CLEARING AND GRUBBING	\$43,400.00		\$3,705.00	\$27,800.00				\$70,395.00		
2	EROSION CONTROL (1.25% ±)	\$127,250.00		\$6,300.00	\$46,000.00				\$119,700.00		
3	STRIP & STOCKPILE TOPSOIL (4")	\$64,183.78		\$5,479.28	\$41,113.11				\$104,106.38		
4	REPLACE TOPSOIL (4")	\$87,523.33		\$7,471.75	\$56,063.33				\$141,963.25		
5	UNCLASSIFIED EXCAVATION (CUT), PLACEMENT & COMPACTION	\$368,807.41		\$31,484.60	\$236,240.69				\$598,207.31		
	GRADING & EARTHWORK SUBTOTAL	\$691,164.52	\$0.00	\$54,440.63	\$407,217.13	\$0.00	\$0.00	\$0.00	\$1,034,371.94	\$0.00	\$0.00
B	WATER SYSTEM										
1	6" PVC WATER LINE	\$0.00	\$8,400.00	\$8,400.00	\$9,000.00	\$600.00	\$600.00	\$600.00	\$1,984.62	\$1,984.62	\$1,984.62
2	8" PVC WATER LINE	\$0.00	\$177,451.67	\$177,451.67	\$184,450.00	\$6,998.33	\$6,998.33	\$6,998.33	\$24,083.33	\$24,083.33	\$24,083.33
3	12" PVC WATER LINE	\$0.00	\$36,210.00	\$36,210.00	\$43,435.00	\$7,225.00	\$7,225.00	\$7,225.00	\$33,146.73	\$33,146.73	\$33,146.73
4	8"x6" MRJ TEE	\$0.00	\$3,616.67	\$3,616.67	\$3,875.00	\$258.33	\$258.33	\$258.33	\$854.49	\$854.49	\$854.49
5	8"x8" MRJ TEE	\$0.00	\$2,683.33	\$2,683.33	\$2,683.33	\$0.00	\$0.00	\$0.00	\$176.92	\$176.92	\$176.92
6	12"x8" MRJ TEE	\$0.00	\$575.00	\$575.00	\$575.00	\$0.00	\$0.00	\$0.00	\$132.69	\$132.69	\$132.69
7	20"x12" WET-TAP - 12" GTV	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$753.85	\$753.85	\$753.85
8	20"x8" WET-TAP - 8" GTV	\$0.00	\$3,000.00	\$3,000.00	\$3,000.00	\$0.00	\$0.00	\$0.00	\$692.31	\$692.31	\$692.31
9	6" MRJ GTV	\$0.00	\$7,466.67	\$7,466.67	\$8,000.00	\$533.33	\$533.33	\$533.33	\$1,764.10	\$1,764.10	\$1,764.10
10	8" MRJ GTV	\$0.00	\$15,950.00	\$15,950.00	\$15,950.00	\$0.00	\$0.00	\$0.00	\$1,171.15	\$1,171.15	\$1,171.15
11	12" MRJ GTV	\$0.00	\$2,183.33	\$2,183.33	\$2,183.33	\$0.00	\$0.00	\$0.00	\$503.85	\$503.85	\$503.85
12	AIR-VAC VAULT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$923.08	\$923.08	\$923.08
13	FIRE HYDRANT ASSEMBLY	\$0.00	\$26,833.33	\$26,833.33	\$28,750.00	\$1,916.67	\$1,916.67	\$1,916.67	\$6,339.74	\$6,339.74	\$6,339.74
14	RESIDENTIAL WATER SERVICE	\$0.00	\$112,633.33	\$112,633.33	\$112,633.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	MULTI-FAMILY WATER SERVICE (CONCEPTUAL)	\$0.00	\$62,000.00	\$62,000.00	\$62,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
16	COMMERCIAL WATER SERVICE (CONCEPTUAL)	\$0.00	\$0.00	\$0.00	\$48,222.22	\$48,222.22	\$48,222.22	\$48,222.22	\$81,606.84	\$81,606.84	\$81,606.84
	WATER SYSTEM SUBTOTAL	\$0.00	\$459,003.33	\$459,003.33	\$524,757.22	\$65,753.89	\$65,753.89	\$65,753.89	\$154,133.70	\$154,133.70	\$154,133.70
C	NON-POTABLE WATER SYSTEM										
1	8" PVC WATER LINE	\$0.00	\$187,283.33	\$187,283.33	\$194,281.67	\$6,998.33	\$6,998.33	\$6,998.33	\$39,487.95	\$39,487.95	\$39,487.95
2	8"x8" MRJ TEE	\$0.00	\$3,066.67	\$3,066.67	\$3,066.67	\$0.00	\$0.00	\$0.00	\$265.38	\$265.38	\$265.38
3	8" MRJ GTV	\$0.00	\$17,400.00	\$17,400.00	\$17,400.00	\$0.00	\$0.00	\$0.00	\$1,505.77	\$1,505.77	\$1,505.77
4	RESIDENTIAL IRRIGATION SERVICE	\$0.00	\$112,633.33	\$112,633.33	\$112,633.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	MULTI-FAMILY/COMMERCIAL IRRIGATION SERVICE (ESTIMATE)	\$0.00	\$0.00	\$0.00	\$41,333.33	\$41,333.33	\$41,333.33	\$41,333.33	\$69,948.72	\$69,948.72	\$69,948.72
6	RESERVOIR, PUMP STATION, AND WATER RIGHTS (ESTIMATE)	\$0.00	\$222,222.22	\$222,222.22	\$296,296.30	\$74,074.07	\$74,074.07	\$74,074.07	\$125,356.13	\$125,356.13	\$125,356.13
	NON-POTABLE WATER SYSTEM SUBTOTAL	\$0.00	\$542,605.56	\$542,605.56	\$665,011.30	\$122,405.74	\$122,405.74	\$122,405.74	\$236,563.95	\$236,563.95	\$236,563.95
D	SANITARY SEWER INSTALLATION										
1	10" PVC SANITARY SEWER LINE	\$85,732.50	\$85,732.50	\$48,875.00	\$73,945.00				\$0.00		
2	8" PVC SANITARY SEWER LINE	\$172,620.00	\$172,620.00	\$127,080.00	\$30,690.00				\$127,080.00		
3	48" MANHOLE	\$46,550.00	\$46,550.00	\$9,800.00	\$19,600.00				\$34,300.00		
4	4" SANITARY SEWER SERVICES	\$190,750.00	\$190,750.00	\$0.00	\$0.00				\$0.00		
5	MULTI-FAMILY/COMMERCIAL SS SERVICES (ESTIMATE)	\$10,500.00	\$10,500.00	\$14,000.00	\$49,000.00				\$35,000.00		
6	CITY OF JOHNSTOWN REGIONAL SANITARY SEWER FEE	\$546,250.00	\$546,250.00	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78
	SANITARY SEWER SUBTOTAL	\$1,052,402.50	\$1,052,402.50	\$727,532.78	\$701,012.78	\$527,777.78	\$527,777.78	\$527,777.78	\$724,157.78	\$527,777.78	\$527,777.78



VISTA COMMONS METROPOLITAN DISTRICT  
CONCEPTUAL PROJECT COSTS PER YEAR

ITEM NO.	DESCRIPTION	CONCEPTUAL PROJECT COSTS PER YEAR									
		1	2	3	4	5	6	7	8	9	10
F	STORM DRAINAGE										
1	DETENTION POND EXCAVATION	\$87,120.00	\$0.00	\$0.00	\$44,365.00	\$0.00	\$0.00	\$0.00	\$66,955.00		
2	24" STORM	\$0.00	\$14,598.33	\$14,598.33	\$23,443.89	\$8,845.56	\$8,845.56	\$8,845.56	\$9,430.17	\$9,430.17	\$9,430.17
3	36" STORM	\$0.00	\$67,296.67	\$67,296.67	\$78,130.00	\$10,833.33	\$10,833.33	\$10,833.33	\$20,833.33	\$20,833.33	\$20,833.33
4	48" STORM	\$0.00	\$5,833.33	\$5,833.33	\$5,833.33	\$0.00	\$0.00	\$0.00	\$26,115.38	\$26,115.38	\$26,115.38
5	BOX CULVERT	\$0.00	\$38,000.00	\$38,000.00	\$38,000.00	\$0.00	\$0.00	\$0.00	\$10,961.54	\$10,961.54	\$10,961.54
6	BOX CULVERT WINGWALLS	\$0.00	\$10,000.00	\$10,000.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$2,307.69	\$2,307.69	\$2,307.69
7	DETENTION POND OUTLET STURCTURE	\$35,000.00	\$0.00	\$0.00	\$17,500.00	\$0.00	\$0.00	\$0.00	\$17,500.00	\$0.00	\$0.00
8	10' TYPE R INLET	\$0.00	\$39,000.00	\$39,000.00	\$39,000.00	\$0.00	\$0.00	\$0.00	\$6,000.00	\$6,000.00	\$6,000.00
9	60" MANHOLE	\$0.00	\$16,333.33	\$16,333.33	\$18,375.00	\$2,041.67	\$2,041.67	\$2,041.67	\$3,455.13	\$3,455.13	\$3,455.13
10	72" MANHOLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,957.69	\$3,957.69	\$3,957.69
	STORM DRAINAGE SUBTOTAL	\$122,120.00	\$191,061.67	\$191,061.67	\$274,647.22	\$21,720.56	\$21,720.56	\$21,720.56	\$167,515.94	\$83,060.94	\$83,060.94
G	STREET IMPROVEMENTS										
1	STATE HIGHWAY 60 - MAJOR ARTERIAL - NORTH HALF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$124,910.87	\$124,910.87	\$124,910.87	\$124,910.87	\$197,699.41
2	HIGH PLAINS BOULEVARD - MAJOR ARTERIAL - WEST HALF	\$0.00	\$0.00	\$545,895.71	\$545,895.71	\$0.00	\$74,590.61	\$74,590.61	\$74,590.61	\$74,590.61	\$74,590.61
3	I-25 FRONTAGE ROAD - MINOR ARTERIAL - FULL SECTION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$307,385.36
4	INTERNAL STREET - MAJOR COLLECTOR - FULL SECTION	\$0.00	\$0.00	\$375,258.22	\$375,258.22	\$0.00	\$83,780.69	\$83,780.69	\$83,780.69	\$83,780.69	\$270,166.98
5	INTERNAL STREET - MINOR COLLECTOR - FULL SECTION	\$0.00	\$0.00	\$250,677.96	\$250,677.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	INTERNAL STREET - LOCAL STREET - FULL SECTION	\$0.00	\$0.00	\$878,930.80	\$878,930.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7	INTERNAL STREET - ALLEY - FULL SECTION	\$0.00	\$0.00	\$150,659.20	\$150,659.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8	STREET LIGHTS	\$0.00	\$0.00	\$26,250.00	\$26,250.00	\$0.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$6,363.64
9	TRAFFIC SIGNALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$81,818.18
10	TRAFFIC CONTROL, SIGNAGE, PAVEMENT MARKINGS	\$5,250.00	\$0.00	\$61,000.00	\$61,000.00	\$0.00	\$6,571.43	\$6,571.43	\$6,571.43	\$6,571.43	\$18,025.97
11	UTILITY SLEEVES (CROSSINGS)	\$0.00	\$0.00	\$27,500.00	\$27,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,818.18
	STREET IMPROVEMENTS SUBTOTAL	\$5,250.00	\$0.00	\$2,316,171.89	\$2,316,171.89	\$0.00	\$342,353.60	\$342,353.60	\$342,353.60	\$342,353.60	\$957,868.34
H	LANDSCAPING										
1	NON-IRRIGATED LANDSCAPE AREAS	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00	\$0.00	\$0.00
2	IRRIGATED LANDSCAPE AREAS	\$0.00	\$0.00	\$150,401.60	\$150,401.60				\$252,015.40	\$252,015.40	\$252,015.40
3	50/50 LANDSCAPE AREAS	\$222,841.08	\$222,841.08	\$685,983.76	\$685,983.76				\$0.00	\$0.00	\$0.00
4	GATEWAY FEATURE	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00	\$0.00	\$500,000.00
	LANDSCAPING SUBTOTAL	\$222,841.08	\$222,841.08	\$836,385.36	\$836,385.36	\$0.00	\$0.00	\$0.00	\$252,015.40	\$252,015.40	\$752,015.40
I	OFFSITE AND OTHER UTILITIES										
1	OFFSITE WET UTILITIES (PENDING DESIGN)	\$0.00	\$0.00	\$0.00	\$583,333.33				\$583,333.33		
2	DRY UTILITIES (5%±)	\$0.00	\$0.00	\$493,510.00	\$451,500.00				\$73,290.00	\$73,290.00	\$73,290.00
	OFFSITE AND OTHER UTILITIES SUBTOTAL	\$0.00	\$0.00	\$493,510.00	\$1,034,833.33	\$0.00	\$0.00	\$0.00	\$656,623.33	\$73,290.00	\$73,290.00
J	PARK AND RECREATION AMENITIES										
1	REGIONAL PARK AND RECREATION FACILITY	\$0.00	\$0.00	\$0.00	\$0.00						
2	LOCAL POOL FACILITY	\$0.00	\$0.00	\$0.00	\$0.00	\$750,000.00	\$750,000.00				
3	POTENTIAL REGIONAL TRAIL SYSTEM	\$0.00	\$0.00	\$0.00	\$166,666.67				\$166,666.67		
	PARK AND RECREATION AMENITIES SUBTOTAL	\$0.00	\$0.00	\$0.00	\$166,666.67	\$750,000.00	\$750,000.00	\$0.00	\$166,666.67	\$0.00	\$0.00



VISTA COMMONS METROPOLITAN DISTRICT  
CONCEPTUAL PROJECT COSTS PER YEAR

ITEM NO.	DESCRIPTION	CONCEPTUAL PROJECT COSTS PER YEAR									
		1	2	3	4	5	6	7	8	9	10
K	SITE IMPROVEMENTS										
1	RESIDENTIAL FENCING (PERIMETER)	\$0.00	\$0.00	\$66,400.00	\$66,400.00						
2	PARKING LOTS (PENDING DESIGN)	\$0.00	\$0.00	\$64,584.00	\$145,540.80	\$145,540.80	\$145,540.80	\$145,540.80	\$239,932.80	\$94,392.00	\$94,392.00
	SITE IMPROVEMENTS SUBTOTAL	\$0.00	\$0.00	\$130,984.00	\$211,940.80	\$145,540.80	\$145,540.80	\$145,540.80	\$239,932.80	\$94,392.00	\$94,392.00
		\$2,093,778.10	\$2,467,914.14	\$5,751,695.21	\$7,138,643.70	\$1,633,198.76	\$1,975,552.36	\$1,225,552.36	\$3,974,335.10	\$1,763,587.36	\$2,879,102.10
		\$146,564.47	\$172,753.99	\$402,618.66	\$499,705.06	\$114,323.91	\$138,288.67	\$85,788.67	\$278,203.46	\$123,451.12	\$201,537.15
		\$167,502.25	\$197,433.13	\$460,135.62	\$571,091.50	\$130,655.90	\$158,044.19	\$98,044.19	\$317,946.81	\$141,086.99	\$230,328.17
		\$62,813.34	\$74,037.42	\$172,550.86	\$214,159.31	\$48,995.96	\$59,266.57	\$36,766.57	\$119,230.05	\$52,907.62	\$86,373.06
		\$209,377.81	\$246,791.41	\$575,169.52	\$713,864.37	\$163,319.88	\$197,555.24	\$122,555.24	\$397,433.51	\$176,358.74	\$287,910.21
		\$2,680,035.96	\$3,158,930.09	\$7,362,169.87	\$9,137,463.94	\$2,090,494.42	\$2,528,707.02	\$1,568,707.02	\$5,087,148.93	\$2,257,391.82	\$3,685,250.68





VISTA COMMONS METROPOLITAN DISTRICT  
CONCEPTUAL PROJECT COSTS PER YEAR

ITEM NO.	DESCRIPTION	CONCEPTUAL PROJECT COSTS PER YEAR										PROJECT TOTAL
		11	12	13	14	15	16	17	18	19	20	
A	GRADING & EARTHWORK											
1	CLEARING AND GRUBBING											\$145,300.00
2	EROSION CONTROL (1.25% ±)											\$299,250.00
3	STRIP & STOCKPILE TOPSOIL (4")											\$214,882.56
4	REPLACE TOPSOIL (4")											\$293,021.67
5	UNCLASSIFIED EXCAVATION (CUT), PLACEMENT & COMPACTION											\$1,234,740.00
	GRADING & EARTHWORK SUBTOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,187,194.22
B	WATER SYSTEM											
1	6" PVC WATER LINE	\$1,984.62	\$1,984.62	\$1,384.62	\$1,384.62	\$1,384.62	\$1,384.62	\$1,384.62	\$1,384.62	\$1,384.62	\$1,384.62	\$48,600.00
2	8" PVC WATER LINE	\$24,083.33	\$24,083.33	\$17,085.00	\$17,085.00	\$17,085.00	\$17,085.00	\$17,085.00	\$17,085.00	\$17,085.00	\$17,085.00	\$817,445.00
3	12" PVC WATER LINE	\$33,146.73	\$33,146.73	\$25,921.73	\$25,921.73	\$25,921.73	\$25,921.73	\$25,921.73	\$25,921.73	\$25,921.73	\$25,921.73	\$510,637.50
4	8"x6" MRJ TEE	\$854.49	\$854.49	\$596.15	\$596.15	\$596.15	\$596.15	\$596.15	\$596.15	\$596.15	\$596.15	\$20,925.00
5	8"x8" MRJ TEE	\$176.92	\$176.92	\$176.92	\$176.92	\$176.92	\$176.92	\$176.92	\$176.92	\$176.92	\$176.92	\$10,350.00
6	12"x8" MRJ TEE	\$132.69	\$132.69	\$132.69	\$132.69	\$132.69	\$132.69	\$132.69	\$132.69	\$132.69	\$132.69	\$3,450.00
7	20"x12" WET-TAP - 12" GTV	\$753.85	\$753.85	\$753.85	\$753.85	\$753.85	\$753.85	\$753.85	\$753.85	\$753.85	\$753.85	\$9,800.00
8	20"x8" WET-TAP - 8" GTV	\$692.31	\$692.31	\$692.31	\$692.31	\$692.31	\$692.31	\$692.31	\$692.31	\$692.31	\$692.31	\$18,000.00
9	6" MRJ GTV	\$1,764.10	\$1,764.10	\$1,230.77	\$1,230.77	\$1,230.77	\$1,230.77	\$1,230.77	\$1,230.77	\$1,230.77	\$1,230.77	\$43,200.00
10	8" MRJ GTV	\$1,171.15	\$1,171.15	\$1,171.15	\$1,171.15	\$1,171.15	\$1,171.15	\$1,171.15	\$1,171.15	\$1,171.15	\$1,171.15	\$63,075.00
11	12" MRJ GTV	\$503.85	\$503.85	\$503.85	\$503.85	\$503.85	\$503.85	\$503.85	\$503.85	\$503.85	\$503.85	\$13,100.00
12	AIR-VAC VAULT	\$923.08	\$923.08	\$923.08	\$923.08	\$923.08	\$923.08	\$923.08	\$923.08	\$923.08	\$923.08	\$12,000.00
13	FIRE HYDRANT ASSEMBLY	\$6,339.74	\$6,339.74	\$4,423.08	\$4,423.08	\$4,423.08	\$4,423.08	\$4,423.08	\$4,423.08	\$4,423.08	\$4,423.08	\$155,250.00
14	RESIDENTIAL WATER SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$337,900.00
15	MULTI-FAMILY WATER SERVICE (CONCEPTUAL)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$186,000.00
16	COMMERCIAL WATER SERVICE (CONCEPTUAL)	\$81,606.84	\$81,606.84	\$33,384.62	\$33,384.62	\$33,384.62	\$33,384.62	\$33,384.62	\$33,384.62	\$33,384.62	\$33,384.62	\$868,000.00
	WATER SYSTEM SUBTOTAL	\$154,133.70	\$154,133.70	\$88,379.81	\$88,379.81	\$88,379.81	\$88,379.81	\$88,379.81	\$88,379.81	\$88,379.81	\$88,379.81	\$3,117,732.50
C	NON-POTABLE WATER SYSTEM											
1	8" PVC WATER LINE	\$39,487.95	\$39,487.95	\$32,489.62	\$32,489.62	\$32,489.62	\$32,489.62	\$32,489.62	\$32,489.62	\$32,489.62	\$32,489.62	\$1,047,200.00
2	8"x8" MRJ TEE	\$265.38	\$265.38	\$265.38	\$265.38	\$265.38	\$265.38	\$265.38	\$265.38	\$265.38	\$265.38	\$12,650.00
3	8" MRJ GTV	\$1,505.77	\$1,505.77	\$1,505.77	\$1,505.77	\$1,505.77	\$1,505.77	\$1,505.77	\$1,505.77	\$1,505.77	\$1,505.77	\$71,775.00
4	RESIDENTIAL IRRIGATION SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$337,900.00
5	MULTI-FAMILY/COMMERCIAL IRRIGATION SERVICE (ESTIMATE)	\$69,948.72	\$69,948.72	\$28,615.38	\$28,615.38	\$28,615.38	\$28,615.38	\$28,615.38	\$28,615.38	\$28,615.38	\$28,615.38	\$744,000.00
6	RESERVOIR, PUMP STATION, AND WATER RIGHTS (ESTIMATE)	\$125,356.13	\$125,356.13	\$51,282.05	\$51,282.05	\$51,282.05	\$51,282.05	\$51,282.05	\$51,282.05	\$51,282.05	\$51,282.05	\$2,000,000.00
	NON-POTABLE WATER SYSTEM SUBTOTAL	\$236,563.95	\$236,563.95	\$114,158.21	\$114,158.21	\$114,158.21	\$114,158.21	\$114,158.21	\$114,158.21	\$114,158.21	\$114,158.21	\$4,213,525.00
D	SANITARY SEWER INSTALLATION											
1	10" PVC SANITARY SEWER LINE											\$294,285.00
2	8" PVC SANITARY SEWER LINE											\$630,090.00
3	48" MANHOLE											\$156,800.00
4	4" SANITARY SEWER SERVICES											\$381,500.00
5	MULTI-FAMILY/COMMERCIAL SS SERVICES (ESTIMATE)											\$119,000.00
6	CITY OF JOHNSTOWN REGIONAL SANITARY SEWER FEE	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$10,592,500.00
	SANITARY SEWER SUBTOTAL	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$527,777.78	\$12,174,175.00



VISTA COMMONS METROPOLITAN DISTRICT  
CONCEPTUAL PROJECT COSTS PER YEAR

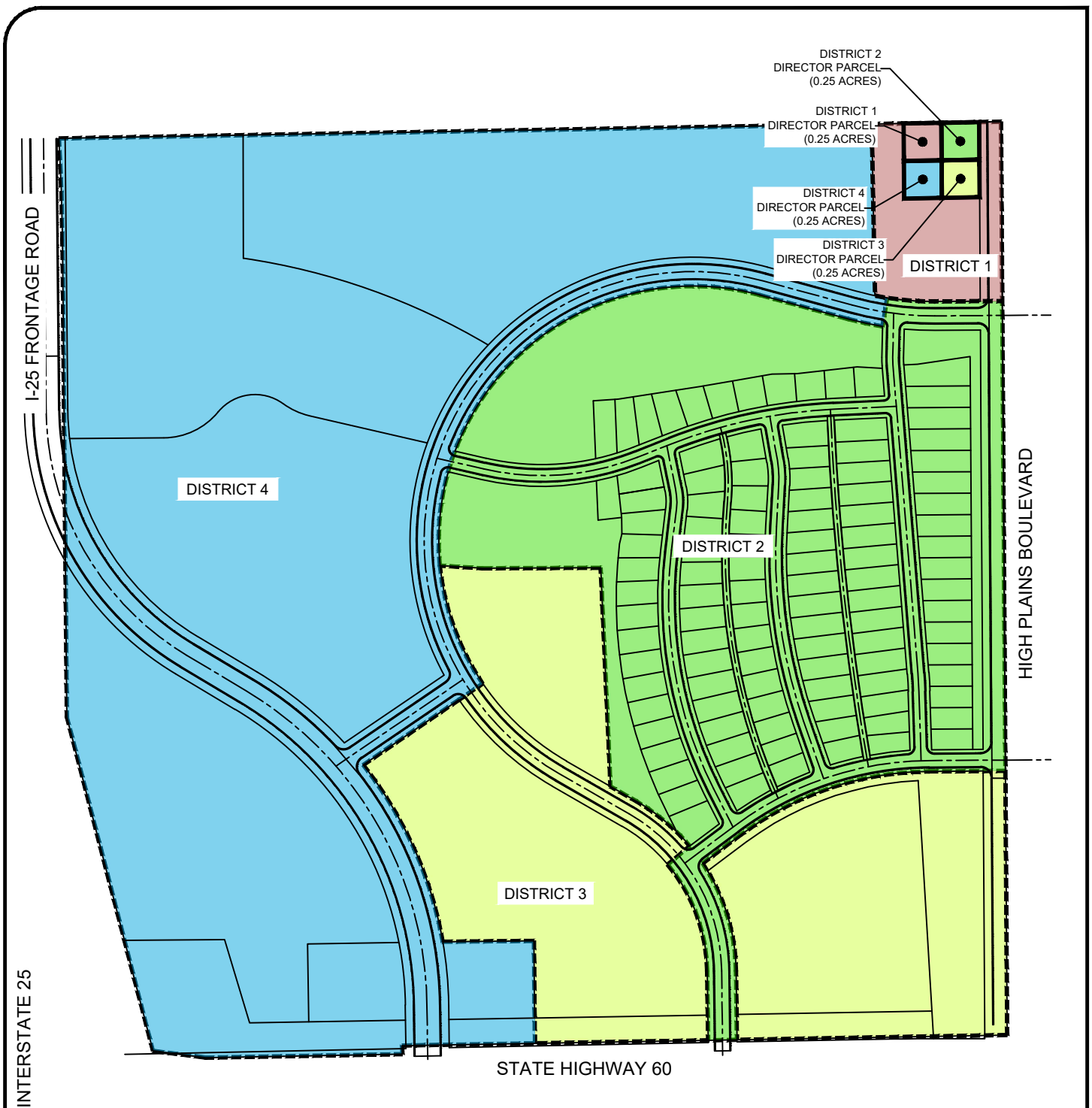
ITEM NO.	DESCRIPTION	CONCEPTUAL PROJECT COSTS PER YEAR										PROJECT TOTAL
		11	12	13	14	15	16	17	18	19	20	
F	STORM DRAINAGE											
1	DETENTION POND EXCAVATION											\$198,440.00
2	24" STORM	\$9,430.17	\$9,430.17	\$584.62	\$584.62	\$584.62	\$584.62	\$584.62	\$584.62	\$584.62	\$584.62	\$131,005.00
3	36" STORM	\$20,833.33	\$20,833.33	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$429,390.00
4	48" STORM	\$26,115.38	\$26,115.38	\$26,115.38	\$26,115.38	\$26,115.38	\$26,115.38	\$26,115.38	\$26,115.38	\$26,115.38	\$26,115.38	\$357,000.00
5	BOX CULVERT	\$10,961.54	\$10,961.54	\$10,961.54	\$10,961.54	\$10,961.54	\$10,961.54	\$10,961.54	\$10,961.54	\$10,961.54	\$10,961.54	\$256,500.00
6	BOX CULVERT WINGWALLS	\$2,307.69	\$2,307.69	\$2,307.69	\$2,307.69	\$2,307.69	\$2,307.69	\$2,307.69	\$2,307.69	\$2,307.69	\$2,307.69	\$60,000.00
7	DETENTION POND OUTLET STURCTURE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,000.00
8	10' TYPE R INLET	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$195,000.00
9	60" MANHOLE	\$3,455.13	\$3,455.13	\$1,413.46	\$1,413.46	\$1,413.46	\$1,413.46	\$1,413.46	\$1,413.46	\$1,413.46	\$1,413.46	\$85,750.00
10	72" MANHOLE	\$3,957.69	\$3,957.69	\$3,957.69	\$3,957.69	\$3,957.69	\$3,957.69	\$3,957.69	\$3,957.69	\$3,957.69	\$3,957.69	\$51,450.00
	STORM DRAINAGE SUBTOTAL	\$83,060.94	\$83,060.94	\$61,340.38	\$61,340.38	\$61,340.38	\$61,340.38	\$61,340.38	\$61,340.38	\$61,340.38	\$61,340.38	\$1,834,535.00
G	STREET IMPROVEMENTS											
1	STATE HIGHWAY 60 - MAJOR ARTERIAL - NORTH HALF	\$197,699.41	\$197,699.41	\$72,788.54	\$72,788.54	\$72,788.54	\$72,788.54	\$72,788.54	\$72,788.54	\$72,788.54	\$72,788.54	\$1,675,050.00
2	HIGH PLAINS BOULEVARD - MAJOR ARTERIAL - WEST HALF	\$74,590.61	\$74,590.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,613,925.70
3	I-25 FRONTAGE ROAD - MINOR ARTERIAL - FULL SECTION	\$307,385.36	\$307,385.36	\$307,385.36	\$307,385.36	\$307,385.36	\$307,385.36	\$307,385.36	\$307,385.36	\$307,385.36	\$307,385.36	\$3,381,238.98
4	INTERNAL STREET - MAJOR COLLECTOR - FULL SECTION	\$270,166.98	\$270,166.98	\$186,386.29	\$186,386.29	\$186,386.29	\$186,386.29	\$186,386.29	\$186,386.29	\$186,386.29	\$186,386.29	\$3,387,230.48
5	INTERNAL STREET - MINOR COLLECTOR - FULL SECTION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$501,355.92
6	INTERNAL STREET - LOCAL STREET - FULL SECTION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,757,861.60
7	INTERNAL STREET - ALLEY - FULL SECTION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$301,318.40
8	STREET LIGHTS	\$6,363.64	\$6,363.64	\$3,863.64	\$3,863.64	\$3,863.64	\$3,863.64	\$3,863.64	\$3,863.64	\$3,863.64	\$3,863.64	\$112,500.00
9	TRAFFIC SIGNALS	\$81,818.18	\$81,818.18	\$31,818.18	\$31,818.18	\$31,818.18	\$31,818.18	\$31,818.18	\$31,818.18	\$31,818.18	\$31,818.18	\$700,000.00
10	TRAFFIC CONTROL, SIGNAGE, PAVEMENT MARKINGS	\$18,025.97	\$18,025.97	\$11,454.55	\$11,454.55	\$11,454.55	\$11,454.55	\$11,454.55	\$11,454.55	\$11,454.55	\$11,454.55	\$299,250.00
11	UTILITY SLEEVES (CROSSINGS)	\$1,818.18	\$1,818.18	\$1,818.18	\$1,818.18	\$1,818.18	\$1,818.18	\$1,818.18	\$1,818.18	\$1,818.18	\$1,818.18	\$75,000.00
	STREET IMPROVEMENTS SUBTOTAL	\$957,868.34	\$957,868.34	\$615,514.74	\$615,514.74	\$615,514.74	\$615,514.74	\$615,514.74	\$615,514.74	\$615,514.74	\$615,514.74	\$13,804,731.08
H	LANDSCAPING											
1	NON-IRRIGATED LANDSCAPE AREAS	\$0.00	\$0.00		\$5,327.31	\$5,327.31	\$5,327.31	\$5,327.31	\$5,327.31	\$5,327.31	\$5,327.31	\$37,291.20
2	IRRIGATED LANDSCAPE AREAS	\$252,015.40	\$252,015.40		\$120,900.26	\$120,900.26	\$120,900.26	\$120,900.26	\$120,900.26	\$120,900.26	\$120,900.26	\$2,407,182.00
3	50/50 LANDSCAPE AREAS	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,817,649.68
4	GATEWAY FEATURE	\$0.00	\$0.00									\$500,000.00
	LANDSCAPING SUBTOTAL	\$252,015.40	\$252,015.40	\$0.00	\$126,227.57	\$126,227.57	\$126,227.57	\$126,227.57	\$126,227.57	\$126,227.57	\$126,227.57	\$4,762,122.88
I	OFFSITE AND OTHER UTILITIES											
1	OFFSITE WET UTILITIES (PENDING DESIGN)				\$583,333.33							\$1,750,000.00
2	DRY UTILITIES (5%±)	\$73,290.00	\$73,290.00		\$114,027.14	\$114,027.14	\$114,027.14	\$114,027.14	\$114,027.14	\$114,027.14	\$114,027.14	\$2,109,650.00
	OFFSITE AND OTHER UTILITIES SUBTOTAL	\$73,290.00	\$73,290.00	\$0.00	\$697,360.48	\$114,027.14	\$114,027.14	\$114,027.14	\$114,027.14	\$114,027.14	\$114,027.14	\$3,859,650.00
J	PARK AND RECREATION AMENITIES											
1	REGIONAL PARK AND RECREATION FACILITY			\$666,666.67	\$666,666.67	\$666,666.67						\$2,000,000.00
2	LOCAL POOL FACILITY											\$1,500,000.00
3	POTENTIAL REGIONAL TRAIL SYSTEM				\$166,666.67							\$500,000.00
	PARK AND RECREATION AMENITIES SUBTOTAL	\$0.00	\$0.00	\$666,666.67	\$833,333.33	\$666,666.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000,000.00



VISTA COMMONS METROPOLITAN DISTRICT  
CONCEPTUAL PROJECT COSTS PER YEAR

ITEM NO.	DESCRIPTION	CONCEPTUAL PROJECT COSTS PER YEAR										PROJECT TOTAL
		11	12	13	14	15	16	17	18	19	20	
K	SITE IMPROVEMENTS											
1	RESIDENTIAL FENCING (PERIMETER)											\$132,800.00
2	PARKING LOTS (PENDING DESIGN)	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$2,019,384.00
	SITE IMPROVEMENTS SUBTOTAL	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$94,392.00	\$2,152,184.00

\$2,379,102.10	\$2,379,102.10	\$2,168,229.58	\$3,158,484.29	\$2,408,484.29	\$1,741,817.63	\$1,741,817.63	\$1,741,817.63	\$1,741,817.63	\$1,741,817.63	\$1,741,817.63	\$1,741,817.63	\$52,105,849.68
\$166,537.15	\$166,537.15	\$151,776.07	\$221,093.90	\$168,593.90	\$121,927.23	\$121,927.23	\$121,927.23	\$121,927.23	\$121,927.23	\$121,927.23	\$121,927.23	\$3,647,409.48
\$190,328.17	\$190,328.17	\$173,458.37	\$252,678.74	\$192,678.74	\$139,345.41	\$139,345.41	\$139,345.41	\$139,345.41	\$139,345.41	\$139,345.41	\$139,345.41	\$4,168,467.97
\$71,373.06	\$71,373.06	\$65,046.89	\$94,754.53	\$72,254.53	\$52,254.53	\$52,254.53	\$52,254.53	\$52,254.53	\$52,254.53	\$52,254.53	\$52,254.53	\$1,563,175.49
\$237,910.21	\$237,910.21	\$216,822.96	\$315,848.43	\$240,848.43	\$174,181.76	\$174,181.76	\$174,181.76	\$174,181.76	\$174,181.76	\$174,181.76	\$174,181.76	\$5,210,584.97
\$3,045,250.68	\$3,045,250.68	\$2,775,333.86	\$4,042,859.90	\$3,082,859.90	\$2,229,526.56	\$2,229,526.56	\$2,229,526.56	\$2,229,526.56	\$2,229,526.56	\$2,229,526.56	\$2,229,526.56	\$66,695,487.59



- DISTRICT 1 (3.265 ACRES)
- DISTRICT 2 (42.218 ACRES)
- DISTRICT 3 (29.134 ACRES)
- DISTRICT 4 (74.382 ACRES)

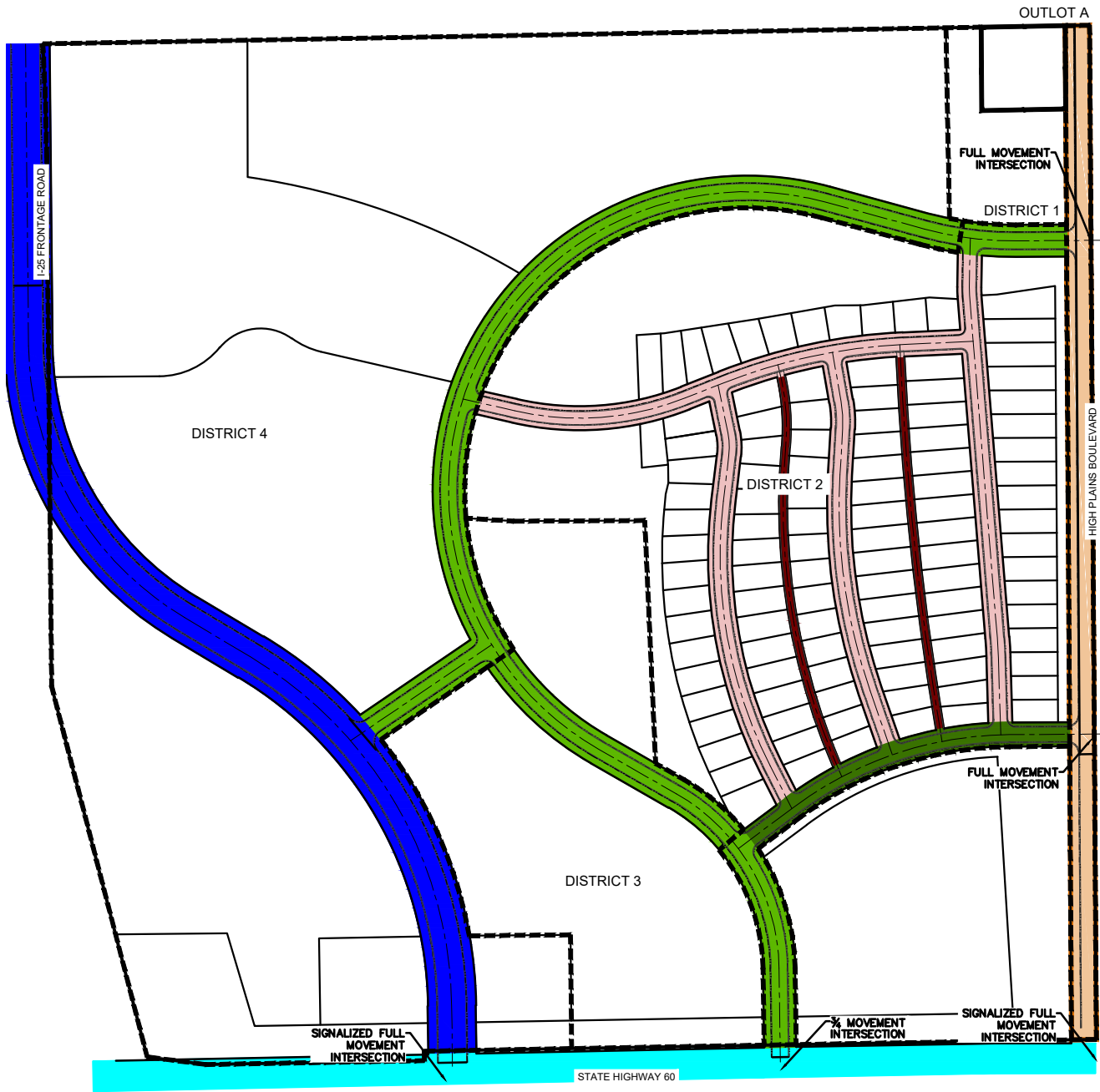
OCTOBER 4, 2019

## EXHIBIT A DISTRICT BOUNDARIES

## VISTA COMMONS METROPOLITAN DISTRICT



2204 HOFFMAN DRIVE  
LOVELAND, COLORADO 80538  
(970) 278-0029



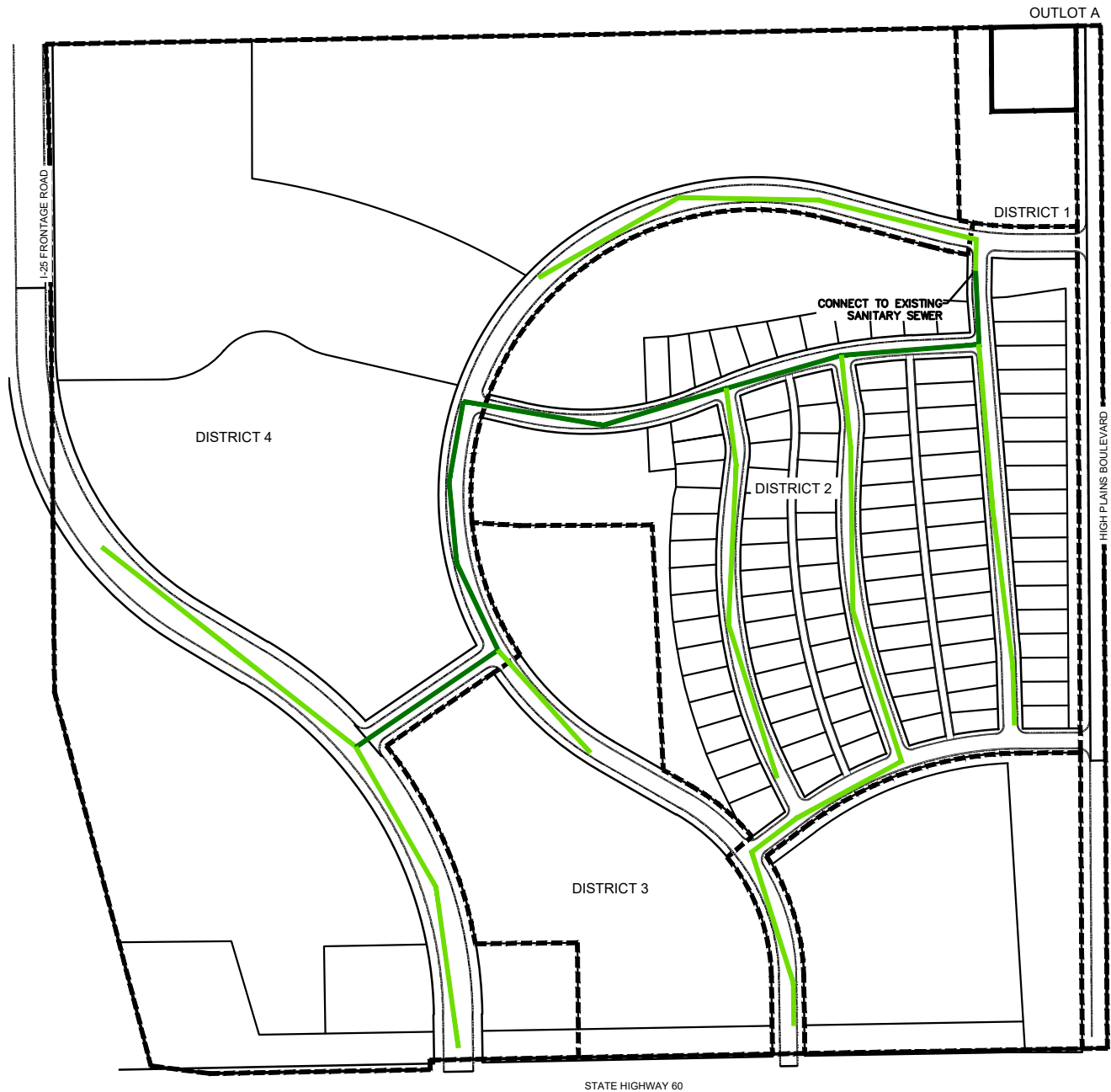
- |                     |                 |   |
|---------------------|-----------------|---|
| DISTRICT BOUNDARIES | MINOR COLLECTOR | MAJOR ARTERIAL - STATE HIGHWAY 60 (1/2) |
| ALLEY               | MAJOR COLLECTOR | MAJOR ARTERIAL - HIGH PLAINS BLVD (1/2) |
| LOCAL               | MINOR ARTERIAL  |   |




## EXHIBIT B STREET PLAN

## VISTA COMMONS METROPOLITAN DISTRICT



5110 GRANITE STREET, UNIT D  
LOVELAND, COLORADO 80538  
(970) 278-0029



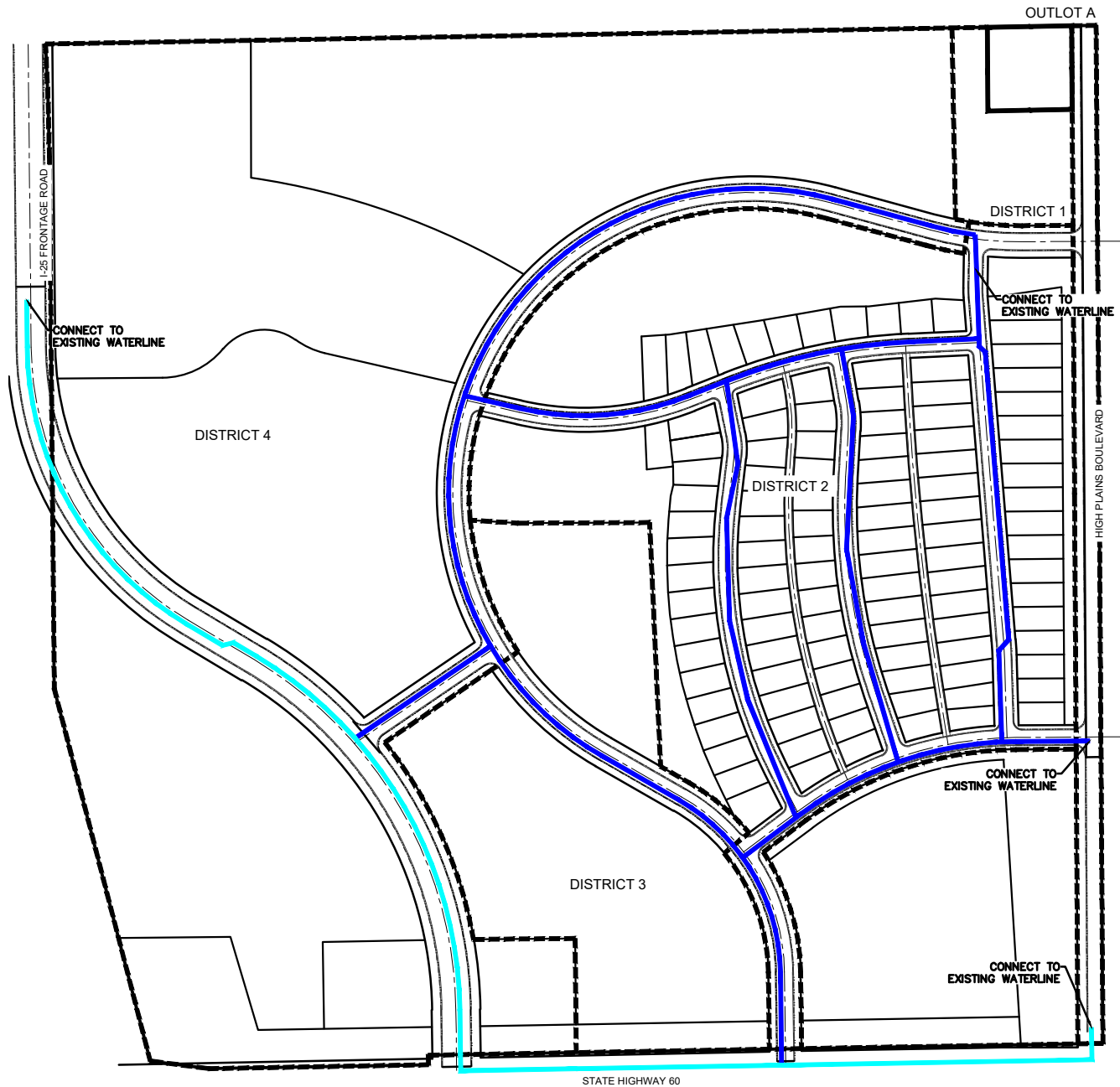
-  DISTRICT BOUNDARIES
-  10" SANITARY SEWER
-  8" SANITARY SEWER




## EXHIBIT C SANITARY SEWER PLAN

## VISTA COMMONS METROPOLITAN DISTRICT



5110 GRANITE STREET, UNIT D  
LOVELAND, COLORADO 80538  
(970) 278-0029



-  DISTRICT BOUNDARIES
-  12" WATERLINE
-  8" WATERLINE

## EXHIBIT D POTABLE WATER PLAN

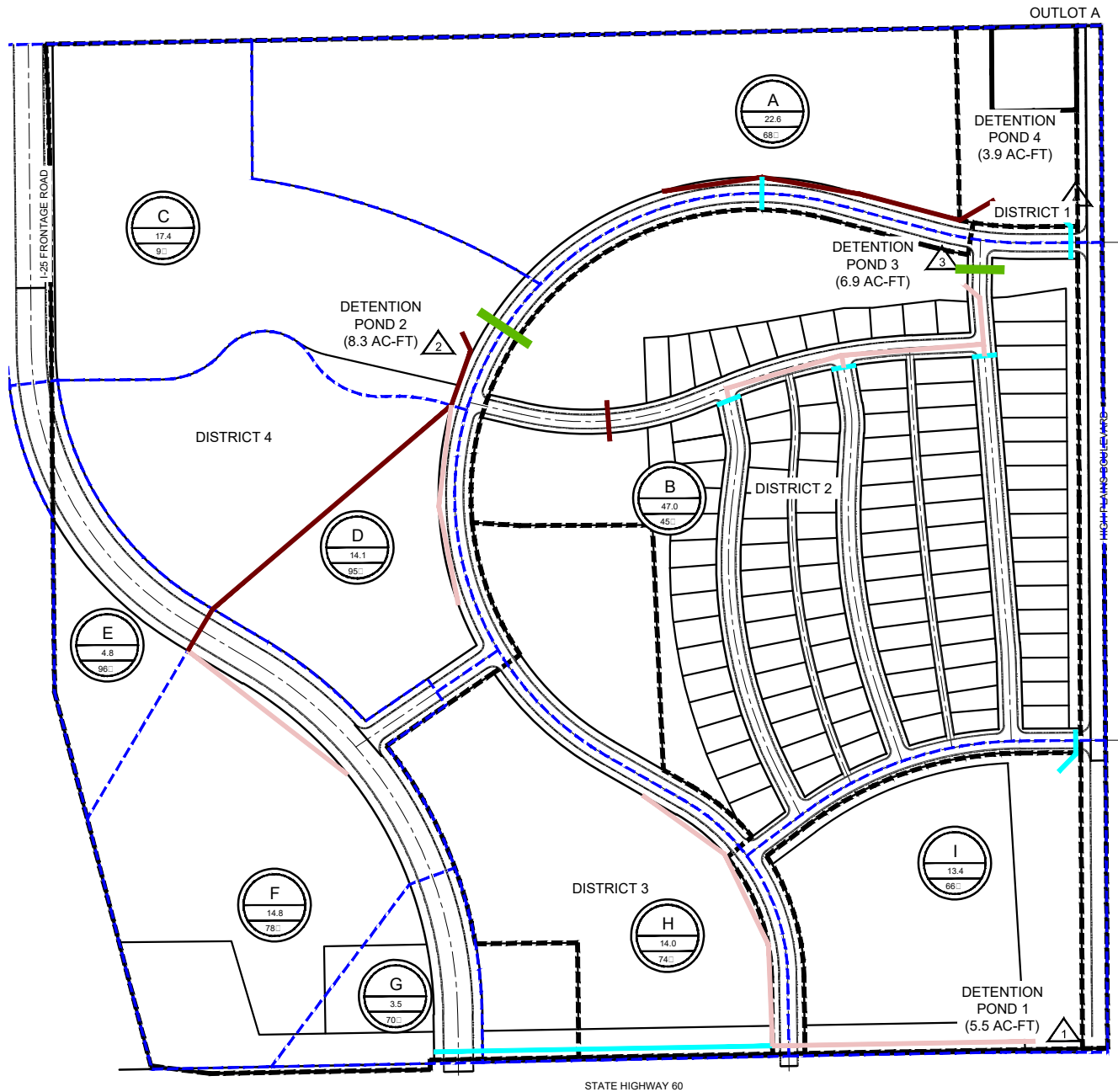
## VISTA COMMONS METROPOLITAN DISTRICT



**CCG** COLORADO  
CIVIL  
GROUP, INC.  
ENGINEERING CONSULTANTS

5110 GRANITE STREET, UNIT D  
LOVELAND, COLORADO 80538  
(970) 278-0029





- DISTRICT BOUNDARIES
- DRAINAGE BASIN BOUNDARIES
- BOX CULVERT

- DRAINAGE BASIN ID  
BASIN AREA (ACRES)  
BASIN IMPERVIOUSNESS
- DESIGN POINT/DETENTION POND

- 24" STORM DRAIN
- 36" STORM DRAIN
- 48" STORM DRAIN

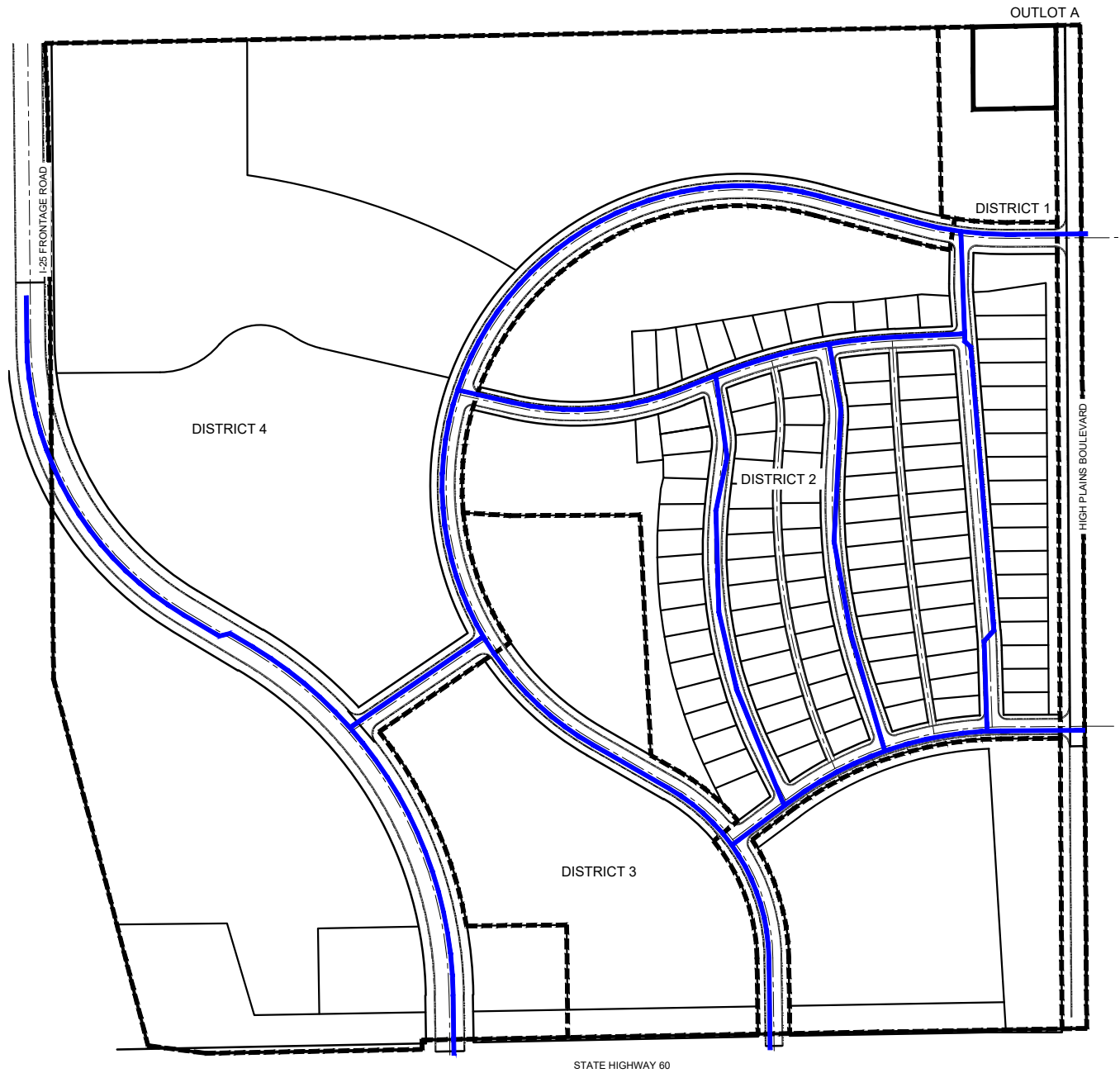
## EXHIBIT E STORM DRAINAGE PLAN



## VISTA COMMONS METROPOLITAN DISTRICT



5110 GRANITE STREET, UNIT D  
LOVELAND, COLORADO 80538  
(970) 278-0029





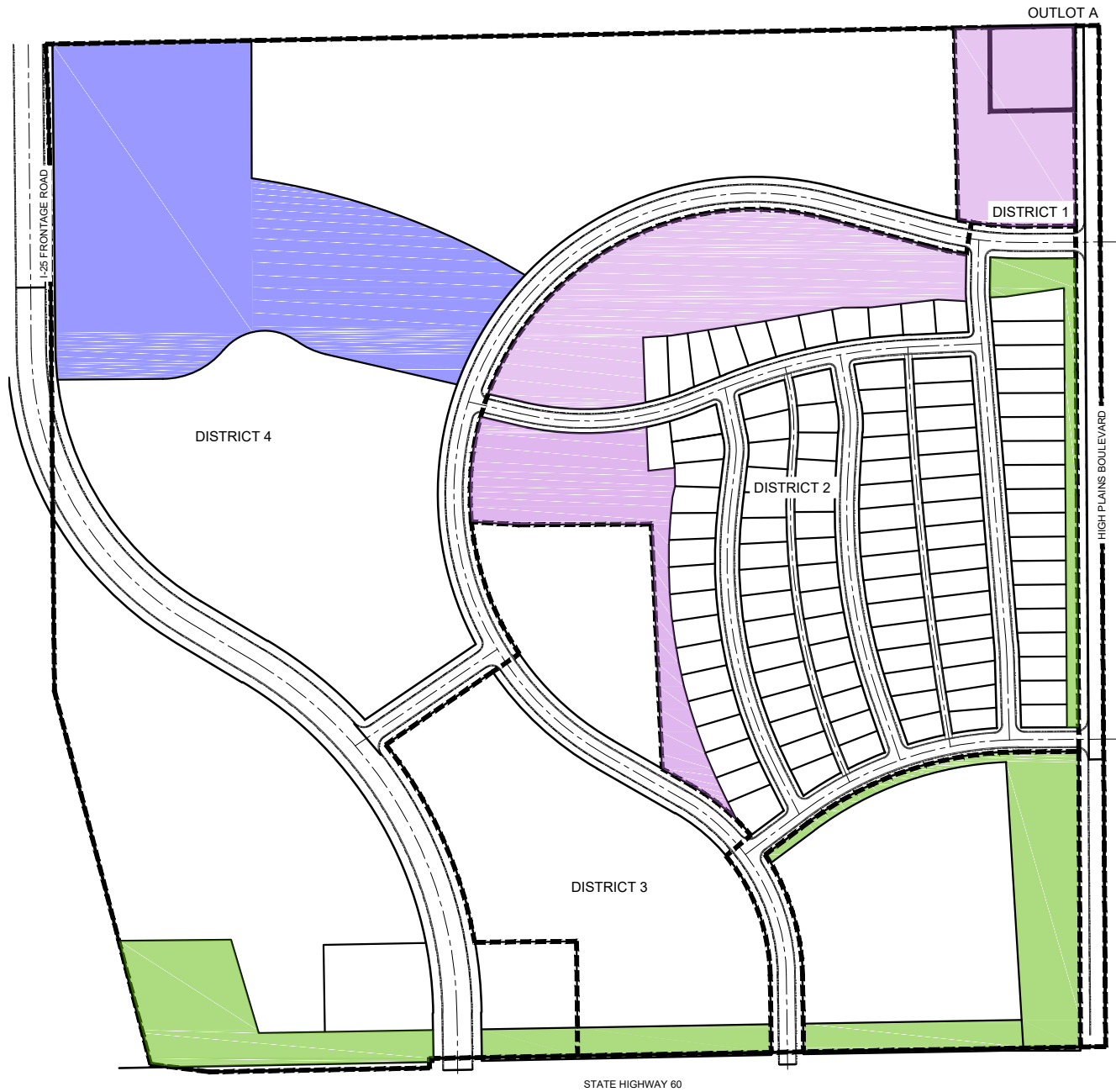
 DISTRICT BOUNDARIES  
 8" NON-POTABLE WATERLINE

## EXHIBIT F NON-POTABLE WATER PLAN

## VISTA COMMONS METROPOLITAN DISTRICT



5110 GRANITE STREET, UNIT D  
 LOVELAND, COLORADO 80538  
 (970) 278-0029



DISTRICT BOUNDARIES



LANDSCAPE - NON-IRRIGATED



LANDSCAPE - 50% NON-IRRIGATED/50% IRRIGATED



LANDSCAPE - IRRIGATED

## EXHIBIT G LANDSCAPE PLAN

## VISTA COMMONS METROPOLITAN DISTRICT



5110 GRANITE STREET, UNIT D  
LOVELAND, COLORADO 80538  
(970) 278-0029

## **EXHIBIT F**

### **SERVICE PLAN FOR VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4**

#### **Financial Plan**

This forecast is only an example of what might be done, and is meant to show the capacity of the District to issue debt. As such, the dates, mill levies, valuations, amount of the bond proceeds, and revenues may differ when debt is issued. The estimate of potential bonding capacity is based on the assumptions outlined, is projected to be approximately \$31,300,000. Based upon the development assumptions provided and the financial assumptions contained in the attached projected Financing Plan for the proposed Vista Commons Metropolitan Districts Nos. 1-4, the projected revenue is sufficient to retire all Debt referenced in the Financing Plan within the restrictions set forth in the Districts' Service Plan, including but not limited to the maximum debt mill levies and mill levy imposition terms permitted.

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**MEMORANDUM**

**TO:** Mr. Steve Coughlin, Pratt Development Company LLC  
Peggy Dowswell, CPA, Pinnacle Consulting Group, Inc.  
Chad Walker, Pinnacle Consulting Group, Inc.  
Brendan Campbell, CPA, Pinnacle Consulting Group, Inc.  
David O’Leary, Esq., Spencer Fane Britt & Browne LLP

**FROM:** Amy Greer

**DATE:** September 25, 2019

**SUBJECT:** Seventh Draft – Financial Model – Vista Commons Metropolitan Districts  
#1 - #4

**INTRODUCTION AND SCOPE**

Stan Bernstein and Associates, Inc. has assembled a preliminary Financial Model for Vista Commons Metropolitan Districts #1 - #4 based upon key assumptions provided by officials of Pratt Development Company LLC (the Developer) and its consultants Pinnacle Consulting Group, Inc. The Financial Models were assembled in order to provide a conceptual understanding of (i) the amount of limited tax General Obligation Bonds that could ultimately be supported by Districts #2 - #4 (as presented on Exhibits II, III and IV); (ii) how the Operating District could fund its General Fund administrative and operating expenditures (as presented on Exhibit I); (iii) and how the Operating District could fund its infrastructure requirements (as presented on Exhibit V). Detailed land use, values, and buildout assumptions (as well as related assessed valuation estimates) for Districts #2 - #4 were provided by the Developer and Pinnacle Consulting Group, Inc., and are presented on Schedules 1, 3, and 5. Detailed assumed General Obligation Bond issues for Districts #2 - #4, and related debt service requirements, are presented on Schedules 2, 4, and 6.

The Financial Model presents, to the best knowledge and belief of the Developer (based upon assumptions provided by the Developer), the District’s expected cash position and results of cash receipts and disbursements for the forecast period. Accordingly, the Financial Model reflects the Developer’s judgment, as of the date of this report, of the expected conditions within the District’s boundaries and the District’s expected course of

action. The assumptions disclosed in the Financial Model are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc.

**FUTURE RATES OF COMMERCIAL BUILDOUT AND RELATED ASSESSED VALUATION, AND ESTIMATE OF POTENTIAL BONDING CAPACITY**

The financial planning concept is that as the construction of future residential and commercial product occurs within the boundaries of the Districts, incremental assessed valuation will generate property tax revenues for the Districts.

For financial planning purposes it is assumed that a portion of the property tax revenues generated from the 50.0 mills assumed to be levied by District #2 - #4 will be transferred to the Operating District's General Fund and used to fund administrative and operating expenditures (for Districts #2 - #4, approximately 10.0 mills). The property tax revenues not transferred to the General Fund will be available to make annual interest and principal payments on outstanding limited tax General Obligation Bonds.

Total bonding capacity based on the assumptions outlined, is projected to be approximately \$31,300,000. Based upon the development assumptions provided and the financial assumptions contained in the attached projected Financing Plan for the proposed Vista Commons Metropolitan Districts #1 – 4, the projected revenue is sufficient to retire all debt referenced in the Financing Plan within the restrictions set forth in the Districts' Service Plan, including but not limited to the maximum debt mill levies and mill levy imposition terms permitted. This draft indicates that Districts #2 - #4 could support limited tax General Obligation Bonds as presented below (based upon buildout and assessed valuations presented on Schedules 1, 3, and 5). All debt is based on 30-year amortization and is discharged as such.

<b><u>Issue Date</u></b>	<b><u>Gross Amount</u></b>
<b>District #2</b>	
December 1, 2023	\$2,700,000
December 1, 2026	\$1,000,000
December 1, 2029	<u>\$1,150,000</u>
<b>Total District #2</b>	<b><u>\$4,850,000</u></b>
<b>District #3</b>	
December 1, 2024	\$2,200,000
December 1, 2029	\$3,200,000
December 1, 2035	<u>\$2,000,000</u>
<b>Total District #3</b>	<b><u>\$7,400,000</u></b>
<b>District #4</b>	
December 1, 2025	\$6,400,000
December 1, 2030	\$3,300,000
December 1, 2036	\$4,350,000
December 1, 2042	<u>\$5,000,000</u>
<b>Total District #4</b>	<b><u>\$19,050,000</u></b>

It is possible that the timing of these bond issues could be accelerated by using various forms of credit enhancement. These alternative financing structures can be modeled in future drafts based upon input from the Districts' investment bankers. It is assumed that the bonds would be issued at average interest rates of 6.00% and mature serially over a 30-year period. Costs of Bond Issuance have been estimated to be 7.0% of the par amount of the bonds. It is also possible that if buildout rates and assessed valuations lag expectations, and/or if administrative and operating expenditures exceed expectations, the amount of the bonds that could be supported will be less than shown on the previous page, and the timing of the issuance of these bonds will not occur as soon as indicated.

It is assumed that the net proceeds of the limited tax General Obligation Bonds will be used to reimburse the Developer for infrastructure costs expected to be funded by the Developer (as presented on Exhibit V).

The key assumptions with respect to future residential and commercial buildout and related assessed valuation buildup, within the boundaries of the Districts are presented in detail on Schedules 1, 3 and 5. These assumptions were provided by officials of the Developer. The assessed valuation estimates assume an average annual inflationary increase of approximately 1% for residential (2% biennially - this assumption was provided by Pinnacle Consulting Group, Inc.)

The Financial Model is based upon a total of 109 single family residential units completed by the end of 2022 and 321 multifamily residential units completed by the end of 2028 (District #2), 261,000 square feet of commercial space completed by the end of 2035 (District #3), 560,000 square feet of commercial space completed by the end of 2039 and a 100-room hotel completed in 2024 (District #4).

## **DISTRICT #2 – CASH FLOW – EXHIBIT II**

Exhibit II presents the estimated revenues and expenditures for District #2 (residential).

The primary revenue source consists of property tax revenues generated from a 50.0 mill levy. Other sources of revenue include specific ownership tax revenues (estimated to be 6.0% of property tax revenues per Pinnacle Consulting Group, Inc.) and interest earnings.

Exhibit II expenditures include an annual transfer of 10.0 to the Operating District's General Fund. A 1.5% County Treasurer's collection fee has also been assumed. The annual debt service requirements relating to the Series 2023, 2026, and 2029 limited tax General Obligation Bonds are also presented on this Exhibit (and are shown in detail on Schedule 2). Average interest rates of 6.0% and up to 30-year amortization have been assumed.

### **DISTRICT #3 – CASH FLOW – EXHIBIT III**

Exhibit III presents the estimated revenues and expenditures for District #3 (commercial).

The primary revenue source consists of property tax revenues generated from a 50.0 mill levy. Other sources of revenue include specific ownership tax revenues (estimated to be 6.0% of property tax revenues per Pinnacle Consulting Group, Inc.) and interest earnings.

Exhibit III expenditures include an annual transfer of 10.0 mills to the Operating District's General Fund. A 1.5% County Treasurer's collection fee has also been assumed. The annual debt service requirements relating to the Series 2024, 2029, and 2035 limited tax General Obligation Bonds are also presented on this Exhibit (and are shown in detail on Schedule 4). Average interest rates of 6.0% and up to 30-year amortization have been assumed.

### **DISTRICT #4 – CASH FLOW – EXHIBIT IV**

Exhibit IV presents the estimated revenues and expenditures for District #4 (commercial).

The primary revenue source consists of property tax revenues generated from a 50.0 mill levy. Other sources of revenue include specific ownership tax revenues (estimated to be 6.0% of property tax revenues per Pinnacle Consulting Group, Inc.) and interest earnings.

Exhibit IV expenditures include an annual transfer of 10.0 mills to the Operating District's General Fund. A 1.5% County Treasurer's collection fee has also been assumed. The annual debt service requirements relating to the Series 2025, 2030, 2036, and 2042 limited tax General Obligation Bonds are also presented on this Exhibit (and are shown in detail on Schedule 6). Average interest rates of 6.0% and up to 30-year amortization have been assumed.

### **OPERATING DISTRICT GENERAL FUND - CASH FLOW – EXHIBIT I**

Exhibit I presents the estimated revenues and expenditures for the Operating District's General Fund (Operating District #1).

The primary ongoing general fund revenue source is property tax revenue transfers of 10.0 mills from Districts #2 - #4. An Annual Operation and Maintenance Fee of \$190 per residential unit is assumed beginning in 2019. The O&M fee gradually reduces to \$0 in 2031 as assessed valuation for each of the Districts increases. Annual irrigation system fees are based on expenditure estimates and range from \$93 - \$327 per unit

annually. Irrigation system fee revenues are assumed to offset irrigation water system expenditures. Additional revenue sources include Developer Contributions during 2018 - 2027 totaling \$1,405,000 (assumed to be repaid in later years), and interest income.

Operating District General Fund expenditures (which were developed by Pinnacle Consulting Group, Inc.) are presented on Exhibit I, and include landscaping and irrigation, and administrative operations and maintenance. All expenditures have been inflated 2% annually beginning in 2023.

### **OPERATING DISTRICT CAPITAL PROJECTS FUND – CASH FLOW – EXHIBIT V**

Exhibit V presents the capital infrastructure requirements, and the funding plan, for the public infrastructure required to service property within the boundaries of Districts #2 - #4.

The detailed capital expenditure requirements are presented by year. It is assumed that all capital expenditures will initially be funded from Developer Contributions (i.e., Loans). It is assumed that these Developer Contributions/Loans (the cumulative amount of the Developer Contributions/Loans without interest appears on the bottom line of Exhibit V) will be reimbursed to the Developer from net general obligation bond proceeds, oil and gas property tax revenues transferred to the developer from District #4.

### **DISCLAIMER AND LIMITATIONS**

The assumptions disclosed in the Financial Model are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc. Those assumptions identified are believed to be the significant factors in determining financial feasibility; however, they are likely not to be all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Key assumptions – like those relating to market values of real property improvements and the buildout schedule of such property – are particularly sensitive in terms of the timing necessary to create the tax base for the Financing Districts. A small variation in these variables, and to their timing, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base factors. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, debt service coverage requirements, and infrastructure, administrative and operating costs may, and likely will, vary from those assumed.

Because Stan Bernstein and Associates, Inc. has not independently evaluated or reviewed the assumptions that the Financial Model is based upon, we do not vouch for the achievability of the information presented on Exhibits I - V and on Schedules 1 - 7.



Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented on Exhibits I - V and on Schedules 1 - 7. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or these Financial Models for events occurring after the date of this memorandum.

The actual amount of General Obligation Bonds that could be supported by the Districts will depend on the rate of buildout and the related increases in assessed valuation, interest rates and debt service coverage requirements, and the actual amounts needed to pay for the Districts' administrative and operating costs. In the event that the Districts' actual operating and administrative expenses are more than anticipated on Exhibit I, the amount of General Obligation Bonds that could actually be supported by the Districts could be less than shown, and if assessed valuation levels are more than anticipated it could be possible for the Districts to issue additional General Obligation Bonds than shown.

VISTA COMMONS METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)  
CASH FLOW FORECAST - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEARS ENDING DECEMBER 31, 2018 - 2052

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

EXHIBIT I - CASH FLOW FORECAST - GENERAL FUND

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1 INCREMENTAL SF UNITS DEVELOPED (SCHEDULE 1)	0	0	0	50	59	0	0	0	0	0	0
2 CUMULATIVE SF UNITS DEVELOPED	0	0	0	50	109	109	109	109	109	109	109
3 INCREMENTAL MF UNITS DEVELOPED (SCHEDULE 1)	0	0	0	0	0	129	0	98	0	0	94
4 CUMULATIVE MF UNITS DEVELOPED	0	0	0	0	0	129	129	227	227	227	321
5 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED DISTRICT #3 (SCHEDULE 3)	0	0	0	0	0	79,900	0	0	57,600	0	0
6 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED DISTRICT #3	0	0	0	0	0	79,900	79,900	79,900	137,500	137,500	137,500
7 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED DISTRICT #4 (SCHEDULE 5)	0	0	0	23,100	0	0	71,500	35,000	0	30,000	35,000
8 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED DISTRICT #4	0	0	0	23,100	23,100	23,100	94,600	129,600	129,600	159,600	194,600
9											
10 ASSUMED MILL LEVY TRANSFER FROM VCMD #2	0	10	10	10	10	10	10	10	10	10	10
11 ASSUMED MILL LEVY TRANSFER FROM VCMD #3	0	10	10	10	10	10	10	10	10	10	10
12 ASSUMED MILL LEVY TRANSFER FROM VCMD #4	0	10	10	10	10	10	10	10	10	10	10
13 ASSESSED VALUATION VCMD #2	0	0	0	0	0	1,461,283	3,284,486	4,991,525	5,091,355	6,467,551	6,596,902
14 ASSESSED VALUATION VCMD #3	0	0	0	0	0	0	0	4,054,925	4,054,925	4,054,925	6,978,125
15 ASSESSED VALUATION VCMD #4	0	0	0	0	0	1,172,325	1,172,325	1,172,325	9,150,950	10,927,200	10,927,200
16											
17 ASSUMED ANNUAL OPERATION AND MAINTENANCE FEE (MF & SF)	0	190	190	190	190	190	190	190	190	190	150
18											
19 ASSUMED ANNUAL IRRIGATION SYSTEM FEE (MF & SF)		0	0	327	327	153	156	112	115	117	93
20											
21 REVENUES:											
22 DEVELOPER CONTRIBUTION (REPAYMENT)	65,000	135,000	215,000	220,000	240,000	195,000	180,000	110,000	35,000	10,000	0
23 TRANSFER FROM VCMD #2	0	0	0	0	0	14,613	32,845	49,915	50,914	64,676	65,969
24 TRANSFER FROM VCMD #3	0	0	0	0	0	0	0	40,549	40,549	40,549	69,781
25 TRANSFER FROM VCMD #4	0	0	0	0	0	11,723	11,723	11,723	91,510	109,272	109,272
26 OPERATION AND MAINTENANCE FEE	0	0	0	9,500	20,710	45,220	45,220	63,840	63,840	63,840	64,500
27 IRRIGATION SYSTEM REVENUES	0	0	0	26,707	35,609	36,321	37,048	37,789	38,544	39,315	40,102
28 INTEREST INCOME - OTHER @ 1/2%	0	8	11	31	48	56	68	69	75	82	94
29 TOTAL REVENUES	65,000	135,008	215,011	256,238	296,367	302,933	306,904	313,886	320,432	327,734	349,718
30											
31 EXPENDITURES - (PER PINNACLE CONSULTING)											
32 LANDSCAPING & IRRIGATION WATER SYSTEM	0	39,143	78,286	117,428	156,571	159,702	162,896	166,154	169,477	172,867	176,324
33 MISCELLANEOUS	0	0	5,826	5,943	6,061	6,183	6,306	6,432	6,561	6,692	6,826
34 ADMINISTRATION	63,468	95,202	126,936	129,475	132,064	134,706	137,400	140,148	142,951	145,810	148,726
35 TOTAL EXPENDITURES	63,468	134,345	211,048	252,846	294,697	300,591	306,603	312,735	318,989	325,369	331,877
36											
37 EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,532	663	3,963	3,392	1,670	2,343	301	1,151	1,442	2,365	17,841
38											
39 FUND BALANCE - JANUARY 1	0	1,532	2,195	6,158	9,550	11,220	13,562	13,863	15,014	16,456	18,821
40											
41 FUND BALANCE - DECEMBER 31	1,532	2,195	6,158	9,550	11,220	13,562	13,863	15,014	16,456	18,821	36,663

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)  
CASH FLOW FORECAST - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEARS ENDING DECEMBER 31, 2018 - 2052

EXHIBIT I - CASH FLOW FORECAST - GENERAL FUND

	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
1 INCREMENTAL SF UNITS DEVELOPED (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE SF UNITS DEVELOPED	109	109	109	109	109	109	109	109	109	109	109
3 INCREMENTAL MF UNITS DEVELOPED (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0	0
4 CUMULATIVE MF UNITS DEVELOPED	321	321	321	321	321	321	321	321	321	321	321
5 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED DISTRICT #3 (SCHEDULE 3)	31,500	0	0	60,000	0	0	32,000	0	0	0	0
6 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED DISTRICT #3	169,000	169,000	169,000	229,000	229,000	229,000	261,000	261,000	261,000	261,000	261,000
7 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED DISTRICT #4 (SCHEDULE 5)	0	30,000	35,000	0	30,000	35,000	0	30,000	170,400	0	0
8 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED DISTRICT #4	194,600	224,600	259,600	259,600	289,600	324,600	324,600	354,600	525,000	525,000	525,000
9											
10 ASSUMED MILL LEVY TRANSFER FROM VCMD #2	10	10	10	10	10	10	10	10	10	10	10
11 ASSUMED MILL LEVY TRANSFER FROM VCMD #3	10	10	10	10	10	10	10	10	10	10	10
12 ASSUMED MILL LEVY TRANSFER FROM VCMD #4	10	10	10	10	10	10	10	10	10	10	10
13 ASSESSED VALUATION VCMD #2	6,596,902	8,186,254	8,186,254	8,349,979	8,349,979	8,516,979	8,516,979	8,687,318	8,687,318	8,861,065	8,861,065
14 ASSESSED VALUATION VCMD #3	6,978,125	6,978,125	8,576,750	8,576,750	8,576,750	11,621,750	11,621,750	11,621,750	13,245,750	13,245,750	13,245,750
15 ASSESSED VALUATION VCMD #4	12,449,700	14,225,950	14,225,950	15,748,450	17,524,700	17,524,700	19,047,200	20,823,450	20,823,450	22,345,950	24,122,200
16											
17 ASSUMED ANNUAL OPERATION AND MAINTENANCE FEE (MF & SF)	100	50	0	0	0	0	0	0	0	0	0
18											
19 ASSUMED ANNUAL IRRIGATION SYSTEM FEE (MF & SF)	95	97	99	101	103	105	107	109	111	114	116
20											
21 REVENUES:											
22 DEVELOPER CONTRIBUTION (REPAYMENT)	0	0	0	0	0	0	(55,000)	(70,000)	(80,000)	(90,000)	(100,000)
23 TRANSFER FROM VCMD #2	65,969	81,863	81,863	83,500	83,500	85,170	85,170	86,873	86,873	88,611	88,611
24 TRANSFER FROM VCMD #3	69,781	69,781	85,768	85,768	85,768	116,218	116,218	116,218	132,458	132,458	132,458
25 TRANSFER FROM VCMD #4	124,497	142,260	142,260	157,485	175,247	175,247	190,472	208,235	208,235	223,460	241,222
26 OPERATION AND MAINTENANCE FEE	43,000	21,500	0	0	0	0	0	0	0	0	0
27 IRRIGATION SYSTEM REVENUES	40,904	41,722	42,556	43,407	44,275	45,161	46,064	46,985	47,925	48,884	49,861
28 INTEREST INCOME - OTHER @ 1/2%	183	212	273	275	331	445	687	699	700	698	696
29 TOTAL REVENUES	<u>344,334</u>	<u>357,337</u>	<u>352,718</u>	<u>370,434</u>	<u>389,121</u>	<u>422,240</u>	<u>383,611</u>	<u>389,010</u>	<u>396,190</u>	<u>404,109</u>	<u>412,847</u>
30											
31 EXPENDITURES - (PER PINNACLE CONSULTING)											
32 LANDSCAPING & IRRIGATION WATER SYSTEM	179,851	183,448	187,117	190,859	194,676	198,570	202,541	206,592	210,724	214,938	219,237
33 MISCELLANEOUS	6,963	7,102	7,244	7,389	7,537	7,687	7,841	7,998	8,158	8,321	8,487
34 ADMINISTRATION	151,701	154,735	157,829	160,986	164,206	167,490	170,839	174,256	177,741	181,296	184,922
35 TOTAL EXPENDITURES	<u>338,514</u>	<u>345,284</u>	<u>352,190</u>	<u>359,234</u>	<u>366,418</u>	<u>373,747</u>	<u>381,222</u>	<u>388,846</u>	<u>396,623</u>	<u>404,556</u>	<u>412,647</u>
36											
37 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>5,820</u>	<u>12,053</u>	<u>528</u>	<u>11,200</u>	<u>22,702</u>	<u>48,493</u>	<u>2,389</u>	<u>164</u>	<u>(433)</u>	<u>(447)</u>	<u>200</u>
38											
39 FUND BALANCE - JANUARY 1	<u>36,663</u>	<u>42,483</u>	<u>54,536</u>	<u>55,064</u>	<u>66,265</u>	<u>88,967</u>	<u>137,460</u>	<u>139,849</u>	<u>140,013</u>	<u>139,580</u>	<u>139,133</u>
40											
41 FUND BALANCE - DECEMBER 31	<u>42,483</u>	<u>54,536</u>	<u>55,064</u>	<u>66,265</u>	<u>88,967</u>	<u>137,460</u>	<u>139,849</u>	<u>140,013</u>	<u>139,580</u>	<u>139,133</u>	<u>139,333</u>

2% ANNUAL  
INCREASES

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)  
CASH FLOW FORECAST - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEARS ENDING DECEMBER 31, 2018 - 2052

EXHIBIT I - CASH FLOW FORECAST - GENERAL FUND

	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>2047</u>	<u>2048</u>	<u>2049</u>	<u>2050</u>
1 INCREMENTAL SF UNITS DEVELOPED (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE SF UNITS DEVELOPED	109	109	109	109	109	109	109	109	109	109	109
3 INCREMENTAL MF UNITS DEVELOPED (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0	0
4 CUMULATIVE MF UNITS DEVELOPED	321	321	321	321	321	321	321	321	321	321	321
5 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED DISTRICT #3 (SCHEDULE 3)	0	0	0	0	0	0	0	0	0	0	0
6 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED DISTRICT #3	261,000	261,000	261,000	261,000	261,000	261,000	261,000	261,000	261,000	261,000	261,000
7 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED DISTRICT #4 (SCHEDULE 5)	0	0	0	0	0	0	0	0	0	0	0
8 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED DISTRICT #4	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000
9											
10 ASSUMED MILL LEVY TRANSFER FROM VCMD #2	10	10	10	10	10	10	10	10	10	10	10
11 ASSUMED MILL LEVY TRANSFER FROM VCMD #3	10	10	10	10	10	10	10	10	10	10	10
12 ASSUMED MILL LEVY TRANSFER FROM VCMD #4	10	10	10	10	10	10	10	10	10	10	10
13 ASSESSED VALUATION VCMD #2	9,038,286	9,038,286	9,219,052	9,219,052	9,403,433	9,403,433	9,591,501	9,591,501	9,783,331	9,783,331	9,978,998
14 ASSESSED VALUATION VCMD #3	13,245,750	13,245,750	13,245,750	13,245,750	13,245,750	13,245,750	13,245,750	13,245,750	13,245,750	13,245,750	13,245,750
15 ASSESSED VALUATION VCMD #4	24,122,200	32,770,000	32,770,000	32,770,000	32,770,000	32,770,000	32,770,000	32,770,000	32,770,000	32,770,000	32,770,000
16											
17 ASSUMED ANNUAL OPERATION AND MAINTENANCE FEE (MF & SF)	0	0	0	0	0	0	0	0	0	0	0
18											
19 ASSUMED ANNUAL IRRIGATION SYSTEM FEE (MF & SF)	118	121	123	126	128	131	133	136	139	141	144
20											
21 REVENUES:											
22 DEVELOPER CONTRIBUTION (REPAYMENT)	(95,000)	(170,000)	(165,000)	(160,000)	(155,000)	(140,000)	(125,000)	0	0	0	0
23 TRANSFER FROM VCMD #2	90,383	90,383	92,191	92,191	94,034	94,034	95,915	95,915	97,833	97,833	99,790
24 TRANSFER FROM VCMD #3	132,458	132,458	132,458	132,458	132,458	132,458	132,458	132,458	132,458	132,458	132,458
25 TRANSFER FROM VCMD #4	241,222	327,700	327,700	327,700	327,700	327,700	327,700	327,700	327,700	327,700	327,700
26 OPERATION AND MAINTENANCE FEE	0	0	0	0	0	0	0	0	0	0	0
27 IRRIGATION SYSTEM REVENUES	50,858	51,876	52,913	53,971	55,051	56,152	57,275	58,420	59,589	60,781	61,996
28 INTEREST INCOME - OTHER @ 1/2%	697	695	714	730	732	728	760	836	1,495	2,125	2,714
29 TOTAL REVENUES	420,617	433,111	440,975	447,049	454,974	471,072	489,108	615,329	619,075	620,896	624,658
30											
31 EXPENDITURES - (PER PINNACLE CONSULTING)											
32 LANDSCAPING & IRRIGATION WATER SYSTEM	223,622	228,094	232,656	237,309	242,056	246,897	251,835	256,871	262,009	267,249	272,594
33 MISCELLANEOUS	8,657	8,830	9,007	9,187	9,371	9,558	9,749	9,944	10,143	10,346	10,553
34 ADMINISTRATION	188,621	192,393	196,241	200,166	204,169	208,252	212,417	216,666	220,999	225,419	229,927
35 TOTAL EXPENDITURES	420,900	429,318	437,904	446,662	455,595	464,707	474,001	483,481	493,151	503,014	513,074
36											
37 EXCESS REVENUES OVER (UNDER) EXPENDITURES	(282)	3,794	3,071	387	(621)	6,365	15,106	131,847	125,924	117,882	111,583
38											
39 FUND BALANCE - JANUARY 1	139,333	139,051	142,845	145,916	146,303	145,682	152,047	167,153	299,000	424,923	542,805
40											
41 FUND BALANCE - DECEMBER 31	139,051	142,845	145,916	146,303	145,682	152,047	167,153	299,000	424,923	542,805	654,389

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)  
CASH FLOW FORECAST - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEARS ENDING DECEMBER 31, 2018 - 2052

EXHIBIT I - CASH FLOW FORECAST - GENERAL FUND

	<u>2051</u>	<u>2052</u>	<u>TOTALS</u>
1 INCREMENTAL SF UNITS DEVELOPED (SCHEDULE 1)	0	0	109
2 CUMULATIVE SF UNITS DEVELOPED	109	109	109
3 INCREMENTAL MF UNITS DEVELOPED (SCHEDULE 1)	0	0	321
4 CUMULATIVE MF UNITS DEVELOPED	321	321	321
5 INCREMENTAL COMMERCIAL SQ. FT DEVELOPED DISTRICT #3 (SCHEDULE 3)	0	0	261,000
6 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED DISTRICT #3	261,000	261,000	261,000
7 INCREMENTAL COMMERCIAL SQ. FT DEVELOPED DISTRICT #4 (SCHEDULE 5)	0	0	525,000
8 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED DISTRICT #4	525,000	525,000	525,000
9			
10 ASSUMED MILL LEVY TRANSFER FROM VCMD #2	10	10	
11 ASSUMED MILL LEVY TRANSFER FROM VCMD #3	10	10	
12 ASSUMED MILL LEVY TRANSFER FROM VCMD #4	10	10	
13 ASSESSED VALUATION VCMD #2	9,978,998	10,178,578	
14 ASSESSED VALUATION VCMD #3	13,245,750	13,245,750	
15 ASSESSED VALUATION VCMD #4	32,770,000	32,770,000	
16			
17 ASSUMED ANNUAL OPERATION AND MAINTENANCE FEE (MF & SF)	0	0	
18			
19 ASSUMED ANNUAL IRRIGATION SYSTEM FEE (MF & SF)	147	150	
20			
21 REVENUES:			
22 DEVELOPER CONTRIBUTION (REPAYMENT)	0	0	0
23 TRANSFER FROM VCMD #2	99,790	101,786	2,439,010
24 TRANSFER FROM VCMD #3	132,458	132,458	3,056,267
25 TRANSFER FROM VCMD #4	327,700	327,700	6,507,462
26 OPERATION AND MAINTENANCE FEE	0	0	441,170
27 IRRIGATION SYSTEM REVENUES	63,236	64,501	1,535,796
28 INTEREST INCOME - OTHER @ 1/2%	3,272	3,788	25,027
29 TOTAL REVENUES	626,455	630,232	14,004,731
30			
31 EXPENDITURES - (PER PINNACLE CONSULTING)			
32 LANDSCAPING & IRRIGATION WATER SYSTEM	278,046	283,607	6,870,248
33 MISCELLANEOUS	10,764	10,979	268,646
34 ADMINISTRATION	234,526	239,217	6,011,900
35 TOTAL EXPENDITURES	523,336	533,803	13,150,794
36			
37 EXCESS REVENUES OVER (UNDER) EXPENDITURES	103,120	96,429	853,937
38			
39 FUND BALANCE - JANUARY 1	654,389	757,508	0
40			
41 FUND BALANCE - DECEMBER 31	757,508	853,937	853,937

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 2  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

EXHIBIT II - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
1 INCREMENTAL SINGLE FAMILY UNITS (SCHEDULE 1)	0	0	50	59	0	0	0	0	0	0	0
2 CUMULATIVE SINGLE FAMILY UNITS DEVELOPED	0	0	50	109	109	109	109	109	109	109	109
3 INCREMENTAL MULTI FAMILY UNITS (SCHEDULE 1)	0	0	0	0	129	0	98	0	0	94	0
4 CUMULATIVE MULTI FAMILY UNITS DEVELOPED	0	0	0	0	129	129	227	227	227	321	321
5 ASSESSED VALUATION (SCH. 1)	0	0	0	0	1,461,283	3,284,486	4,991,525	5,091,355	6,467,551	6,596,902	6,596,902
6 MILL LEVY	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
7											
8 REVENUES:											
9 PROPERTY TAXES (50 MILLS)	0	0	0	0	73,064	164,224	249,576	254,568	323,378	329,845	329,845
10 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	0	0	0	0	4,384	9,853	14,975	15,274	19,403	19,791	19,791
11 INTEREST INCOME - OTHER @ 1/2%	0	0	0	0	0	309	9	79	156	151	165
12 TOTAL REVENUES	0	0	0	0	77,448	174,386	264,560	269,921	342,936	349,787	349,801
13											
14 EXPENDITURES:											
15 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	0	0	0	0	1,096	2,463	3,744	3,819	4,851	4,948	4,948
16 TRANSFER TO VCMD #1	0	0	0	0	14,613	32,845	49,915	50,914	64,676	65,969	65,969
17 SERIES 2023 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	197,000	194,900	197,800	195,400	198,000	195,300
18 SERIES 2026 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	75,000	74,100	73,200
19 SERIES 2029 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
22 ALLOWANCE FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0
23 BOND PAYING AGENT FEES	0	0	0	0	0	2,000	2,000	2,000	4,000	4,000	4,000
24 TOTAL EXPENDITURES	0	0	0	0	15,709	234,308	250,559	254,532	343,926	347,017	343,417
25											
26 EXCESS REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0	61,739	(59,922)	14,001	15,389	(990)	2,770	6,384
27											
28 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:											
29 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	0	0	(2,511,000)	0	0	(930,000)	0	0	(1,069,500)
30 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0	0	0	0	0	0	0	0	0
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	2,700,000	0	0	1,000,000	0	0	1,150,000
32 COSTS OF BOND ISSUANCE @ 7%	0	0	0	0	(189,000)	0	0	(70,000)	0	0	(80,500)
33 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	0	0	0	0	0	0	0	0	0	0	0
34											
35 FUND BALANCE - JANUARY 1	0	0	0	0	0	61,739	1,817	15,818	31,207	30,217	32,988
36											
37 FUND BALANCE - DECEMBER 31	0	0	0	0	61,739	1,817	15,818	31,207	30,217	32,988	39,372
38											
39 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	2,700,000	2,665,000	2,630,000	3,590,000	3,535,000	3,475,000	4,565,000
40 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	0.00%	0.00%	0.00%	0.00%	82.20%	53.39%	51.66%	55.51%	53.59%	52.68%	55.76%

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 2  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

EXHIBIT II - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
1 INCREMENTAL SINGLE FAMILY UNITS (SCHEDULE 1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2 CUMULATIVE SINGLE FAMILY UNITS DEVELOPED	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>
3 INCREMENTAL MULTI FAMILY UNITS (SCHEDULE 1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4 CUMULATIVE MULTI FAMILY UNITS DEVELOPED	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>
5 ASSESSED VALUATION (SCH. 1)	<u>8,186,254</u>	<u>8,186,254</u>	<u>8,349,979</u>	<u>8,349,979</u>	<u>8,516,979</u>	<u>8,516,979</u>	<u>8,687,318</u>	<u>8,687,318</u>	<u>8,861,065</u>	<u>8,861,065</u>
6 MILL LEVY	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
7										
8 REVENUES:										
9 PROPERTY TAXES (50 MILLS)	409,313	409,313	417,499	417,499	425,849	425,849	434,366	434,366	443,053	443,053
10 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	24,559	24,559	25,050	25,050	25,551	25,551	26,062	26,062	26,583	26,583
11 INTEREST INCOME - OTHER @ 1/2%	<u>197</u>	<u>128</u>	<u>82</u>	<u>45</u>	<u>10</u>	<u>13</u>	<u>21</u>	<u>72</u>	<u>106</u>	<u>163</u>
12 TOTAL REVENUES	<u>434,068</u>	<u>433,999</u>	<u>442,631</u>	<u>442,594</u>	<u>451,410</u>	<u>451,413</u>	<u>460,449</u>	<u>460,500</u>	<u>469,742</u>	<u>469,799</u>
13										
14 EXPENDITURES:										
15 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	6,140	6,140	6,262	6,262	6,388	6,388	6,515	6,515	6,646	6,646
16 TRANSFER TO VCMD #1	81,863	81,863	83,500	83,500	85,170	85,170	86,873	86,873	88,611	88,611
17 SERIES 2023 G.O. BONDS DEBT SERVICE (SCH. 2)	197,600	194,600	196,600	198,300	194,700	196,100	197,200	198,000	198,500	193,700
18 SERIES 2026 G.O. BONDS DEBT SERVICE (SCH. 2)	72,300	71,400	75,500	74,300	73,100	71,900	70,700	74,500	73,000	71,500
19 SERIES 2029 G.O. BONDS DEBT SERVICE (SCH. 2)	84,000	83,100	82,200	81,300	85,400	84,200	83,000	81,800	85,600	84,100
22 ALLOWANCE FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0
23 BOND PAYING AGENT FEES	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
24 TOTAL EXPENDITURES	<u>447,902</u>	<u>443,102</u>	<u>450,062</u>	<u>449,662</u>	<u>450,758</u>	<u>449,758</u>	<u>450,289</u>	<u>453,689</u>	<u>458,356</u>	<u>450,556</u>
25										
26 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(13,834)</u>	<u>(9,103)</u>	<u>(7,431)</u>	<u>(7,068)</u>	<u>652</u>	<u>1,655</u>	<u>10,160</u>	<u>6,811</u>	<u>11,386</u>	<u>19,243</u>
27										
28 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:										
29 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0
30 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0	0	0	0	0	0	0	0
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	0	0	0	0	0	0
32 COSTS OF BOND ISSUANCE @ 7%	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
33 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
34										
35 FUND BALANCE - JANUARY 1	<u>39,372</u>	<u>25,538</u>	<u>16,435</u>	<u>9,003</u>	<u>1,935</u>	<u>2,587</u>	<u>4,242</u>	<u>14,403</u>	<u>21,214</u>	<u>32,600</u>
36										
37 FUND BALANCE - DECEMBER 31	<u>25,538</u>	<u>16,435</u>	<u>9,003</u>	<u>1,935</u>	<u>2,587</u>	<u>4,242</u>	<u>14,403</u>	<u>21,214</u>	<u>32,600</u>	<u>51,843</u>
38										
39 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>4,485,000</u>	<u>4,405,000</u>	<u>4,315,000</u>	<u>4,220,000</u>	<u>4,120,000</u>	<u>4,015,000</u>	<u>3,905,000</u>	<u>3,785,000</u>	<u>3,655,000</u>	<u>3,525,000</u>
40 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>54.79%</u>	<u>52.75%</u>	<u>51.68%</u>	<u>49.55%</u>	<u>48.37%</u>	<u>46.22%</u>	<u>44.95%</u>	<u>42.71%</u>	<u>41.25%</u>	<u>39.00%</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 2  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

EXHIBIT II - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>2047</u>	<u>2048</u>	<u>2049</u>	<u>2050</u>
1 INCREMENTAL SINGLE FAMILY UNITS (SCHEDULE 1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2 CUMULATIVE SINGLE FAMILY UNITS DEVELOPED	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>
3 INCREMENTAL MULTI FAMILY UNITS (SCHEDULE 1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4 CUMULATIVE MULTI FAMILY UNITS DEVELOPED	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>	<u>321</u>
5 ASSESSED VALUATION (SCH. 1)	<u>9,038,286</u>	<u>9,038,286</u>	<u>9,219,052</u>	<u>9,219,052</u>	<u>9,403,433</u>	<u>9,403,433</u>	<u>9,591,501</u>	<u>9,591,501</u>	<u>9,783,331</u>	<u>9,783,331</u>	<u>9,978,998</u>
6 MILL LEVY	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
7											
8 REVENUES:											
9 PROPERTY TAXES (50 MILLS)	451,914	451,914	460,953	460,953	470,172	470,172	479,575	479,575	489,167	489,167	498,950
10 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	27,115	27,115	27,657	27,657	28,210	28,210	28,775	28,775	29,350	29,350	29,937
11 INTEREST INCOME - OTHER @ 1/2%	259	382	523	671	818	1,006	1,223	1,462	1,712	1,992	2,291
12 TOTAL REVENUES	<u>479,288</u>	<u>479,412</u>	<u>489,133</u>	<u>489,281</u>	<u>499,200</u>	<u>499,388</u>	<u>509,573</u>	<u>509,812</u>	<u>520,229</u>	<u>520,508</u>	<u>531,177</u>
13											
14 EXPENDITURES:											
15 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	6,779	6,779	6,914	6,914	7,053	7,053	7,194	7,194	7,337	7,337	7,484
16 TRANSFER TO VCMD #1	90,383	90,383	92,191	92,191	94,034	94,034	95,915	95,915	97,833	97,833	99,790
17 SERIES 2023 G.O. BONDS DEBT SERVICE (SCH. 2)	193,900	193,800	198,400	197,400	196,100	194,500	197,600	195,100	197,300	193,900	195,200
18 SERIES 2026 G.O. BONDS DEBT SERVICE (SCH. 2)	75,000	73,200	71,400	74,600	72,500	70,400	73,300	70,900	73,500	70,800	73,100
19 SERIES 2029 G.O. BONDS DEBT SERVICE (SCH. 2)	82,600	81,100	84,600	82,800	86,000	83,900	81,800	84,700	82,300	84,900	82,200
22 ALLOWANCE FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0
23 BOND PAYING AGENT FEES	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
24 TOTAL EXPENDITURES	<u>454,662</u>	<u>451,262</u>	<u>459,505</u>	<u>459,905</u>	<u>461,687</u>	<u>455,887</u>	<u>461,809</u>	<u>459,809</u>	<u>464,271</u>	<u>460,771</u>	<u>463,774</u>
25											
26 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>24,627</u>	<u>28,150</u>	<u>29,628</u>	<u>29,376</u>	<u>37,513</u>	<u>43,501</u>	<u>47,764</u>	<u>50,003</u>	<u>55,958</u>	<u>59,738</u>	<u>67,403</u>
27											
28 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:											
29 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	0
30 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0	0	0	0	0	0	0	0	0
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
32 COSTS OF BOND ISSUANCE @ 7%	0	0	0	0	0	0	0	0	0	0	0
33 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
34											
35 FUND BALANCE - JANUARY 1	<u>51,843</u>	<u>76,470</u>	<u>104,620</u>	<u>134,248</u>	<u>163,624</u>	<u>201,137</u>	<u>244,638</u>	<u>292,402</u>	<u>342,405</u>	<u>398,363</u>	<u>458,100</u>
36											
37 FUND BALANCE - DECEMBER 31	<u>76,470</u>	<u>104,620</u>	<u>134,248</u>	<u>163,624</u>	<u>201,137</u>	<u>244,638</u>	<u>292,402</u>	<u>342,405</u>	<u>398,363</u>	<u>458,100</u>	<u>525,503</u>
38											
39 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>3,385,000</u>	<u>3,240,000</u>	<u>3,080,000</u>	<u>2,910,000</u>	<u>2,730,000</u>	<u>2,545,000</u>	<u>2,345,000</u>	<u>2,135,000</u>	<u>1,910,000</u>	<u>1,675,000</u>	<u>1,425,000</u>
40 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>37.45%</u>	<u>35.14%</u>	<u>33.41%</u>	<u>30.95%</u>	<u>29.03%</u>	<u>26.53%</u>	<u>24.45%</u>	<u>21.82%</u>	<u>19.52%</u>	<u>16.79%</u>	<u>14.28%</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.



VISTA COMMONS METROPOLITAN DISTRICT # 2  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

EXHIBIT II - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2051</u>	<u>2052</u>	<u>TOTALS</u>
1 INCREMENTAL SINGLE FAMILY UNITS (SCHEDULE 1)	<u>0</u>	<u>0</u>	<u>109</u>
2 CUMULATIVE SINGLE FAMILY UNITS DEVELOPED	<u>109</u>	<u>109</u>	<u>109</u>
3 INCREMENTAL MULTI FAMILY UNITS (SCHEDULE 1)	<u>0</u>	<u>0</u>	<u>321</u>
4 CUMULATIVE MULTI FAMILY UNITS DEVELOPED	<u>321</u>	<u>321</u>	<u>321</u>
5 ASSESSED VALUATION (SCH. 1)	<u>9,978,998</u>	<u>10,178,578</u>	10,178,578
6 MILL LEVY	<u>50.00</u>	<u>50.00</u>	
7			
8 REVENUES:			
9 PROPERTY TAXES (50 MILLS)	498,950	508,929	12,195,049
10 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	29,937	30,536	731,703
11 INTEREST INCOME - OTHER @ 1/2%	<u>2,628</u>	<u>2,941</u>	<u>19,614</u>
12 TOTAL REVENUES	<u>531,514</u>	<u>542,406</u>	<u>12,946,365</u>
13			
14 EXPENDITURES:			
15 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	7,484	7,634	182,926
16 TRANSFER TO VCMD #1	99,790	101,786	2,439,010
17 SERIES 2023 G.O. BONDS DEBT SERVICE (SCH. 2)	195,900	196,000	5,688,800
18 SERIES 2026 G.O. BONDS DEBT SERVICE (SCH. 2)	75,100	71,800	1,896,100
19 SERIES 2029 G.O. BONDS DEBT SERVICE (SCH. 2)	84,500	81,500	1,917,600
22 ALLOWANCE FOR ADMINISTRATION	0	0	0
23 BOND PAYING AGENT FEES	<u>6,000</u>	<u>6,000</u>	<u>156,000</u>
24 TOTAL EXPENDITURES	<u>468,774</u>	<u>464,720</u>	<u>12,280,435</u>
25			
26 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>62,740</u>	<u>77,686</u>	<u>665,930</u>
27			
28 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:			
29 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	(4,510,500)
30 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	4,850,000
32 COSTS OF BOND ISSUANCE @ 7%	<u>0</u>	<u>0</u>	<u>(339,500)</u>
33 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>0</u>
34			
35 FUND BALANCE - JANUARY 1	<u>525,503</u>	<u>588,244</u>	<u>0</u>
36			
37 FUND BALANCE - DECEMBER 31	<u>588,244</u>	<u>665,930</u>	<u>665,930</u>
38			
39 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>1,155,000</u>	<u>875,000</u>	
40 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>11.35%</u>	<u>8.60%</u>	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 2  
FORECASTED BUILDOUT AND ASSESSED VALUATION  
FOR THE YEARS ENDING DECEMBER 31, 2019 THROUGH 2029

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

SCHEDULE 1 - DEVELOPERS ESTIMATED BUILDOUT  
AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):

Description of Units/Planning Area	Planned Number Units	Average Per Unit	Total Gross Sq. Ft Volume	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	TOTALS
<b>Residential</b>															
SingleFamily	109	375,000	40,875,000	0	0	50	59	0	0	0	0	0	0	0	109
Multi Family	321	160,000	51,360,000	0	0	0	0	129	0	98	0	0	94	0	321
Total Incremental MF	430	214,500	92,235,000	0	0	50	59	129	0	98	0	0	94	0	430
Total Cumulative MF				0	0	50	109	238	238	336	336	336	430	430	430

SOURCE: Pinnacle Consulting Group, Inc.

Estimated Values (Uninflated):

SingleFamily	0	0	18,750,000	22,125,000	0	0	0	0	0	0	0	0	40,875,000
Multi Family	0	0	0	0	20,640,000	0	15,680,000	0	0	15,040,000	0	0	51,360,000
Estimated Value Of Buildout - Entire Project (Uninflated)	0	0	18,750,000	22,125,000	20,640,000	0	15,680,000	0	0	15,040,000	0	0	92,235,000
Estimated Value Of Buildout - Entire Project (Assume Home Price Inflates 2% annually beg	0	0	19,897,650	23,948,812	22,788,228	0	18,011,391	0	0	18,333,676	0	0	102,979,757

Proj. Assessed Value - Incremental (@ 7.2%):

Multi Family	0	0	1,432,631	1,724,314	1,640,752	0	1,296,820	0	0	1,320,025	0	1,320,025	0	7,414,542
Total Incremental Assessed Valuation - All Sources	0	0	1,432,631	1,724,314	1,640,752	0	1,296,820	0	0	1,320,025	0	1,320,025	0	7,414,542
Proj. Assessed Value By Year - Cumulative (Uninflated):	0	0	1,432,631	3,156,945	4,797,698	4,797,698	6,094,518	6,094,518	6,094,518	7,414,542	7,414,542	7,414,542	7,414,542	7,414,542
Proj. Assessed Value By Year - Cumulative (inflated 2% Every Other Yea beg in 2020):	0	0	1,461,283	3,284,486	4,991,525	5,091,355	6,467,551	6,596,902	6,596,902	8,186,254	8,186,254	8,186,254	8,186,254	8,186,254

Year Assessed Valuation Certified To VCMD #2

2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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Year Taxes Received By VCMD #2

2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
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SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 2  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES													
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
12/01/2023 NON-RATED	2,511,000	189,000	2,700,000	0	0	0	0	0	197,000	194,900	197,800	195,400	198,000
12/01/2026 NON-RATED	930,000	70,000	1,000,000	0	0	0	0	0	0	0	0	75,000	74,100
12/01/2029 NON-RATED	1,069,500	80,500	1,150,000	0	0	0	0	0	0	0	0	0	0
TOTALS	4,510,500	339,500	4,850,000	0	0	0	0	0	197,000	194,900	197,800	270,400	272,100

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2023 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0				35,000	35,000	40,000	40,000	45,000	
		INTEREST @ 6.0%	0	0	0	0	0	0	162,000	159,900	157,800	155,400	153,000	
		TOTAL DEBT SERVICE	0	0	0	0	0	0	197,000	194,900	197,800	195,400	198,000	
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	2,700,000	2,665,000	2,630,000	2,590,000	2,550,000	2,505,000		
12/01/2026 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	0	0	0	0	15,000	15,000	
		INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	60,000	59,100
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	75,000	74,100
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	1,000,000	985,000	970,000	
12/01/2029 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	0	0	0	0	0	0	
		INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	2,700,000	2,665,000	2,630,000	3,590,000	3,535,000	3,475,000		

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 2  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES													
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
12/01/2023 NON-RATED	2,511,000	189,000	2,700,000	195,300	197,600	194,600	196,600	198,300	194,700	196,100	197,200	198,000	198,500
12/01/2026 NON-RATED	930,000	70,000	1,000,000	73,200	72,300	71,400	75,500	74,300	73,100	71,900	70,700	74,500	73,000
12/01/2029 NON-RATED	1,069,500	80,500	1,150,000	0	84,000	83,100	82,200	81,300	85,400	84,200	83,000	81,800	85,600
TOTALS	4,510,500	339,500	4,850,000	268,500	437,900	432,200	436,500	435,200	438,600	436,400	433,900	436,100	442,700

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2023 NON-RATED	NEW \$ 30 YR	PRINCIPAL	45,000	50,000	50,000	55,000	60,000	60,000	65,000	70,000	75,000	80,000
		INTEREST @ 6.0%	150,300	147,600	144,600	141,600	138,300	134,700	131,100	127,200	123,000	118,500
		TOTAL DEBT SERVICE	195,300	197,600	194,600	196,600	198,300	194,700	196,100	197,200	198,000	198,500
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	2,460,000	2,410,000	2,360,000	2,305,000	2,245,000	2,185,000	2,120,000	2,050,000	1,975,000	1,895,000
12/01/2026 NON-RATED	NEW \$ 30 YR	PRINCIPAL	15,000	15,000	15,000	20,000	20,000	20,000	20,000	20,000	25,000	25,000
		INTEREST @ 6.0%	58,200	57,300	56,400	55,500	54,300	53,100	51,900	50,700	49,500	48,000
		TOTAL DEBT SERVICE	73,200	72,300	71,400	75,500	74,300	73,100	71,900	70,700	74,500	73,000
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	955,000	940,000	925,000	905,000	885,000	865,000	845,000	825,000	800,000	775,000
12/01/2029 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	15,000	15,000	15,000	15,000	20,000	20,000	20,000	20,000	25,000
		INTEREST @ 6.0%	0	69,000	68,100	67,200	66,300	65,400	64,200	63,000	61,800	60,600
		TOTAL DEBT SERVICE	0	84,000	83,100	82,200	81,300	85,400	84,200	83,000	81,800	85,600
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	1,150,000	1,135,000	1,120,000	1,105,000	1,090,000	1,070,000	1,050,000	1,030,000	1,010,000	985,000
			4,565,000	4,485,000	4,405,000	4,315,000	4,220,000	4,120,000	4,015,000	3,905,000	3,785,000	3,655,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 2  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES													
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
12/01/2023 NON-RATED	2,511,000	189,000	2,700,000	193,700	193,900	193,800	198,400	197,400	196,100	194,500	197,600	195,100	197,300
12/01/2026 NON-RATED	930,000	70,000	1,000,000	71,500	75,000	73,200	71,400	74,600	72,500	70,400	73,300	70,900	73,500
12/01/2029 NON-RATED	1,069,500	80,500	1,150,000	84,100	82,600	81,100	84,600	82,800	86,000	83,900	81,800	84,700	82,300
TOTALS	4,510,500	339,500	4,850,000	433,400	434,100	429,200	439,000	437,600	440,600	432,700	434,500	435,400	435,400

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2023 NON-RATED	NEW \$ 30 YR	PRINCIPAL	80,000	85,000	90,000	100,000	105,000	110,000	115,000	125,000	130,000	140,000
		INTEREST @ 6.0%	113,700	108,900	103,800	98,400	92,400	86,100	79,500	72,600	65,100	57,300
		TOTAL DEBT SERVICE	193,700	193,900	193,800	198,400	197,400	196,100	194,500	197,600	195,100	197,300
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	1,815,000	1,730,000	1,640,000	1,540,000	1,435,000	1,325,000	1,210,000	1,085,000	955,000	815,000
12/01/2026 NON-RATED	NEW \$ 30 YR	PRINCIPAL	25,000	30,000	30,000	30,000	35,000	35,000	35,000	40,000	40,000	45,000
		INTEREST @ 6.0%	46,500	45,000	43,200	41,400	39,600	37,500	35,400	33,300	30,900	28,500
		TOTAL DEBT SERVICE	71,500	75,000	73,200	71,400	74,600	72,500	70,400	73,300	70,900	73,500
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	750,000	720,000	690,000	660,000	625,000	590,000	555,000	515,000	475,000	430,000
12/01/2029 NON-RATED	NEW \$ 30 YR	PRINCIPAL	25,000	25,000	25,000	30,000	30,000	35,000	35,000	35,000	40,000	40,000
		INTEREST @ 6.0%	59,100	57,600	56,100	54,600	52,800	51,000	48,900	46,800	44,700	42,300
		TOTAL DEBT SERVICE	84,100	82,600	81,100	84,600	82,800	86,000	83,900	81,800	84,700	82,300
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	960,000	935,000	910,000	880,000	850,000	815,000	780,000	745,000	705,000	665,000
			3,525,000	3,385,000	3,240,000	3,080,000	2,910,000	2,730,000	2,545,000	2,345,000	2,135,000	1,910,000

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VISTA COMMONS METROPOLITAN DISTRICT # 2  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES					
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE		
				2049	2050
				2051	2052
				TOTALS	
12/01/2023 NON-RATED	2,511,000	189,000	2,700,000	193,900	195,200
12/01/2026 NON-RATED	930,000	70,000	1,000,000	70,800	73,100
12/01/2029 NON-RATED	1,069,500	80,500	1,150,000	84,900	82,200
<b>TOTALS</b>	<b>4,510,500</b>	<b>339,500</b>	<b>4,850,000</b>	<b>434,500</b>	<b>432,700</b>
				<b>440,000</b>	<b>430,800</b>
				<b>11,420,100</b>	

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2023 NON-RATED	NEW \$	PRINCIPAL	145,000	155,000	165,000	175,000	2,525,000
	30 YR	INTEREST @ 6.0%	48,900	40,200	30,900	21,000	3,163,800
		TOTAL DEBT SERVICE	193,900	195,200	195,900	196,000	5,688,800
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	670,000	515,000	350,000	175,000	175,000
12/01/2026 NON-RATED	NEW \$	PRINCIPAL	45,000	50,000	55,000	55,000	775,000
	30 YR	INTEREST @ 6.0%	25,800	23,100	20,100	16,800	1,121,100
		TOTAL DEBT SERVICE	70,800	73,100	75,100	71,800	1,896,100
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	385,000	335,000	280,000	225,000	225,000
12/01/2029 NON-RATED	NEW \$	PRINCIPAL	45,000	45,000	50,000	50,000	675,000
	30 YR	INTEREST @ 6.0%	39,900	37,200	34,500	31,500	1,242,600
		TOTAL DEBT SERVICE	84,900	82,200	84,500	81,500	1,917,600
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	620,000	575,000	525,000	475,000	475,000
			<b>1,675,000</b>	<b>1,425,000</b>	<b>1,155,000</b>	<b>875,000</b>	<b>875,000</b>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 3  
FORECASTED BUILDOUT AND ASSESSED VALUATION  
FOR THE YEARS ENDING DECEMBER 31, 2019 THROUGH 2037

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

SCHEDULE 3 - DEVELOPERS ESTIMATED BUILDOUT  
AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):																
Description of Units/Planning Area	Planned Number Sq. Ft.	Average Per Sq. Ft Values (*)	Total Actual Value	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Commercial</b>																
Retail	177,950	175	31,141,250	0	0	0	0	47,000	0	0	35,200	0	0	15,750	0	0
Office	83,050	175	14,533,750	0	0	0	0	32,900	0	0	22,400	0	0	15,750	0	0
Total Incremental Commercial	261,000	175	45,675,000	0	0	0	0	79,900	0	0	57,600	0	0	31,500	0	0
Total Cumulative Commercial				0	0	0	0	79,900	79,900	79,900	137,500	137,500	137,500	169,000	169,000	169,000
<b>SOURCE: Pinnacle Consulting Group, Inc.</b>																
<b>Estimated Values (Uninflated):</b>																
Retail				0	0	0	0	8,225,000	0	0	6,160,000	0	0	2,756,250	0	0
Office				0	0	0	0	5,757,500	0	0	3,920,000	0	0	2,756,250	0	0
<b>Estimated Value Of Commercial Buildout - Entire Project (Uninflated)</b>				0	0	0	0	13,982,500	0	0	10,080,000	0	0	5,512,500	0	0
<b>Proj. Assessed Value - Incremental (@29%):</b>																
Total Incremental Assessed Valuation - All Sources				0	0	0	0	4,054,925	0	0	2,923,200	0	0	1,598,625	0	0
<b>Proj. Assessed Value By Year - Cumulative (Uninflated):</b>				0	0	0	0	4,054,925	4,054,925	4,054,925	6,978,125	6,978,125	6,978,125	8,576,750	8,576,750	8,576,750
Proj. Assessed Value By Year - Cumulative (inflated 0% Every Other Year):				0	0	0	0	4,054,925	4,054,925	4,054,925	6,978,125	6,978,125	6,978,125	8,576,750	8,576,750	8,576,750
<b>Year Assessed Valuation Certified To VCMD #3</b>				2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Year Taxes Received By VCMD #3</b>				2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 3  
FORECASTED BUILDOUT AND ASSESSED VALUATION  
FOR THE YEARS ENDING DECEMBER 31, 2019 THROUGH 2037

SCHEDULE 3 - DEVELOPERS ESTIMATED BUILDOUT  
AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):										
Description of Units/Planning Area	Planned Number Sq. Ft.	Average Per Sq. Ft Values (*)	Total Actual Value	2032	2033	2034	2035	2036	2037	TOTALS
<b>Commercial</b>										
Retail	177,950	175	31,141,250	48,000	0	0	32,000	0	0	177,950
Office	83,050	175	14,533,750	12,000	0	0	0	0	0	83,050
Total Incremental Commercial	261,000	175	45,675,000	60,000	0	0	32,000	0	0	261,000
Total Cumulative Commercial				229,000	229,000	229,000	261,000	261,000	261,000	261,000
SOURCE: Pinnacle Consulting Group, Inc.										

Estimated Values (Uninflated):

Retail	8,400,000	0	0	5,600,000	0	0	31,141,250
Office	2,100,000	0	0	0	0	0	14,533,750
Estimated Value Of Commercial Buildout - Entire Project (Uninflated)	10,500,000	0	0	5,600,000	0	0	45,675,000

Proj. Assessed Value - Incremental (@29%):

Total Incremental Assessed Valuation - All Sources	3,045,000	0	0	1,624,000	0	0	13,245,750
Proj. Assessed Value By Year - Cumulative (Uninflated):	11,621,750	11,621,750	11,621,750	13,245,750	13,245,750	13,245,750	13,245,750
Proj. Assessed Value By Year - Cumulative (inflated 0% Every Other Year):	11,621,750	11,621,750	11,621,750	13,245,750	13,245,750	13,245,750	13,245,750

Year Assessed Valuation Certified To VCMD #3 2033 2034 2035 2036 2037 2038

Year Taxes Received By VCMD #3 2034 2035 2036 2037 2038 2039

SEE CONSULTANT'S REPORT AND DISCLAIMER.



VISTA COMMONS METROPOLITAN DISTRICT # 3  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

EXHIBIT III - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1 INCREMENTAL SQ. FT. DEVELOPED (SCHEDULE 3)	0	0	0	0	79,900	0	0	57,600	0	0	31,500
2 CUMULATIVE SQ. FT. DEVELOPED	0	0	0	0	79,900	79,900	79,900	137,500	137,500	137,500	169,000
3 ASSESSED VALUATION FROM COMMERCIAL (SCH. 3)	0	0	0	0	0	0	4,054,925	4,054,925	4,054,925	6,978,125	6,978,125
4 MILL LEVY COMMERCIAL	0.00	0.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
5											
6 REVENUES:											
7 PROPERTY TAXES (COMMERCIAL @ 50 MILLS)	0	0	0	0	0	0	202,746	202,746	202,746	348,906	348,906
8 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	0	0	0	0	0	0	12,165	12,165	12,165	20,934	20,934
9 INTEREST INCOME - OTHER @ 1/2%	0	0	0	0	0	0	0	12	6	9	614
10 TOTAL REVENUES	0	0	0	0	0	0	214,911	214,923	214,917	369,850	370,454
11											
12 EXPENDITURES:											
13 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	0	0	0	0	0	0	3,041	3,041	3,041	5,234	5,234
14 TRANSFER TO VCMD #1 FOR O&M	0	0	0	0	0	0	40,549	40,549	40,549	69,781	69,781
15 SERIES 2024 G.O. BONDS DEBT SERVICE (SCH. 4)	0	0	0	0	0	0	157,000	160,500	158,700	161,900	159,800
16 SERIES 2029 G.O. BONDS DEBT SERVICE (SCH. 4)	0	0	0	0	0	0	0	0	0	0	0
17 SERIES 2035 G.O. BONDS DEBT SERVICE (SCH. 4)	0	0	0	0	0	0	0	0	0	0	0
18 ADMINISTRATIVE ALLOWANCE	0	0	0	0	0	0	10,000	10,000	10,000	10,000	10,000
19 BOND PAYING AGENT FEES	0	0	0	0	0	0	2,000	2,000	2,000	2,000	2,000
20 TOTAL EXPENDITURES	0	0	0	0	0	0	212,590	216,090	214,290	248,915	246,815
21											
22 EXCESS REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0	0	0	2,321	(1,168)	626	120,935	123,639
23											
24 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:											
25 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	0	0	0	(2,046,000)	0	0	0	0	(2,976,000)
26 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0	0	0	0	0	0	0	0	0
27 PROCEEDS FROM G.O. BONDS (SCH. 4)	0	0	0	0	0	2,200,000	0	0	0	0	3,200,000
28 COSTS OF BOND ISSUANCE @ 7%	0	0	0	0	0	(154,000)	0	0	0	0	(224,000)
29 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	0	0	0	0	0	0	0	0	0	0	0
30											
31 FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	2,321	1,153	1,779	122,714
32											
33 FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	2,321	1,153	1,779	122,714	246,353
34											
35 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	2,200,000	2,175,000	2,145,000	2,115,000	2,080,000	5,245,000
36 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	0.00%	0.00%	0.00%	0.00%	0.00%	54.26%	53.64%	52.90%	50.31%	49.81%	75.16%

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VISTA COMMONS METROPOLITAN DISTRICT # 3  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

EXHIBIT III - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
1 INCREMENTAL SQ. FT. DEVELOPED (SCHEDULE 3)	<u>0</u>	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>32,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2 CUMULATIVE SQ. FT. DEVELOPED	<u>169,000</u>	<u>169,000</u>	<u>229,000</u>	<u>229,000</u>	<u>229,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>
3 ASSESSED VALUATION FROM COMMERCIAL (SCH. 3)	<u>6,978,125</u>	<u>8,576,750</u>	<u>8,576,750</u>	<u>8,576,750</u>	<u>11,621,750</u>	<u>11,621,750</u>	<u>11,621,750</u>	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>
4 MILL LEVY COMMERCIAL	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
5										
6 REVENUES:										
7 PROPERTY TAXES (COMMERCIAL @ 50 MILLS)	348,906	428,838	428,838	428,838	581,088	581,088	581,088	662,288	662,288	662,288
8 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	20,934	25,730	25,730	25,730	34,865	34,865	34,865	39,737	39,737	39,737
9 INTEREST INCOME - OTHER @ 1/2%	1,232	694	463	257	25	463	883	576	626	643
10 TOTAL REVENUES	<u>371,072</u>	<u>455,261</u>	<u>455,031</u>	<u>454,824</u>	<u>615,977</u>	<u>616,416</u>	<u>616,836</u>	<u>702,601</u>	<u>702,651</u>	<u>702,668</u>
11										
12 EXPENDITURES:										
13 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	5,234	6,433	6,433	6,433	8,716	8,716	8,716	9,934	9,934	9,934
14 TRANSFER TO VCMD #1 FOR O&M	69,781	85,768	85,768	85,768	116,218	116,218	116,218	132,458	132,458	132,458
15 SERIES 2024 G.O. BONDS DEBT SERVICE (SCH. 4)	157,700	160,600	158,200	160,800	158,100	160,400	157,400	159,400	161,100	157,500
16 SERIES 2029 G.O. BONDS DEBT SERVICE (SCH. 4)	232,000	234,600	231,900	234,200	231,200	233,200	234,900	231,300	232,700	233,800
17 SERIES 2035 G.O. BONDS DEBT SERVICE (SCH. 4)	0	0	0	0	0	0	145,000	143,500	147,000	145,200
18 ADMINISTRATIVE ALLOWANCE	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
19 BOND PAYING AGENT FEES	4,000	4,000	4,000	4,000	4,000	4,000	6,000	6,000	6,000	6,000
20 TOTAL EXPENDITURES	<u>478,715</u>	<u>501,400</u>	<u>496,300</u>	<u>501,200</u>	<u>528,234</u>	<u>532,534</u>	<u>678,234</u>	<u>692,592</u>	<u>699,192</u>	<u>694,892</u>
21										
22 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(107,642)</u>	<u>(46,139)</u>	<u>(41,269)</u>	<u>(46,376)</u>	<u>87,744</u>	<u>83,882</u>	<u>(61,398)</u>	<u>10,009</u>	<u>3,459</u>	<u>7,776</u>
23										
24 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:										
25 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	0	0	0	(1,860,000)	0	0	0	0
26 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0	0	0	0	0	0	0	0
27 PROCEEDS FROM G.O. BONDS (SCH. 4)	0	0	0	0	0	2,000,000	0	0	0	0
28 COSTS OF BOND ISSUANCE @ 7%	0	0	0	0	0	(140,000)	0	0	0	0
29 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
30										
31 FUND BALANCE - JANUARY 1	<u>246,353</u>	<u>138,711</u>	<u>92,572</u>	<u>51,302</u>	<u>4,927</u>	<u>92,670</u>	<u>176,553</u>	<u>115,154</u>	<u>125,163</u>	<u>128,622</u>
32										
33 FUND BALANCE - DECEMBER 31	<u>138,711</u>	<u>92,572</u>	<u>51,302</u>	<u>4,927</u>	<u>92,670</u>	<u>176,553</u>	<u>115,154</u>	<u>125,163</u>	<u>128,622</u>	<u>136,398</u>
34										
35 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>5,170,000</u>	<u>5,085,000</u>	<u>5,000,000</u>	<u>4,905,000</u>	<u>4,810,000</u>	<u>6,705,000</u>	<u>6,570,000</u>	<u>6,430,000</u>	<u>6,275,000</u>	<u>6,115,000</u>
36 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>60.28%</u>	<u>59.29%</u>	<u>58.30%</u>	<u>42.21%</u>	<u>41.39%</u>	<u>57.69%</u>	<u>49.60%</u>	<u>48.54%</u>	<u>47.37%</u>	<u>46.17%</u>

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VISTA COMMONS METROPOLITAN DISTRICT # 3  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

EXHIBIT III - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>2047</u>	<u>2048</u>	<u>2049</u>	<u>2050</u>
1 INCREMENTAL SQ. FT. DEVELOPED (SCHEDULE 3)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2 CUMULATIVE SQ. FT. DEVELOPED	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>
3 ASSESSED VALUATION FROM COMMERCIAL (SCH. 3)	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>	<u>13,245,750</u>
4 MILL LEVY COMMERCIAL	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
5											
6 REVENUES:											
7 PROPERTY TAXES (COMMERCIAL @ 50 MILLS)	662,288	662,288	662,288	662,288	662,288	662,288	662,288	662,288	662,288	662,288	662,288
8 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	39,737	39,737	39,737	39,737	39,737	39,737	39,737	39,737	39,737	39,737	39,737
9 INTEREST INCOME - OTHER @ 1/2%	682	719	757	800	824	861	887	907	925	972	1,000
10 TOTAL REVENUES	<u>702,707</u>	<u>702,744</u>	<u>702,782</u>	<u>702,825</u>	<u>702,849</u>	<u>702,885</u>	<u>702,911</u>	<u>702,932</u>	<u>702,950</u>	<u>702,997</u>	<u>703,025</u>
11											
12 EXPENDITURES:											
13 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	9,934	9,934	9,934	9,934	9,934	9,934	9,934	9,934	9,934	9,934	9,934
14 TRANSFER TO VCMD #1 FOR O&M	132,458	132,458	132,458	132,458	132,458	132,458	132,458	132,458	132,458	132,458	132,458
15 SERIES 2024 G.O. BONDS DEBT SERVICE (SCH. 4)	158,900	160,000	160,800	161,300	161,500	161,400	161,000	160,300	159,300	158,000	161,400
16 SERIES 2029 G.O. BONDS DEBT SERVICE (SCH. 4)	234,600	230,100	230,600	230,800	230,700	230,300	234,600	233,300	231,700	234,800	232,300
17 SERIES 2035 G.O. BONDS DEBT SERVICE (SCH. 4)	143,400	146,600	144,500	147,400	145,000	147,600	144,900	147,200	144,200	146,200	142,900
18 ADMINISTRATIVE ALLOWANCE	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
19 BOND PAYING AGENT FEES	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
20 TOTAL EXPENDITURES	<u>695,292</u>	<u>695,092</u>	<u>694,292</u>	<u>697,892</u>	<u>695,592</u>	<u>697,692</u>	<u>698,892</u>	<u>699,192</u>	<u>693,592</u>	<u>697,392</u>	<u>694,992</u>
21											
22 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>7,415</u>	<u>7,652</u>	<u>8,490</u>	<u>4,933</u>	<u>7,257</u>	<u>5,194</u>	<u>4,020</u>	<u>3,740</u>	<u>9,358</u>	<u>5,605</u>	<u>8,033</u>
23											
24 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:											
25 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	0
26 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0	0	0	0	0	0	0	0	0
27 PROCEEDS FROM G.O. BONDS (SCH. 4)	0	0	0	0	0	0	0	0	0	0	0
28 COSTS OF BOND ISSUANCE @ 7%	0	0	0	0	0	0	0	0	0	0	0
29 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
30											
31 FUND BALANCE - JANUARY 1	<u>136,398</u>	<u>143,813</u>	<u>151,465</u>	<u>159,955</u>	<u>164,888</u>	<u>172,145</u>	<u>177,339</u>	<u>181,358</u>	<u>185,098</u>	<u>194,456</u>	<u>200,062</u>
32											
33 FUND BALANCE - DECEMBER 31	<u>143,813</u>	<u>151,465</u>	<u>159,955</u>	<u>164,888</u>	<u>172,145</u>	<u>177,339</u>	<u>181,358</u>	<u>185,098</u>	<u>194,456</u>	<u>200,062</u>	<u>208,095</u>
34											
35 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>5,945,000</u>	<u>5,765,000</u>	<u>5,575,000</u>	<u>5,370,000</u>	<u>5,155,000</u>	<u>4,925,000</u>	<u>4,680,000</u>	<u>4,420,000</u>	<u>4,150,000</u>	<u>3,860,000</u>	<u>3,555,000</u>
36 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>44.88%</u>	<u>43.52%</u>	<u>42.09%</u>	<u>40.54%</u>	<u>38.92%</u>	<u>37.18%</u>	<u>35.33%</u>	<u>33.37%</u>	<u>31.33%</u>	<u>29.14%</u>	<u>26.84%</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 3  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

EXHIBIT III - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2051</u>	<u>2052</u>	<u>TOTALS</u>
1 INCREMENTAL SQ. FT. DEVELOPED (SCHEDULE 3)	<u>0</u>	<u>0</u>	<u>261,000</u>
2 CUMULATIVE SQ. FT. DEVELOPED	<u>261,000</u>	<u>261,000</u>	<u>261,000</u>
3 ASSESSED VALUATION FROM COMMERCIAL (SCH. 3)	<u>13,245,750</u>	<u>13,245,750</u>	
4 MILL LEVY COMMERCIAL	<u>50.00</u>	<u>50.00</u>	
5			
6 REVENUES:			
7 PROPERTY TAXES (COMMERCIAL @ 50 MILLS)	662,288	662,288	15,281,333
8 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	39,737	39,737	916,880
9 INTEREST INCOME - OTHER @ 1/2%	1,040	1,072	17,948
10 TOTAL REVENUES	<u>703,065</u>	<u>703,097</u>	<u>16,216,160</u>
11			
12 EXPENDITURES:			
13 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	9,934	9,934	229,220
14 TRANSFER TO VCMD #1 FOR O&M	132,458	132,458	3,056,267
15 SERIES 2024 G.O. BONDS DEBT SERVICE (SCH. 4)	159,200	161,700	4,473,900
16 SERIES 2029 G.O. BONDS DEBT SERVICE (SCH. 4)	234,500	231,100	5,349,200
17 SERIES 2035 G.O. BONDS DEBT SERVICE (SCH. 4)	144,600	146,000	2,471,200
18 ADMINISTRATIVE ALLOWANCE	10,000	10,000	280,000
19 BOND PAYING AGENT FEES	6,000	6,000	136,000
20 TOTAL EXPENDITURES	<u>696,692</u>	<u>697,192</u>	<u>15,995,786</u>
21			
22 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>6,373</u>	<u>5,905</u>	<u>220,374</u>
23			
24 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:			
25 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	(6,882,000)
26 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0
27 PROCEEDS FROM G.O. BONDS (SCH. 4)	0	0	7,400,000
28 COSTS OF BOND ISSUANCE @ 7%	0	0	(518,000)
29 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>0</u>
30			
31 FUND BALANCE - JANUARY 1	<u>208,095</u>	<u>214,468</u>	<u>0</u>
32			
33 FUND BALANCE - DECEMBER 31	<u>214,468</u>	<u>220,374</u>	<u>220,374</u>
34			
35 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>3,230,000</u>	<u>2,885,000</u>	
36 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>24.39%</u>	<u>21.78%</u>	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 3  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

SCHEDULE 4 - LIMITED GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF LIMITED GENERAL OBLIGATION BOND ISSUES														
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
12/01/2024 NON-RATED	2,046,000	154,000	2,200,000	0	0	0	0	0	0	157,000	160,500	158,700	161,900	159,800
12/01/2029 NON-RATED	2,976,000	224,000	3,200,000	0	0	0	0	0	0	0	0	0	0	0
12/01/2035 NON-RATED	1,860,000	140,000	2,000,000	0	0	0	0	0	0	0	0	0	0	0
TOTALS	6,882,000	518,000	7,400,000	0	0	0	0	0	0	157,000	160,500	158,700	161,900	159,800

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2024 NON-RATED	NEW \$	PRINCIPAL	0	0	0	0	0	0	0	25,000	30,000	30,000	35,000	35,000
	30 YR	INTEREST @ 6.0%	0	0	0	0	0	0	0	132,000	130,500	128,700	126,900	124,800
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	157,000	160,500	158,700	161,900	159,800
		TOTAL LTD. G.O. BONDS OUTSTANDING	0	0	0	0	0	0	2,200,000	2,175,000	2,145,000	2,115,000	2,080,000	2,045,000
12/01/2029 NON-RATED	NEW \$	PRINCIPAL	0	0	0	0	0	0	0	0	0	0	0	0
	30 YR	INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL LTD. G.O. BONDS OUTSTANDING	0	0	0	0	0	0	0	0	0	0	0	3,200,000
12/01/2035 NON-RATED	NEW \$	PRINCIPAL	0	0	0	0	0	0	0	0	0	0	0	0
	30 YR	INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL LTD. G.O. BONDS OUTSTANDING	0	0	0	0	0	0	0	0	0	0	0	0
			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,200,000</b>	<b>2,175,000</b>	<b>2,145,000</b>	<b>2,115,000</b>	<b>2,080,000</b>	<b>5,245,000</b>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 3  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

SCHEDULE 4 - LIMITED GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF LIMITED GENERAL OBLIGATION BOND ISSUES														
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
12/01/2024 NON-RATED	2,046,000	154,000	2,200,000	157,700	160,600	158,200	160,800	158,100	160,400	157,400	159,400	161,100	157,500	158,900
12/01/2029 NON-RATED	2,976,000	224,000	3,200,000	232,000	234,600	231,900	234,200	231,200	233,200	234,900	231,300	232,700	233,800	234,600
12/01/2035 NON-RATED	1,860,000	140,000	2,000,000	0	0	0	0	0	0	145,000	143,500	147,000	145,200	143,400
TOTALS	6,882,000	518,000	7,400,000	389,700	395,200	390,100	395,000	389,300	393,600	537,300	534,200	540,800	536,500	536,900

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2024 NON-RATED	NEW \$ 30 YR	PRINCIPAL	35,000	40,000	40,000	45,000	45,000	50,000	50,000	55,000	60,000	60,000	65,000
		INTEREST @ 6.0%	122,700	120,600	118,200	115,800	113,100	110,400	107,400	104,400	101,100	97,500	93,900
		TOTAL DEBT SERVICE	157,700	160,600	158,200	160,800	158,100	160,400	157,400	159,400	161,100	157,500	158,900
		TOTAL LTD. G.O. BONDS OUTSTANDING	2,010,000	1,970,000	1,930,000	1,885,000	1,840,000	1,790,000	1,740,000	1,685,000	1,625,000	1,565,000	1,500,000
12/01/2029 NON-RATED	NEW \$ 30 YR	PRINCIPAL	40,000	45,000	45,000	50,000	50,000	55,000	60,000	60,000	65,000	70,000	75,000
		INTEREST @ 6.0%	192,000	189,600	186,900	184,200	181,200	178,200	174,900	171,300	167,700	163,800	159,600
		TOTAL DEBT SERVICE	232,000	234,600	231,900	234,200	231,200	233,200	234,900	231,300	232,700	233,800	234,600
		TOTAL LTD. G.O. BONDS OUTSTANDING	3,160,000	3,115,000	3,070,000	3,020,000	2,970,000	2,915,000	2,855,000	2,795,000	2,730,000	2,660,000	2,585,000
12/01/2035 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	0	25,000	25,000	30,000	30,000	30,000
		INTEREST @ 6.0%	0	0	0	0	0	0	120,000	118,500	117,000	115,200	113,400
		TOTAL DEBT SERVICE	0	0	0	0	0	0	145,000	143,500	147,000	145,200	143,400
		TOTAL LTD. G.O. BONDS OUTSTANDING	0	0	0	0	0	2,000,000	1,975,000	1,950,000	1,920,000	1,890,000	1,860,000
			5,170,000	5,085,000	5,000,000	4,905,000	4,810,000	6,705,000	6,570,000	6,430,000	6,275,000	6,115,000	5,945,000

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VISTA COMMONS METROPOLITAN DISTRICT # 3  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

SCHEDULE 4 - LIMITED GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF LIMITED GENERAL OBLIGATION BOND ISSUES													
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
12/01/2024 NON-RATED	2,046,000	154,000	2,200,000	160,000	160,800	161,300	161,500	161,400	161,000	160,300	159,300	158,000	161,400
12/01/2029 NON-RATED	2,976,000	224,000	3,200,000	230,100	230,600	230,800	230,700	230,300	234,600	233,300	231,700	234,800	232,300
12/01/2035 NON-RATED	1,860,000	140,000	2,000,000	146,600	144,500	147,400	145,000	147,600	144,900	147,200	144,200	146,200	142,900
TOTALS	6,882,000	518,000	7,400,000	536,700	535,900	539,500	537,200	539,300	540,500	540,800	535,200	539,000	536,600

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2024 NON-RATED	NEW \$ 30 YR	PRINCIPAL	70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000	110,000	120,000
		INTEREST @ 6.0%	90,000	85,800	81,300	76,500	71,400	66,000	60,300	54,300	48,000	41,400
		TOTAL DEBT SERVICE	160,000	160,800	161,300	161,500	161,400	161,000	160,300	159,300	158,000	161,400
		TOTAL LTD. G.O. BONDS OUTSTANDING	1,430,000	1,355,000	1,275,000	1,190,000	1,100,000	1,005,000	905,000	800,000	690,000	570,000
12/01/2029 NON-RATED	NEW \$ 30 YR	PRINCIPAL	75,000	80,000	85,000	90,000	95,000	105,000	110,000	115,000	125,000	130,000
		INTEREST @ 6.0%	155,100	150,600	145,800	140,700	135,300	129,600	123,300	116,700	109,800	102,300
		TOTAL DEBT SERVICE	230,100	230,600	230,800	230,700	230,300	234,600	233,300	231,700	234,800	232,300
		TOTAL LTD. G.O. BONDS OUTSTANDING	2,510,000	2,430,000	2,345,000	2,255,000	2,160,000	2,055,000	1,945,000	1,830,000	1,705,000	1,575,000
12/01/2035 NON-RATED	NEW \$ 30 YR	PRINCIPAL	35,000	35,000	40,000	40,000	45,000	45,000	50,000	50,000	55,000	55,000
		INTEREST @ 6.0%	111,600	109,500	107,400	105,000	102,600	99,900	97,200	94,200	91,200	87,900
		TOTAL DEBT SERVICE	146,600	144,500	147,400	145,000	147,600	144,900	147,200	144,200	146,200	142,900
		TOTAL LTD. G.O. BONDS OUTSTANDING	1,825,000	1,790,000	1,750,000	1,710,000	1,665,000	1,620,000	1,570,000	1,520,000	1,465,000	1,410,000
			5,765,000	5,575,000	5,370,000	5,155,000	4,925,000	4,680,000	4,420,000	4,150,000	3,860,000	3,555,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 3  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

SCHEDULE 4 - LIMITED GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF LIMITED GENERAL OBLIGATION BOND ISSUES					
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2051	2052
12/01/2024 NON-RATED	2,046,000	154,000	2,200,000	159,200	161,700
12/01/2029 NON-RATED	2,976,000	224,000	3,200,000	234,500	231,100
12/01/2035 NON-RATED	1,860,000	140,000	2,000,000	144,600	146,000
<b>TOTALS</b>	<b>6,882,000</b>	<b>518,000</b>	<b>7,400,000</b>	<b>538,300</b>	<b>538,800</b>
				<b>7,255,100</b>	

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2024 NON-RATED	NEW \$ 30 YR	PRINCIPAL	125,000	135,000	1,890,000
		INTEREST @ 6.0%	34,200	26,700	2,583,900
		TOTAL DEBT SERVICE	159,200	161,700	4,473,900
		TOTAL LTD. G.O. BONDS OUTSTANDING	445,000	310,000	310,000
12/01/2029 NON-RATED	NEW \$ 30 YR	PRINCIPAL	140,000	145,000	1,910,000
		INTEREST @ 6.0%	94,500	86,100	3,439,200
		TOTAL DEBT SERVICE	234,500	231,100	5,349,200
		TOTAL LTD. G.O. BONDS OUTSTANDING	1,435,000	1,290,000	1,290,000
12/01/2035 NON-RATED	NEW \$ 30 YR	PRINCIPAL	60,000	65,000	715,000
		INTEREST @ 6.0%	84,600	81,000	1,756,200
		TOTAL DEBT SERVICE	144,600	146,000	2,471,200
		TOTAL LTD. G.O. BONDS OUTSTANDING	1,350,000	1,285,000	1,285,000
			<b>3,230,000</b>	<b>2,885,000</b>	<b>2,885,000</b>

SEE CONSULTANT'S REPORT AND DISCLAIMER.



VISTA COMMONS METROPOLITAN DISTRICT # 4  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

EXHIBIT IV - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
1 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED (SCHEDULE 5)	<u>0</u>	<u>0</u>	<u>23,100</u>	<u>0</u>	<u>0</u>	<u>71,500</u>	<u>35,000</u>	<u>0</u>	<u>30,000</u>	<u>35,000</u>	<u>0</u>
2 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED	<u>0</u>	<u>0</u>	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>	<u>94,600</u>	<u>129,600</u>	<u>129,600</u>	<u>159,600</u>	<u>194,600</u>	<u>194,600</u>
3 CUMULATIVE HOTEL ROOMS DEVELOPED (SCHEDULE 5)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
4 ASSESSED VALUATION COMMERCIAL (SCH. 5)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,172,325</u>	<u>1,172,325</u>	<u>1,172,325</u>	<u>9,150,950</u>	<u>10,927,200</u>	<u>10,927,200</u>	<u>12,449,700</u>
5 ASSESSED VALUATION OIL AND GAS (SCH. 5)	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,191,376</u>	<u>8,403,396</u>	<u>5,573,692</u>	<u>4,217,794</u>	<u>2,177,001</u>	<u>0</u>	<u>0</u>	<u>0</u>
6 MILL LEVY COMMERCIAL	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
7 MILL LEVY OIL AND GAS	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
8											
9 REVENUES:											
10 PROPERTY TAXES (COMMERCIAL @ 50 MILLS)	0	0	0	0	58,616	58,616	58,616	457,548	546,360	546,360	622,485
11 PROPERTY TAXES (OIL AND GAS @ 50 MILLS)	0	0	0	909,569	420,170	278,685	210,890	108,850	0	0	0
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	0	0	0	0	3,517	3,517	3,517	27,453	32,782	32,782	37,349
13 INTEREST INCOME - OTHER @ 1/2%	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>198</u>	<u>396</u>	<u>596</u>	<u>152</u>	<u>80</u>	<u>8</u>
14 TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>909,569</u>	<u>482,303</u>	<u>341,015</u>	<u>273,419</u>	<u>594,446</u>	<u>579,294</u>	<u>579,222</u>	<u>659,843</u>
15											
16 EXPENDITURES:											
17 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	0	0	0	0	879	879	879	6,863	8,195	8,195	9,337
18 TRANSFER TO VCMD #1	0	0	0	0	11,723	11,723	11,723	91,510	109,272	109,272	124,497
19 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 6)	0	0	0	0	0	0	0	464,000	464,200	464,100	463,700
20 SERIES 2030 G.O. BONDS DEBT SERVICE (SCH. 6)	0	0	0	0	0	0	0	0	0	0	0
21 SERIES 2036 G.O. BONDS DEBT SERVICE (SCH. 6)	0	0	0	0	0	0	0	0	0	0	0
22 SERIES 2042 G.O. BONDS DEBT SERVICE (SCH. 6)	0	0	0	0	0	0	0	0	0	0	0
23 ALLOWANCE FOR ADMINISTRATION	0	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000
24 BOND PAYING AGENT FEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
25 TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,602</u>	<u>22,602</u>	<u>22,602</u>	<u>574,373</u>	<u>593,667</u>	<u>593,567</u>	<u>609,534</u>
26											
27 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>909,569</u>	<u>459,701</u>	<u>318,413</u>	<u>250,817</u>	<u>20,074</u>	<u>(14,374)</u>	<u>(14,346)</u>	<u>50,308</u>
28											
29 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:											
30 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	0	0	0	0	(5,952,000)	0	0	0	0
31 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0	0	0	0	0	0	0	0	0
32 TRANSFER OF OIL AND GAS REVENUE TO CAPITAL PROJECTS FUND FOR DEV. REIMB.	0	0	0	(909,569)	(420,170)	(278,685)	(210,890)	(108,850)	0	0	0
33 PROCEEDS FROM G.O. BONDS (SCH. 6)	0	0	0	0	0	0	6,400,000	0	0	0	0
34 COSTS OF BOND ISSUANCE @ 7%	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(448,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
35 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>0</u>	<u>(909,569)</u>	<u>(420,170)</u>	<u>(278,685)</u>	<u>(210,890)</u>	<u>(108,850)</u>	<u>0</u>	<u>0</u>	<u>0</u>
36											
37 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,531</u>	<u>79,259</u>	<u>119,186</u>	<u>30,410</u>	<u>16,036</u>	<u>1,690</u>
38											
39 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,531</u>	<u>79,259</u>	<u>119,186</u>	<u>30,410</u>	<u>16,036</u>	<u>1,690</u>	<u>51,999</u>
40											
41 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,400,000</u>	<u>6,320,000</u>	<u>6,235,000</u>	<u>6,145,000</u>	<u>6,050,000</u>
42 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>69.94%</u>	<u>57.84%</u>	<u>57.06%</u>	<u>49.36%</u>	<u>42.53%</u>

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VISTA COMMONS METROPOLITAN DISTRICT # 4  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

EXHIBIT IV - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
1 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED (SCHEDULE 5)	<u>30,000</u>	<u>35,000</u>	<u>0</u>	<u>30,000</u>	<u>35,000</u>	<u>0</u>	<u>30,000</u>	<u>35,000</u>	<u>0</u>	<u>170,400</u>
2 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED	<u>224,600</u>	<u>259,600</u>	<u>259,600</u>	<u>289,600</u>	<u>324,600</u>	<u>324,600</u>	<u>354,600</u>	<u>389,600</u>	<u>389,600</u>	<u>560,000</u>
3 CUMULATIVE HOTEL ROOMS DEVELOPED (SCHEDULE 5)	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
4 ASSESSED VALUATION COMMERCIAL (SCH. 5)	<u>14,225,950</u>	<u>14,225,950</u>	<u>15,748,450</u>	<u>17,524,700</u>	<u>17,524,700</u>	<u>19,047,200</u>	<u>20,823,450</u>	<u>20,823,450</u>	<u>22,345,950</u>	<u>24,122,200</u>
5 ASSESSED VALUATION OIL AND GAS (SCH. 5)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6 MILL LEVY COMMERCIAL	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
7 MILL LEVY OIL AND GAS	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
8										
9 REVENUES:										
10 PROPERTY TAXES (COMMERCIAL @ 50 MILLS)	711,298	711,298	787,423	876,235	876,235	952,360	1,041,173	1,041,173	1,117,298	1,206,110
11 PROPERTY TAXES (OIL AND GAS @ 50 MILLS)	0	0	0	0	0	0	0	0	0	0
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	42,678	42,678	47,245	52,574	52,574	57,142	62,470	62,470	67,038	72,367
13 INTEREST INCOME - OTHER @ 1/2%	<u>260</u>	<u>892</u>	<u>306</u>	<u>35</u>	<u>160</u>	<u>260</u>	<u>687</u>	<u>1,498</u>	<u>708</u>	<u>216</u>
14 TOTAL REVENUES	<u>754,235</u>	<u>754,867</u>	<u>834,974</u>	<u>928,844</u>	<u>928,969</u>	<u>1,009,762</u>	<u>1,104,330</u>	<u>1,105,141</u>	<u>1,185,043</u>	<u>1,278,693</u>
15										
16 EXPENDITURES:										
17 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	10,669	10,669	11,811	13,144	13,144	14,285	15,618	15,618	16,759	18,092
18 TRANSFER TO VCMD #1	142,260	142,260	157,485	175,247	175,247	190,472	208,235	208,235	223,460	241,222
19 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 6)	463,000	467,000	465,400	463,500	466,300	463,500	465,400	466,700	467,400	462,500
20 SERIES 2030 G.O. BONDS DEBT SERVICE (SCH. 6)	0	238,000	240,600	237,900	240,200	242,200	238,900	240,600	242,000	238,100
21 SERIES 2036 G.O. BONDS DEBT SERVICE (SCH. 6)	0	0	0	0	0	0	0	316,000	317,700	314,100
22 SERIES 2042 G.O. BONDS DEBT SERVICE (SCH. 6)	0	0	0	0	0	0	0	0	0	0
23 ALLOWANCE FOR ADMINISTRATION	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
24 BOND PAYING AGENT FEES	<u>2,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
25 TOTAL EXPENDITURES	<u>627,929</u>	<u>871,929</u>	<u>889,296</u>	<u>903,791</u>	<u>908,891</u>	<u>924,457</u>	<u>942,152</u>	<u>1,263,152</u>	<u>1,283,319</u>	<u>1,290,014</u>
26										
27 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>126,306</u>	<u>(117,062)</u>	<u>(54,322)</u>	<u>25,053</u>	<u>20,078</u>	<u>85,304</u>	<u>162,178</u>	<u>(158,012)</u>	<u>(98,276)</u>	<u>(11,321)</u>
28										
29 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:										
30 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	(3,069,000)	0	0	0	0	0	(4,045,500)	0	0	0
31 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0	0	0	0	0	0	0	0
32 TRANSFER OF OIL AND GAS REVENUE TO CAPITAL PROJECTS FUND FOR DEV. REIMB.	0	0	0	0	0	0	0	0	0	0
33 PROCEEDS FROM G.O. BONDS (SCH. 6)	3,300,000	0	0	0	0	0	4,350,000	0	0	0
34 COSTS OF BOND ISSUANCE @ 7%	<u>(231,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(304,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>
35 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
36										
37 FUND BALANCE - JANUARY 1	<u>51,999</u>	<u>178,305</u>	<u>61,243</u>	<u>6,921</u>	<u>31,974</u>	<u>52,053</u>	<u>137,357</u>	<u>299,535</u>	<u>141,523</u>	<u>43,247</u>
38										
39 FUND BALANCE - DECEMBER 31	<u>178,305</u>	<u>61,243</u>	<u>6,921</u>	<u>31,974</u>	<u>52,053</u>	<u>137,357</u>	<u>299,535</u>	<u>141,523</u>	<u>43,247</u>	<u>31,926</u>
40										
41 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>9,250,000</u>	<u>9,100,000</u>	<u>8,940,000</u>	<u>8,775,000</u>	<u>8,595,000</u>	<u>8,405,000</u>	<u>12,555,000</u>	<u>12,285,000</u>	<u>11,995,000</u>	<u>11,700,000</u>
42 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>65.02%</u>	<u>57.78%</u>	<u>51.01%</u>	<u>50.07%</u>	<u>45.12%</u>	<u>40.36%</u>	<u>60.29%</u>	<u>54.98%</u>	<u>49.73%</u>	<u>48.50%</u>

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VISTA COMMONS METROPOLITAN DISTRICT # 4  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND ONLY  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

EXHIBIT IV - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>2047</u>	<u>2048</u>	<u>2049</u>	<u>2050</u>
1 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED (SCHEDULE 5)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>
3 CUMULATIVE HOTEL ROOMS DEVELOPED (SCHEDULE 5)	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
4 ASSESSED VALUATION COMMERCIAL (SCH. 5)	<u>24,122,200</u>	<u>32,770,000</u>	<u>32,770,000</u>	<u>32,770,000</u>	<u>32,770,000</u>	<u>32,770,000</u>	<u>32,770,000</u>	<u>32,770,000</u>	<u>32,770,000</u>	<u>32,770,000</u>	<u>32,770,000</u>
5 ASSESSED VALUATION OIL AND GAS (SCH. 5)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6 MILL LEVY COMMERCIAL	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
7 MILL LEVY OIL AND GAS	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
8											
9 REVENUES:											
10 PROPERTY TAXES (COMMERCIAL @ 50 MILLS)	1,206,110	1,638,500	1,638,500	1,638,500	1,638,500	1,638,500	1,638,500	1,638,500	1,638,500	1,638,500	1,638,500
11 PROPERTY TAXES (OIL AND GAS @ 50 MILLS)	0	0	0	0	0	0	0	0	0	0	0
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	72,367	98,310	98,310	98,310	98,310	98,310	98,310	98,310	98,310	98,310	98,310
13 INTEREST INCOME - OTHER @ 1/2%	160	91	1,819	3,557	3,477	3,405	3,324	3,242	3,169	3,113	3,035
14 TOTAL REVENUES	<u>1,278,636</u>	<u>1,736,901</u>	<u>1,738,629</u>	<u>1,740,367</u>	<u>1,740,287</u>	<u>1,740,215</u>	<u>1,740,134</u>	<u>1,740,052</u>	<u>1,739,979</u>	<u>1,739,923</u>	<u>1,739,845</u>
15											
16 EXPENDITURES:											
17 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	18,092	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578
18 TRANSFER TO VCMD #1	241,222	327,700	327,700	327,700	327,700	327,700	327,700	327,700	327,700	327,700	327,700
19 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 6)	462,300	466,500	464,800	462,500	464,600	465,800	466,100	465,500	464,000	466,600	463,000
20 SERIES 2030 G.O. BONDS DEBT SERVICE (SCH. 6)	239,200	240,000	240,500	240,700	240,600	240,200	239,500	238,500	237,200	240,600	238,400
21 SERIES 2036 G.O. BONDS DEBT SERVICE (SCH. 6)	315,500	316,600	317,400	317,900	318,100	318,000	317,600	316,900	315,900	314,600	318,000
22 SERIES 2042 G.O. BONDS DEBT SERVICE (SCH. 6)	0	0	0	365,000	361,100	362,200	363,000	363,500	363,700	363,600	363,200
23 ALLOWANCE FOR ADMINISTRATION	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
24 BOND PAYING AGENT FEES	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
25 TOTAL EXPENDITURES	<u>1,292,314</u>	<u>1,391,378</u>	<u>1,390,978</u>	<u>1,756,378</u>	<u>1,754,678</u>	<u>1,756,478</u>	<u>1,756,478</u>	<u>1,754,678</u>	<u>1,751,078</u>	<u>1,755,678</u>	<u>1,752,878</u>
26											
27 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(13,677)</u>	<u>345,524</u>	<u>347,651</u>	<u>(16,010)</u>	<u>(14,390)</u>	<u>(16,262)</u>	<u>(16,344)</u>	<u>(14,625)</u>	<u>(11,099)</u>	<u>(15,754)</u>	<u>(13,033)</u>
28											
29 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:											
30 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	(4,650,000)	0	0	0	0	0	0	0	0
31 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0	0	0	0	0	0	0	0	0
32 TRANSFER OF OIL AND GAS REVENUE TO CAPITAL PROJECTS FUND FOR DEV. REIMB.	0	0	0	0	0	0	0	0	0	0	0
33 PROCEEDS FROM G.O. BONDS (SCH. 6)	0	0	5,000,000	0	0	0	0	0	0	0	0
34 COSTS OF BOND ISSUANCE @ 7%	<u>0</u>	<u>0</u>	<u>(350,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
35 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
36											
37 FUND BALANCE - JANUARY 1	<u>31,926</u>	<u>18,249</u>	<u>363,773</u>	<u>711,424</u>	<u>695,414</u>	<u>681,023</u>	<u>664,761</u>	<u>648,417</u>	<u>633,792</u>	<u>622,693</u>	<u>606,939</u>
38											
39 FUND BALANCE - DECEMBER 31	<u>18,249</u>	<u>363,773</u>	<u>711,424</u>	<u>695,414</u>	<u>681,023</u>	<u>664,761</u>	<u>648,417</u>	<u>633,792</u>	<u>622,693</u>	<u>606,939</u>	<u>593,906</u>
40											
41 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>11,385,000</u>	<u>11,045,000</u>	<u>10,685,000</u>	<u>10,305,000</u>	<u>9,900,000</u>	<u>9,470,000</u>	<u>9,015,000</u>	<u>8,535,000</u>	<u>8,030,000</u>	<u>7,490,000</u>	<u>6,920,000</u>
42 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>34.74%</u>	<u>33.70%</u>	<u>32.61%</u>	<u>31.45%</u>	<u>30.21%</u>	<u>28.90%</u>	<u>27.51%</u>	<u>26.05%</u>	<u>24.50%</u>	<u>22.86%</u>	<u>21.12%</u>

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EXHIBIT IV - CASH FLOW FORECAST - DEBT SERVICE FUND ONLY

	<u>2051</u>	<u>2052</u>	<u>TOTALS</u>
1 INCREMENTAL COMMERCIAL SQ. FT. DEVELOPED (SCHEDULE 5)	<u>0</u>	<u>0</u>	<u>560,000</u>
2 CUMULATIVE COMMERCIAL SQ. FT. DEVELOPED	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>
3 CUMULATIVE HOTEL ROOMS DEVELOPED (SCHEDULE 5)	<u>100</u>	<u>100</u>	<u>100</u>
4 ASSESSED VALUATION COMMERCIAL (SCH. 5)	<u>32,770,000</u>	<u>32,770,000</u>	<u>32,770,000</u>
5 ASSESSED VALUATION OIL AND GAS (SCH. 5)	<u>0</u>	<u>0</u>	<u>0</u>
6 MILL LEVY COMMERCIAL	<u>50.00</u>	<u>50.00</u>	
7 MILL LEVY OIL AND GAS	<u>50.00</u>	<u>50.00</u>	
8			
9 REVENUES:			
10 PROPERTY TAXES (COMMERCIAL @ 50 MILLS)	1,638,500	1,638,500	32,537,311
11 PROPERTY TAXES (OIL AND GAS @ 50 MILLS)	0	0	1,928,163
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	98,310	98,310	1,952,239
13 INTEREST INCOME - OTHER @ 1/2%	<u>2,970</u>	<u>2,904</u>	<u>40,716</u>
14 TOTAL REVENUES	<u>1,739,780</u>	<u>1,739,714</u>	<u>36,458,429</u>
15			
16 EXPENDITURES:			
17 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	24,578	24,578	488,060
18 TRANSFER TO VCMD #1	327,700	327,700	6,507,462
19 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 6)	463,500	462,800	12,544,700
20 SERIES 2030 G.O. BONDS DEBT SERVICE (SCH. 6)	240,900	237,800	5,272,600
21 SERIES 2036 G.O. BONDS DEBT SERVICE (SCH. 6)	315,800	318,300	5,068,400
22 SERIES 2042 G.O. BONDS DEBT SERVICE (SCH. 6)	362,500	361,500	3,629,300
23 ALLOWANCE FOR ADMINISTRATION	10,000	10,000	300,000
24 BOND PAYING AGENT FEES	<u>8,000</u>	<u>8,000</u>	<u>150,000</u>
25 TOTAL EXPENDITURES	<u>1,752,978</u>	<u>1,750,678</u>	<u>33,960,522</u>
26			
27 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(13,198)</u>	<u>(10,964)</u>	<u>2,497,907</u>
28			
29 BOND PROCEEDS AND INFRASTRUCTURE REIMBURSEMENTS TO DEVELOPER:			
30 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM NET G.O. BOND PROCEEDS	0	0	(17,716,500)
31 INFRASTRUCTURE REIMBURSEMENT TO DEVELOPER FROM EXCESS CASH	0	0	0
32 TRANSFER OF OIL AND GAS REVENUE TO CAPITAL PROJECTS FUND FOR DEV. REIMB.	0	0	(1,928,163)
33 PROCEEDS FROM G.O. BONDS (SCH. 6)	0	0	19,050,000
34 COSTS OF BOND ISSUANCE @ 7%	<u>0</u>	<u>0</u>	<u>(1,333,500)</u>
35 TOTAL BOND PROCEEDS AND REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE	<u>0</u>	<u>0</u>	<u>(1,928,163)</u>
36			
37 FUND BALANCE - JANUARY 1	<u>593,906</u>	<u>580,708</u>	<u>0</u>
38			
39 FUND BALANCE - DECEMBER 31	<u>580,708</u>	<u>569,744</u>	<u>569,744</u>
40			
41 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>6,315,000</u>	<u>5,675,000</u>	
42 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>19.27%</u>	<u>17.32%</u>	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

SCHEDULE 5 - DEVELOPERS ESTIMATED BUILDOUT  
 AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):																	
Description of Units/Planning Area	Planned Number Sq. Ft.	Average Per Sq. Ft Values (*)	Total Actual Value	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Commercial</b>																	
Retail	285,500	175	49,962,500	0	0	23,100	0	0	71,500	0	0	30,000	0	0	30,000	0	0
Office	274,500	175	48,037,500	0	0	0	0	0	0	35,000	0	0	35,000	0	0	35,000	0
Total Incremental Commercial	560,000	175	98,000,000	0	0	23,100	0	0	71,500	35,000	0	30,000	35,000	0	30,000	35,000	0
Total Cumulative Commercial				0	0	23,100	23,100	23,100	94,600	129,600	129,600	159,600	194,600	194,600	224,600	259,600	259,600
Hotel	100	150,000	15,000,000	0	0	0	0	0	100	0	0	0	0	0	0	0	0
			113,000,000														
SOURCE: Pinnacle Consulting Group, Inc.																	
<b>Estimated Values (Uninflated):</b>																	
Retail				0	0	4,042,500	0	0	12,512,500	0	0	5,250,000	0	0	5,250,000	0	0
Office				0	0	0	0	0	0	6,125,000	0	0	6,125,000	0	0	6,125,000	0
Hotel				0	0	0	0	0	15,000,000	0	0	0	0	0	0	0	0
Estimated Value Of Commercial Buildout - Entire Project (Uninflated)				0	0	4,042,500	0	0	27,512,500	6,125,000	0	5,250,000	6,125,000	0	5,250,000	6,125,000	0
<b>Proj. Assessed Value - Incremental (@29%):</b>																	
Total Incremental Assessed Valuation - All Sources				0	0	1,172,325	0	0	7,978,625	1,776,250	0	1,522,500	1,776,250	0	1,522,500	1,776,250	0
Proj. Assessed Value By Year - Cumulative (Uninflated):				0	0	1,172,325	1,172,325	1,172,325	9,150,950	10,927,200	10,927,200	12,449,700	14,225,950	14,225,950	15,748,450	17,524,700	17,524,700
Year Assessed Valuation Certified To VCMD #4	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
Year Taxes Received By VCMD #4	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034			

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT #4  
FORECASTED BUILDOUT AND ASSESSED VALUATION  
FOR THE YEARS ENDING DECEMBER 31, 2019 THROUGH 2039

SCHEDULE 5 - DEVELOPERS ESTIMATED BUILDOUT  
AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):											
	Planned Number	Average Per Sq. Ft	Total								
Description of Units/Planning Area	Sq. Ft.	Values (*)	Actual Value	2033	2034	2035	2036	2037	2038	2039	TOTALS
<b>Commercial</b>											
Retail	285,500	175	49,962,500	30,000	0	0	30,000	0	0	70,900	285,500
Office	274,500	175	48,037,500	0	35,000	0	0	35,000	0	99,500	274,500
Total Incremental Commercial	560,000	175	98,000,000	30,000	35,000	0	30,000	35,000	0	170,400	560,000
Total Cumulative Commercial				289,600	324,600	324,600	354,600	389,600	389,600	560,000	560,000
Hotel	100	150,000	15,000,000	0	0	0	0	0	0	0	100
			113,000,000								
SOURCE: Pinnacle Consulting Group, Inc.											

Estimated Values (Uninflated):

Retail	5,250,000	0	0	5,250,000	0	0	12,407,500	49,962,500
Office	0	6,125,000	0	0	6,125,000	0	17,412,500	48,037,500
Hotel	0	0	0	0	0	0	0	15,000,000
Estimated Value Of Commercial Buildout - Entire Project (Uninflated)	5,250,000	6,125,000	0	5,250,000	6,125,000	0	29,820,000	113,000,000

Proj. Assessed Value - Incremental (@29%):

Total Incremental Assessed Valuation - All Sources	1,522,500	1,776,250	0	1,522,500	1,776,250	0	8,647,800	32,770,000
Proj. Assessed Value By Year - Cumulative (Uninflated):	19,047,200	20,823,450	20,823,450	22,345,950	24,122,200	24,122,200	32,770,000	32,770,000

Year Assessed Valuation Certified To VCMD #4 2034 2035 2036 2037 2038 2039 2040

Year Taxes Received By VCMD #4 2035 2036 2037 2038 2039 2040 2041

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 4  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

SCHEDULE 6 - GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES														
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
12/01/2025 NON-RATED	5,952,000	448,000	6,400,000	0	0	0	0	0	0	0	464,000	464,200	464,100	463,700
12/01/2030 NON-RATED	3,069,000	231,000	3,300,000	0	0	0	0	0	0	0	0	0	0	0
12/01/2036 NON-RATED	4,045,500	304,500	4,350,000	0	0	0	0	0	0	0	0	0	0	0
12/01/2042 NON-RATED	4,650,000	350,000	5,000,000	0	0	0	0	0	0	0	0	0	0	0
TOTALS	17,716,500	1,333,500	19,050,000	0	0	0	0	0	0	0	464,000	464,200	464,100	463,700

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2025 NON-RATED	NEW \$	PRINCIPAL	0	0	0	0	0	0	0	0	80,000	85,000	90,000	95,000
	30 YR	INTEREST @ 6.0%	0	0	0	0	0	0	0	0	384,000	379,200	374,100	368,700
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	464,000	464,200	464,100	463,700
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	6,400,000	6,320,000	6,235,000	6,145,000	6,050,000
12/01/2030 NON-RATED	NEW \$	PRINCIPAL	0	0	0	0	0	0	0	0	0	0	0	0
	30 YR	INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
12/01/2036 NON-RATED	NEW \$	PRINCIPAL	0	0	0	0	0	0	0	0	0	0	0	0
	30 YR	INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
12/01/2042 NON-RATED	NEW \$	PRINCIPAL	0	0	0	0	0	0	0	0	0	0	0	0
	30 YR	INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,400,000</b>	<b>6,320,000</b>	<b>6,235,000</b>	<b>6,145,000</b>	<b>6,050,000</b>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 4  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

SCHEDULE 6 - GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES														
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE											
				2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
12/01/2025 NON-RATED	5,952,000	448,000	6,400,000	463,000	467,000	465,400	463,500	466,300	463,500	465,400	466,700	467,400	462,500	462,300
12/01/2030 NON-RATED	3,069,000	231,000	3,300,000	0	238,000	240,600	237,900	240,200	242,200	238,900	240,600	242,000	238,100	239,200
12/01/2036 NON-RATED	4,045,500	304,500	4,350,000	0	0	0	0	0	0	0	316,000	317,700	314,100	315,500
12/01/2042 NON-RATED	4,650,000	350,000	5,000,000	0	0	0	0	0	0	0	0	0	0	0
TOTALS	17,716,500	1,333,500	19,050,000	463,000	705,000	706,000	701,400	706,500	705,700	704,300	1,339,300	1,344,800	1,328,800	1,332,500

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2025 NON-RATED	NEW \$ 30 YR	PRINCIPAL	100,000	110,000	115,000	120,000	130,000	135,000	145,000	155,000	165,000	170,000	180,000
		INTEREST @ 6.0%	363,000	357,000	350,400	343,500	336,300	328,500	320,400	311,700	302,400	292,500	282,300
		TOTAL DEBT SERVICE	463,000	467,000	465,400	463,500	466,300	463,500	465,400	466,700	467,400	462,500	462,300
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	5,950,000	5,840,000	5,725,000	5,605,000	5,475,000	5,340,000	5,195,000	5,040,000	4,875,000	4,705,000	4,525,000
12/01/2030 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	40,000	45,000	45,000	50,000	55,000	55,000	60,000	65,000	65,000	70,000
		INTEREST @ 6.0%	0	198,000	195,600	192,900	190,200	187,200	183,900	180,600	177,000	173,100	169,200
		TOTAL DEBT SERVICE	0	238,000	240,600	237,900	240,200	242,200	238,900	240,600	242,000	238,100	239,200
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	3,300,000	3,260,000	3,215,000	3,170,000	3,120,000	3,065,000	3,010,000	2,950,000	2,885,000	2,820,000	2,750,000
12/01/2036 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	0	0	55,000	60,000	60,000	65,000
		INTEREST @ 6.0%	0	0	0	0	0	0	0	261,000	257,700	254,100	250,500
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	316,000	317,700	314,100	315,500
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	4,350,000	4,295,000	4,235,000	4,175,000	4,110,000
12/01/2042 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	0	0	0	0	0	0
		INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0
			9,250,000	9,100,000	8,940,000	8,775,000	8,595,000	8,405,000	12,555,000	12,285,000	11,995,000	11,700,000	11,385,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.



VISTA COMMONS METROPOLITAN DISTRICT # 4  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

SCHEDULE 6 - GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES														
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
12/01/2025 NON-RATED	5,952,000	448,000	6,400,000	466,500	464,800	462,500	464,600	465,800	466,100	465,500	464,000	466,600	463,000	463,500
12/01/2030 NON-RATED	3,069,000	231,000	3,300,000	240,000	240,500	240,700	240,600	240,200	239,500	238,500	237,200	240,600	238,400	240,900
12/01/2036 NON-RATED	4,045,500	304,500	4,350,000	316,600	317,400	317,900	318,100	318,000	317,600	316,900	315,900	314,600	318,000	315,800
12/01/2042 NON-RATED	4,650,000	350,000	5,000,000	0	0	365,000	361,100	362,200	363,000	363,500	363,700	363,600	363,200	362,500
TOTALS	17,716,500	1,333,500	19,050,000	1,339,700	1,340,100	1,704,000	1,702,500	1,704,200	1,703,800	1,701,300	1,696,700	1,700,000	1,700,600	1,698,500

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2025 NON-RATED	NEW \$ 30 YR	PRINCIPAL	195,000	205,000	215,000	230,000	245,000	260,000	275,000	290,000	310,000	325,000	345,000
		INTEREST @ 6.0%	271,500	259,800	247,500	234,600	220,800	206,100	190,500	174,000	156,600	138,000	118,500
		TOTAL DEBT SERVICE	466,500	464,800	462,500	464,600	465,800	466,100	465,500	464,000	466,600	463,000	463,500
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	4,330,000	4,125,000	3,910,000	3,680,000	3,435,000	3,175,000	2,900,000	2,610,000	2,300,000	1,975,000	1,630,000
12/01/2030 NON-RATED	NEW \$ 30 YR	PRINCIPAL	75,000	80,000	85,000	90,000	95,000	100,000	105,000	110,000	120,000	125,000	135,000
		INTEREST @ 6.0%	165,000	160,500	155,700	150,600	145,200	139,500	133,500	127,200	120,600	113,400	105,900
		TOTAL DEBT SERVICE	240,000	240,500	240,700	240,600	240,200	239,500	238,500	237,200	240,600	238,400	240,900
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	2,675,000	2,595,000	2,510,000	2,420,000	2,325,000	2,225,000	2,120,000	2,010,000	1,890,000	1,765,000	1,630,000
12/01/2036 NON-RATED	NEW \$ 30 YR	PRINCIPAL	70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000	110,000	120,000	125,000
		INTEREST @ 6.0%	246,600	242,400	237,900	233,100	228,000	222,600	216,900	210,900	204,600	198,000	190,800
		TOTAL DEBT SERVICE	316,600	317,400	317,900	318,100	318,000	317,600	316,900	315,900	314,600	318,000	315,800
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	4,040,000	3,965,000	3,885,000	3,800,000	3,710,000	3,615,000	3,515,000	3,410,000	3,300,000	3,180,000	3,055,000
12/01/2042 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	65,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000
		INTEREST @ 6.0%	0	0	300,000	296,100	292,200	288,000	283,500	278,700	273,600	268,200	262,500
		TOTAL DEBT SERVICE	0	0	365,000	361,100	362,200	363,000	363,500	363,700	363,600	363,200	362,500
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	5,000,000	4,935,000	4,870,000	4,800,000	4,725,000	4,645,000	4,560,000	4,470,000	4,375,000	4,275,000
			11,045,000	10,685,000	10,305,000	9,900,000	9,470,000	9,015,000	8,535,000	8,030,000	7,490,000	6,920,000	6,315,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT # 4  
CASH FLOW FORECAST - BUDGETARY BASIS  
DEBT SERVICE FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 - 2052

SCHEDULE 6 - GENERAL OBLIGATION BOND ISSUES  
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES					
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	2052	TOTALS
12/01/2025 NON-RATED	5,952,000	448,000	6,400,000	462,800	12,544,700
12/01/2030 NON-RATED	3,069,000	231,000	3,300,000	237,800	5,272,600
12/01/2036 NON-RATED	4,045,500	304,500	4,350,000	318,300	5,068,400
12/01/2042 NON-RATED	4,650,000	350,000	5,000,000	361,500	3,629,300
<b>TOTALS</b>	<b>17,716,500</b>	<b>1,333,500</b>	<b>19,050,000</b>	<b>1,698,700</b>	<b>31,583,400</b>

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2025 NON-RATED	NEW \$ 30 YR	PRINCIPAL	365,000	5,135,000
		INTEREST @ 6.0%	97,800	7,409,700
		TOTAL DEBT SERVICE	462,800	12,544,700
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	1,265,000	1,265,000
12/01/2030 NON-RATED	NEW \$ 30 YR	PRINCIPAL	140,000	1,810,000
		INTEREST @ 6.0%	97,800	3,462,600
		TOTAL DEBT SERVICE	237,800	5,272,600
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	1,490,000	1,490,000
12/01/2036 NON-RATED	NEW \$ 30 YR	PRINCIPAL	135,000	1,430,000
		INTEREST @ 6.0%	183,300	3,638,400
		TOTAL DEBT SERVICE	318,300	5,068,400
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	2,920,000	2,920,000
12/01/2042 NON-RATED	NEW \$ 30 YR	PRINCIPAL	105,000	830,000
		INTEREST @ 6.0%	256,500	2,799,300
		TOTAL DEBT SERVICE	361,500	3,629,300
		TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	4,170,000	4,170,000
			5,675,000	5,675,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

SCHEDULE 7 - ESTIMATED OIL & GAS REVENUE  
 AND ASSESSED VALUATION FROM BUILDOUT

GENERATED FROM EXISTING WELLS

	2019	2020	2021	2022	2023	2024	TOTALS
<b>Estimated Actual Value Of Oil and Gas - Entire Project (Uninflated)</b>							
District #4	<u>0</u>	<u>20,790,144</u>	<u>9,603,881</u>	<u>6,369,934</u>	<u>4,820,336</u>	<u>2,488,001</u>	<u>44,072,295</u>
<b>Proj. Assessed Value - Incremental (87.5%):</b>							
District #4	<u>0</u>	<u>18,191,376</u>	<u>8,403,396</u>	<u>5,573,692</u>	<u>4,217,794</u>	<u>2,177,001</u>	<u>38,563,258</u>
<b>Year Assessed Valuation Certified To VCMD #4</b>	2020	2021	2022	2023	2024	2025	
<b>Year Taxes Received By VCMD #4</b>	2021	2022	2023	2024	2025	2026	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT #2 - #4  
CASH FLOW FORECAST - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 THROUGH 2042

DRAFT DATED 7/9/2019  
SUBJECT TO CHANGE & REVISION

EXHIBIT V - CAPITAL PROJECTS FUND		TOTALS	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	2019	2020	2021	2022
CAPITAL EXPENDITURES (PINACLE CONSULTING GROUP, INC):										
1										
2										
3	GRADING AND EARTHWORK	2,187,194	48,128	643,036	407,217	1,088,813	691,165	0	54,441	407,217
4	WATER SYSTEM	3,117,732	0	1,377,010	591,784	1,148,938	0	459,003	459,003	524,757
5	NON POTABLE WATER	4,213,525	0	1,627,817	1,101,652	1,484,057	0	542,606	542,606	665,011
6	SANITARY SEWER	1,581,675	0	1,012,305	173,235	396,135	506,153	506,153	199,755	173,235
7	STORM DRAINAGE	1,834,535	48,960	646,345	257,350	881,880	122,120	191,062	191,062	274,647
8	STREET IMPROVEMENTS	13,804,731	5,250	4,632,344	2,396,475	6,770,662	5,250	0	2,316,172	2,316,172
9	LANDSCAPING	4,762,123	445,682	1,672,771	1,260,077	1,383,593	222,841	222,841	836,385	836,385
10	OFFSITE AND OTHER UTILITIES	3,859,650	0	1,486,333	949,783	1,423,533	0	0	493,510	1,034,833
11	PARK AND RECREATION AMENITIES	4,000,000	0	166,667	1,666,667	2,166,667	0	0	0	166,667
12	SITE IMPROVEMENTS	2,152,184	0	132,800	727,704	1,291,680	0	0	130,984	211,941
13										
14	DIRECT CONSTRUCTION COSTS SUBTOTAL	<u>41,513,349</u>	<u>548,020</u>	<u>13,397,427</u>	<u>9,531,944</u>	<u>18,035,957</u>	<u>1,547,528</u>	<u>1,921,664</u>	<u>5,223,917</u>	<u>6,610,866</u>
15	ENGINEERING DESIGN AND ADMIN (7%)	<u>2,905,934</u>	<u>38,361</u>	<u>937,820</u>	<u>667,236</u>	<u>1,262,517</u>	<u>108,327</u>	<u>134,516</u>	<u>365,674</u>	<u>462,761</u>
16	CONSTRUCTION MANAGEMENT AND ADMIN (8%)	<u>3,321,068</u>	<u>43,842</u>	<u>1,071,794</u>	<u>762,556</u>	<u>1,442,877</u>	<u>123,802</u>	<u>153,733</u>	<u>417,913</u>	<u>528,869</u>
17	GEOTECH ENGINEER/MATERIALS TESTING (3%)	<u>1,245,400</u>	<u>16,441</u>	<u>401,923</u>	<u>285,958</u>	<u>541,079</u>	<u>46,426</u>	<u>57,650</u>	<u>156,718</u>	<u>198,326</u>
18	CONSTRUCTION CONTINGENCY (10%)	<u>4,151,335</u>	<u>54,802</u>	<u>1,339,743</u>	<u>953,194</u>	<u>1,803,596</u>	<u>154,753</u>	<u>192,166</u>	<u>522,392</u>	<u>661,087</u>
19	TOTAL CAPITAL IMPROVEMENTS	<u>53,137,086</u>	<u>701,466</u>	<u>17,148,707</u>	<u>12,200,888</u>	<u>23,086,025</u>	<u>1,980,836</u>	<u>2,459,730</u>	<u>6,686,614</u>	<u>8,461,908</u>
20										
21	CAPITAL EXPENDITURE FUNDING SOURCES:	TOTALS	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	2019	2020	2021	2022
22	DEVELOPER CAPITAL LOANS	53,137,086	701,466	17,148,707	12,200,888	23,086,025	1,980,836	2,459,730	6,686,614	8,461,908
23	REPAYMENT OF DEVELOPER CAPITAL LOANS	(31,037,163)	0	(4,510,500)	(6,882,000)	(19,644,663)	0	0	0	(909,569)
24	NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 2	4,510,500		4,510,500			0	0	0	0
25	NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 3	6,882,000			6,882,000		0	0	0	0
26	OIL AND GAS REVENUE TRANSFERRED FROM DIST. 4	1,928,163				1,928,163	0	0	0	909,569
27	NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 4	<u>17,716,500</u>				<u>17,716,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
28	TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	<u>59,352,972</u>					<u>1,980,836</u>	<u>2,459,730</u>	<u>6,686,614</u>	<u>8,461,908</u>
29										
30	CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING	<u>22,099,924</u>	<u>701,466</u>	<u>12,638,207</u>	<u>5,318,888</u>	<u>3,441,362</u>	<u>1,980,836</u>	<u>4,440,566</u>	<u>11,127,180</u>	<u>18,679,520</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT #2 - #4  
CASH FLOW FORECAST - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 THROUGH 2042

EXHIBIT V - CAPITAL PROJECTS FUND		2023	2024	2025	2026	2027	2028	2029	2030	2031
CAPITAL EXPENDITURES (PINACLE CONSULTING GROUP, INC):										
1										
2										
3	GRADING AND EARTHWORK	0	0	0	1,034,372	0	0	0	0	0
4	WATER SYSTEM	65,754	65,754	65,754	154,134	154,134	154,134	154,134	154,134	88,380
5	NON POTABLE WATER	122,406	122,406	122,406	236,564	236,564	236,564	236,564	236,564	114,158
6	SANITARY SEWER	0	0	0	196,380	0	0	0	0	0
7	STORM DRAINAGE	21,721	21,721	21,721	167,516	83,061	83,061	83,061	83,061	61,340
8	STREET IMPROVEMENTS	0	342,354	342,354	342,354	342,354	957,868	957,868	957,868	615,515
9	LANDSCAPING	0	0	0	252,015	252,015	752,015	252,015	252,015	0
10	OFFSITE AND OTHER UTILITIES	0	0	0	656,623	73,290	73,290	73,290	73,290	0
11	PARK AND RECREATION AMENITIES	750,000	750,000	0	166,667	0	0	0	0	666,667
12	SITE IMPROVEMENTS	145,541	145,541	145,541	239,933	94,392	94,392	94,392	94,392	94,392
13										
14	DIRECT CONSTRUCTION COSTS SUBTOTAL	<u>1,105,421</u>	<u>1,447,775</u>	<u>697,775</u>	<u>3,446,557</u>	<u>1,235,810</u>	<u>2,351,324</u>	<u>1,851,324</u>	<u>1,851,324</u>	<u>1,640,452</u>
15	ENGINEERING DESIGN AND ADMIN (7%)	<u>77,379</u>	<u>101,344</u>	<u>48,844</u>	<u>241,259</u>	<u>86,507</u>	<u>164,593</u>	<u>129,593</u>	<u>129,593</u>	<u>114,832</u>
16	CONSTRUCTION MANAGEMENT AND ADMIN (8%)	<u>88,434</u>	<u>115,822</u>	<u>55,822</u>	<u>275,725</u>	<u>98,865</u>	<u>188,106</u>	<u>148,106</u>	<u>148,106</u>	<u>131,236</u>
17	GEOTECH ENGINEER/MATERIALS TESTING (3%)	<u>33,163</u>	<u>43,433</u>	<u>20,933</u>	<u>103,397</u>	<u>37,074</u>	<u>70,540</u>	<u>55,540</u>	<u>55,540</u>	<u>49,214</u>
18	CONSTRUCTION CONTINGENCY (10%)	<u>110,542</u>	<u>144,777</u>	<u>69,777</u>	<u>344,656</u>	<u>123,581</u>	<u>235,132</u>	<u>185,132</u>	<u>185,132</u>	<u>164,045</u>
19	TOTAL CAPITAL IMPROVEMENTS	<u>1,414,939</u>	<u>1,853,151</u>	<u>893,151</u>	<u>4,411,593</u>	<u>1,581,836</u>	<u>3,009,695</u>	<u>2,369,695</u>	<u>2,369,695</u>	<u>2,099,778</u>
20										
21	CAPITAL EXPENDITURE FUNDING SOURCES:	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>
22	DEVELOPER CAPITAL LOANS	1,414,939	1,853,151	893,151	4,411,593	1,581,836	3,009,695	2,369,695	2,369,695	2,099,778
23	REPAYMENT OF DEVELOPER CAPITAL LOANS	(2,931,170)	(2,324,685)	(6,162,890)	(1,038,850)	0	0	(4,045,500)	(3,069,000)	0
24	NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 2	2,511,000	0	0	930,000	0	0	1,069,500	0	0
25	NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 3	0	2,046,000	0	0	0	0	2,976,000	0	0
26	OIL AND GAS REVENUE TRANSFERRED FROM DIST. 4	420,170	278,685	210,890	108,850	0	0	0	0	0
27	NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 4	0	0	<u>5,952,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,069,000</u>	<u>0</u>
28	TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	<u>1,414,939</u>	<u>1,853,151</u>	<u>893,151</u>	<u>4,411,593</u>	<u>1,581,836</u>	<u>3,009,695</u>	<u>2,369,695</u>	<u>2,369,695</u>	<u>2,099,778</u>
29										
30	CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING	<u>17,163,289</u>	<u>16,691,756</u>	<u>11,422,018</u>	<u>14,794,761</u>	<u>16,376,597</u>	<u>19,386,292</u>	<u>17,710,488</u>	<u>17,011,183</u>	<u>19,110,961</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT #2 - #4  
CASH FLOW FORECAST - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 THROUGH 2042

EXHIBIT V - CAPITAL PROJECTS FUND									
CAPITAL EXPENDITURES (PINACLE CONSULTING GROUP, INC):									
	2032	2033	2034	2035	2036	2037	2038	2039	2040
GRADING AND EARTHWORK	0	0	0	0	0	0	0	0	0
WATER SYSTEM	88,380	88,380	88,380	88,380	88,380	88,380	88,380	88,380	88,380
NON POTABLE WATER	114,158	114,158	114,158	114,158	114,158	114,158	114,158	114,158	114,158
SANITARY SEWER	0	0	0	0	0	0	0	0	0
STORM DRAINAGE	61,340	61,340	61,340	61,340	61,340	61,340	61,340	61,340	61,340
STREET IMPROVEMENTS	615,515	615,515	615,515	615,515	615,515	615,515	615,515	615,515	615,515
LANDSCAPING	126,228	126,228	126,228	126,228	126,228	126,228	126,228	126,228	126,228
OFFSITE AND OTHER UTILITIES	697,360	114,027	114,027	114,027	114,027	114,027	114,027	114,027	114,027
PARK AND RECREATION AMENITIES	833,333	666,667	0	0	0	0	0	0	0
SITE IMPROVEMENTS	94,392	94,392	94,392	94,392	94,392	94,392	94,392	94,392	94,392
DIRECT CONSTRUCTION COSTS SUBTOTAL	<u>2,630,707</u>	<u>1,880,707</u>	<u>1,214,040</u>	<u>1,214,040</u>	<u>1,214,040</u>	<u>1,214,040</u>	<u>1,214,040</u>	<u>1,214,040</u>	<u>1,214,040</u>
ENGINEERING DESIGN AND ADMIN (7%)	<u>184,149</u>	<u>131,649</u>	<u>84,983</u>	<u>84,983</u>	<u>84,983</u>	<u>84,983</u>	<u>84,983</u>	<u>84,983</u>	<u>84,983</u>
CONSTRUCTION MANAGEMENT AND ADMIN (8%)	<u>210,457</u>	<u>150,457</u>	<u>97,123</u>	<u>97,123</u>	<u>97,123</u>	<u>97,123</u>	<u>97,123</u>	<u>97,123</u>	<u>97,123</u>
GEOTECH ENGINEER/MATERIALS TESTING (3%)	<u>78,921</u>	<u>56,421</u>	<u>36,421</u>	<u>36,421</u>	<u>36,421</u>	<u>36,421</u>	<u>36,421</u>	<u>36,421</u>	<u>36,421</u>
CONSTRUCTION CONTINGENCY (10%)	<u>263,071</u>	<u>188,071</u>	<u>121,404</u>	<u>121,404</u>	<u>121,404</u>	<u>121,404</u>	<u>121,404</u>	<u>121,404</u>	<u>121,404</u>
TOTAL CAPITAL IMPROVEMENTS	<u>3,367,304</u>	<u>2,407,304</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>
CAPITAL EXPENDITURE FUNDING SOURCES:	2032	2033	2034	2035	2036	2037	2038	2039	2040
DEVELOPER CAPITAL LOANS	3,367,304	2,407,304	1,553,971	1,553,971	1,553,971	1,553,971	1,553,971	1,553,971	1,553,971
REPAYMENT OF DEVELOPER CAPITAL LOANS	0	0	0	(1,860,000)	(4,045,500)	0	0	0	0
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 2	0	0	0	0	0	0	0	0	0
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 3	0	0	0	1,860,000	0	0	0	0	0
OIL AND GAS REVENUE TRANSFERRED FROM DIST. 4	0	0	0	0	0	0	0	0	0
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 4	0	0	0	0	4,045,500	0	0	0	0
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	<u>3,367,304</u>	<u>2,407,304</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>	<u>1,553,971</u>
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING	<u>22,478,265</u>	<u>24,885,570</u>	<u>26,439,541</u>	<u>26,133,512</u>	<u>23,641,983</u>	<u>25,195,954</u>	<u>26,749,925</u>	<u>28,303,896</u>	<u>29,857,867</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

VISTA COMMONS METROPOLITAN DISTRICT #2 - #4  
CASH FLOW FORECAST - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE YEARS ENDING DECEMBER 31, 2019 THROUGH 2042

EXHIBIT V - CAPITAL PROJECTS FUND		2041	2042	TOTALS
1	CAPITAL EXPENDITURES (PINACLE CONSULTING GROUP, INC):			
2				
3	GRADING AND EARTHWORK	0	0	2,187,194
4	WATER SYSTEM	88,380	88,380	3,471,252
5	NON POTABLE WATER	114,158	114,158	4,670,158
6	SANITARY SEWER	0	0	1,581,675
7	STORM DRAINAGE	61,340	61,340	2,079,897
8	STREET IMPROVEMENTS	615,515	615,515	16,266,790
9	LANDSCAPING	126,228	126,228	5,267,033
10	OFFSITE AND OTHER UTILITIES	114,027	114,027	4,315,759
11	PARK AND RECREATION AMENITIES	0	0	4,000,000
12	SITE IMPROVEMENTS	94,392	94,392	2,529,752
13				
14	DIRECT CONSTRUCTION COSTS SUBTOTAL	<u>1,214,040</u>	<u>1,214,040</u>	<u>46,369,509</u>
15	ENGINEERING DESIGN AND ADMIN (7%)	<u>84,983</u>	<u>84,983</u>	<u>3,245,866</u>
16	CONSTRUCTION MANAGEMENT AND ADMIN (8%)	<u>97,123</u>	<u>97,123</u>	<u>3,709,561</u>
17	GEOTECH ENGINEER/MATERIALS TESTING (3%)	<u>36,421</u>	<u>36,421</u>	<u>1,391,085</u>
18	CONSTRUCTION CONTINGENCY (10%)	<u>121,404</u>	<u>121,404</u>	<u>4,636,951</u>
19	TOTAL CAPITAL IMPROVEMENTS	<u>1,553,971</u>	<u>1,553,971</u>	<u>59,352,972</u>
20				
21	CAPITAL EXPENDITURE FUNDING SOURCES:	<u>2041</u>	<u>2042</u>	
22	DEVELOPER CAPITAL LOANS	1,553,971	1,553,971	59,352,972
23	REPAYMENT OF DEVELOPER CAPITAL LOANS	0	(4,650,000)	(31,037,163)
24	NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 2	0	0	4,510,500
25	NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 3	0	0	6,882,000
26	OIL AND GAS REVENUE TRANSFERRED FROM DIST. 4	0	0	1,928,163
27	NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 4	0	<u>4,650,000</u>	<u>17,716,500</u>
28	TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	<u>1,553,971</u>	<u>1,553,971</u>	<u>59,352,972</u>
29				
30	CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING	<u>31,411,838</u>	<u>28,315,809</u>	<u>28,315,809</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

**EXHIBIT G**

SERVICE PLAN FOR VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4

Disclosure Notice



# **Vista Commons Metropolitan District Nos. 1-4 – DRAFT ONLY**

(In the Town of Johnstown, Weld County, Colorado)

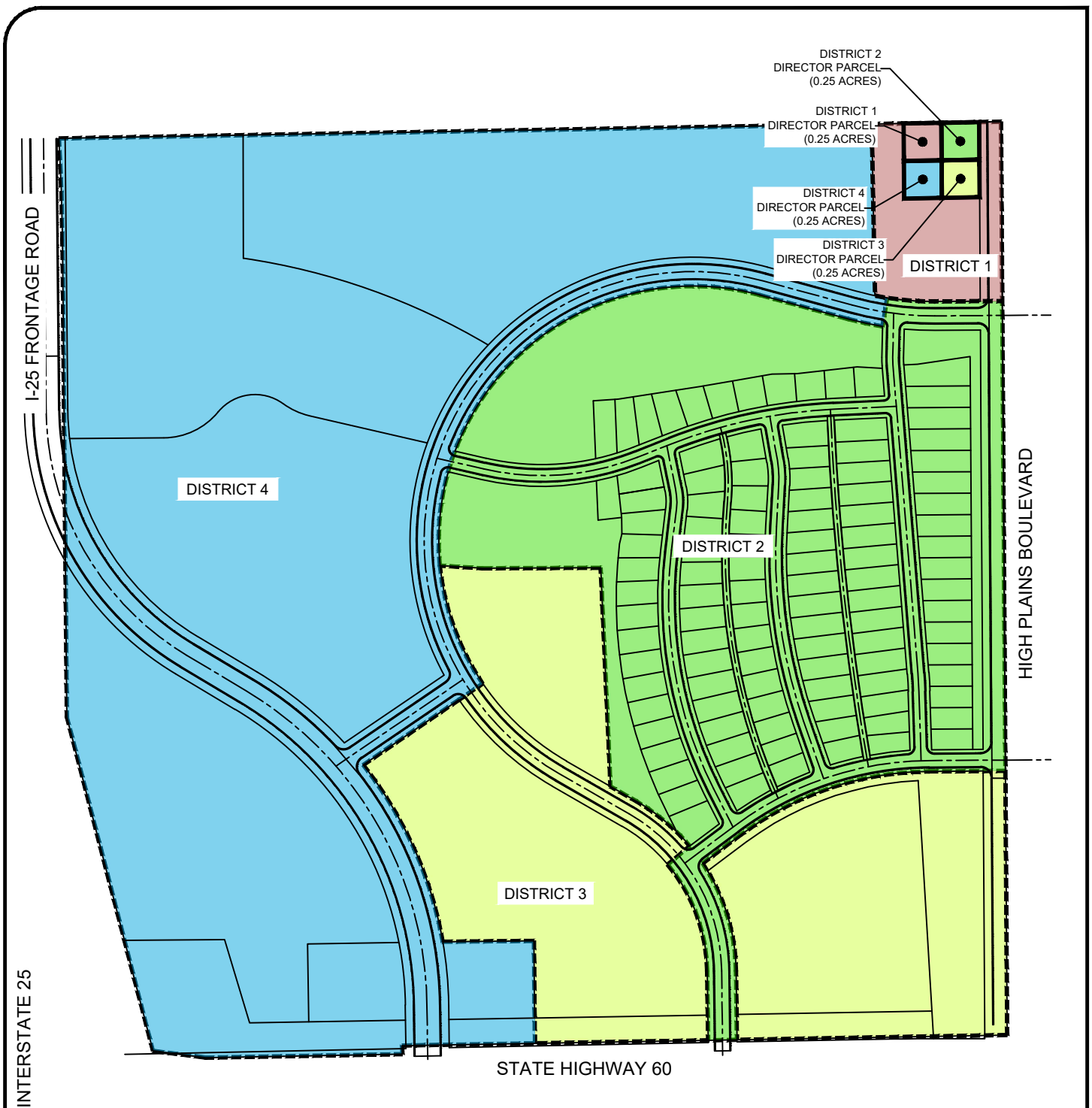
## **SPECIAL DISTRICT PUBLIC DISCLOSURE**

Pursuant to § 32-1-104.8 C.R.S.

Name of the Districts:	Vista Commons Metropolitan District Nos. 1-4 (“Districts”)
Contact Information for the Districts:	Vista Commons Metropolitan District Nos. 1-4 Attn: District Manager c/o Pinnacle Consulting Group, Inc. 550 W. Eisenhower Blvd. Loveland, Colorado 80537 Phone: 970-669-3611
Powers of the Districts:	All powers authorized in § 32-1-1004, C.R.S., including, but not limited to, fire protection, mosquito control, parks or recreational facilities or programs, traffic and safety controls, sanitation services, street improvements, television relay and translator facilities, transportation, water services, and solid waste disposal, subject to the limitations contained in the Districts’ Service Plan.
Service Plan:	The Districts’ Service Plan, which can be amended from time to time, includes a description of the Districts’ powers and authority. A copy of the Districts’ Service Plan is available from the Districts and from the Division of Local Government.
Financial Powers of the Districts:	Vista Commons Metropolitan District Nos. 1-4 are authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections and current taxes are provided annually in the Notice to Electors described § 32-1-809(1), C.R.S., which can be found at the Districts office, on the Districts’ web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the clerk and recorder of each county in which the special district is located.
Districts Boundaries:	A map of the Districts’ boundaries is attached hereto as Exhibit A. Please note that the Districts’ boundaries may change from time to time. Please contact the Districts for the latest information.
Districts Taxes and Fees:	The Districts have authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The Districts have the authority to issue debt and, in order to pay debt and for operations and maintenance costs, the Districts will impose a Debt Mill Levy and an Operations and Maintenance Mill Levy, and collect property taxes on properties within the District. The Districts may also establish a one-time Development Fee that may be imposed on a per-unit basis for residential property or a per-square foot basis for non-residential property, and may impose other fees and charges. The Service Plan establishes a Maximum Residential Debt Mill Levy, a Maximum

	<p>Commercial Debt Mill Levy, and a maximum Operations and Maintenance Mill Levy. The Districts have the authority to exceed these mill levy caps as provided in the Service Plan. The Districts' taxes are in addition to other property taxes imposed and collected by other governments such as the Town of Johnstown, Weld County and other jurisdictions. Below are samples of potential property taxes of the Districts, based on assumed mill levies; actual mill levies and property taxes in any year may be higher or lower.</p>	
<p><u>Sample Calculation of Mill Levy Cap for a Residential Property:</u></p> <p><b>Assumptions:</b> Market value is \$400,000 Mill levy cap is 50 mills</p> <p><b>Calculation:</b> <math>\\$400,000 \times .0720 = \\$28,800</math> (Assessed Valuation) <math>\\$28,800 \times .050 \text{ mills} = \textbf{\\$1,440 per year in taxes owed solely to the Districts}</math></p>	<p><u>Sample Calculation of Mill Levy Cap for a Commercial, Office or Industrial Property:</u></p> <p><b>Assumptions:</b> Market value is \$750,000 Mill levy cap is 60 mills</p> <p><b>Calculation:</b> <math>\\$750,000 \times .29 = \\$217,500</math> (Assessed Valuation) <math>\\$217,500 \times .060 \text{ mills} = \textbf{\\$13,050 per year in taxes owed solely to the Districts}</math></p>	

**Exhibit A**  
District Boundary Map



- DISTRICT 1 (3.265 ACRES)
- DISTRICT 2 (42.218 ACRES)
- DISTRICT 3 (29.134 ACRES)
- DISTRICT 4 (74.382 ACRES)

OCTOBER 4, 2019

## EXHIBIT A DISTRICT BOUNDARIES

## VISTA COMMONS METROPOLITAN DISTRICT



2204 HOFFMAN DRIVE  
LOVELAND, COLORADO 80538  
(970) 278-0029

SERVICE PLAN FOR VISTA COMMONS METROPOLITAN DISTRICT NOS. 1-4

Part I - Developer Indemnity Letter

October 23, 2019

Town of Johnstown  
450 S. Parish Avenue  
Johnstown, CO 80534

**RE: Vista Commons Metropolitan District Nos. 1-4**

To the Town Council:

This Indemnification Letter (the "Letter") is delivered by the undersigned (the "Developer") in connection with the review by the Town of Johnstown (the "Town") of the Service Plan, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the Vista Commons Metropolitan District Nos. 1-4 (the "Districts"). Developer, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the Town as follows:

1. Developer hereby waives and releases any present or future claims it might have against the Town or the Town's elected or appointed officers, employees, agents, contractors or insurers (the "Released Persons") in any manner related to or connected with the adoption of a Resolution of Approval regarding the Town's approval of the Districts' Service Plan or any action or omission with respect thereto. Developer further hereby agrees to indemnify and hold harmless the Released Persons from and against any and all liabilities costs and expenses (including reasonable attorneys' fees and expenses and court costs) resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any property owner or other person or third party which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the Districts; or (c) any actions or omissions of the Developer or the Districts, or their agents, in connection with the Districts, including, without limitation, any actions or omissions of the Developer or Districts, or their agents, in relation to any bonds or other financial obligations of the Districts or any offering documents or other disclosures made in connection therewith.

2. This Letter has been duly authorized and executed on behalf of Developer.

Very truly yours,

VISTA AG PROPERTIES, LLC

By: Sean L. Jewell

Title: Owner

**AGENDA ITEM 10B**

**Resolution 2019-33**

## **TOWN COUNCIL AGENDA COMMUNICATION**

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**AGENDA DATE:** December 16, 2019

**ITEM NUMBER:** 10B

**SUBJECT:** Financial Policies

**ACTION PROPOSED:** Approve the Proposed Financial Policies as Presented

**ATTACHMENTS:** 1. Comprehensive Financial Management Policies

**PRESENTED BY:** Mitzi McCoy, Finance Director

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### **AGENDA ITEM DESCRIPTION:**

The goal of formally adopting financial management policies is to provide sound guidelines to ensure long-term financial stability and contribute to the overall financial strength of the Town of Johnstown. Financial policies provide written guidance for officials and staff, more specifically, they provide clarity, consistency, stability and continuity in financial operations while also serving as a framework to educate stakeholders. The ability to rely on well-defined financial policies is helpful in both avoiding and resolving conflicts, and having defined boundaries allow staff to innovate in order to realize the strategic intent.

Currently, there are no existing comprehensive financial policies for the Town, but there is an Investment Policy and a Purchasing Policy that were adopted in 2004 and 2018 respectively. The proposed Comprehensive Financial Management Policies will effectively replace those documents in their entirety as well as expand on other areas that neither of those policies address.

The policies that are being presented to you this evening for your consideration are the same as the ones presented to you on December 2, 2019, with the exception of one change. The change that was made is under the Operating Policies section, Publication of Financial Information. In this section, the wording was changed from: “The Town will publish the list of bills, and rebates allowed within twenty (20) days of the adjournment of each regular or special meeting.” to “The Town will publish the list of bills on the Town’s website within twenty (20) days of the adjournment of each regular or special meeting.”

The policies that are being presented for consideration have been written and organized to reflect GFOA best practices and include the necessary verbiage for federal grant programs.

### **LEGAL ADVICE:**

The resolution was prepared by the Town Attorney

### **FINANCIAL ADVICE:**

These policies will serve as guidance to all of the Town’s financial activities.

### **RECOMMENDED ACTION:**

---

## **SUGGESTED MOTIONS:**

### **For Approval:**

I move to approve resolution 2019-33, A Resolution Adopting the Town of Johnstown Comprehensive Financial Management Policies; Superseding Resolution No. 2017-10 to the Extent of a Conflict; Superseding and Replacing Resolution No. 2018-23 and Resolution No. 2004-32.

### **For Denial:**

I move that we deny resolution 2019-33, A Resolution Adopting the Town of Johnstown Comprehensive Financial Management Policies; Superseding Resolution No. 2017-10 to the Extent of a Conflict; Superseding and Replacing Resolution No. 2018-23 and Resolution No. 2004-32.

### **Reviewed and Approved for Presentation:**

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Town Manager



**TOWN OF JOHNSTOWN, COLORADO  
RESOLUTION NO. 2019-33**

**A RESOLUTION ADOPTING TOWN OF JOHNSTOWN COMPREHENSIVE  
FINANCIAL MANAGEMENT POLICIES; SUPERSEDING RESOLUTION NO.  
2017-10 TO THE EXTENT OF A CONFLICT; SUPERSEDING AND  
REPLACING RESOLUTION NO. 2018-23 AND RESOLUTION NO. 2004-32**

**WHEREAS**, the Town of Johnstown, Colorado (the “Town”) is a Colorado home rule municipality, duly organized and existing under the laws of the State of Colorado and the Town’s Home Rule Charter; and

**WHEREAS**, Town Council is vested with authority to administer the affairs of the Town; and

**WHEREAS**, on December 2, 2019, the Town’s Finance Director presented a proposed financial management policy to Town Council and recommended that Town Council adopt the policy; and

**WHEREAS**, among numerous other provisions regarding financial management, the proposed policy contains provisions regarding the Town Manager’s authority to execute contracts, Town staff’s purchasing authority and the Town’s investment policies; and

**WHEREAS**, by Resolution No. 2017-10, Town Council delegated authority to the Town Manager to execute certain contracts; and

**WHEREAS**, by Resolution No. 2018-23, Town Council adopted the Town of Johnstown Purchasing & Surplus Policy; and

**WHEREAS**, by Resolution No. 2004-32, Town Council adopted the Town of Johnstown Investment Policy; and

**WHEREAS**, after review and discussion and based on the recommendation of the Finance Director, Town Council desires to adopt the proposed financial management policy and desires that such policy supersede and replace the authority granted to the Town Manager to execute contracts to the extent of a conflict and supersede and replace the Town of Johnstown Purchasing & Surplus Policy and Investment Policy; and

**WHEREAS**, Town Council finds that this Resolution is in the best interest of the Town.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO, THAT:**

**Section 1:** The Town of Johnstown Comprehensive Financial Management Policies, attached as Exhibit A, is hereby approved and adopted for the Town of Johnstown.

**Section 2:** Resolution No. 2017-10 is hereby superseded and replaced by this Resolution, but only to the extent of conflict.

**Section 3:** Resolution Nos. 2018-23 and 2004-32 are hereby superseded and replaced by this Resolution.

**Section 4:** All other Resolutions, or parts thereof, in conflict with this Resolution are hereby repealed, except that such repealer shall not repeal the repealer clauses of such Resolutions nor revive any Resolution thereby.

**Section 5:** This Resolution shall be effective as of the date of its adoption.

PASSED, SIGNED, APPROVED, AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2019.

**TOWN OF JOHNSTOWN, COLORADO**

**ATTEST:**

By: \_\_\_\_\_  
Diana Seele, Town Clerk

By: \_\_\_\_\_  
Gary Lebsack, Mayor

# Town of Johnstown Comprehensive Financial Management Policies

December 2019

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## **Introduction**

The Comprehensive Financial Management Policy for the Town of Johnstown assembles all of the Town's financial policies in one document. Financial policies are central to a strategic approach to financial management and are intended to serve as guidelines to achieve and maintain the Town's goals and objectives, both immediate and long-term. The individual policies contained herein are meant to serve as guidelines for both the financial planning and internal financial management of the Town.

The Town of Johnstown is an accountable to its citizens for the use of public dollars. Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. These policies are intended to provide not only an overview, but also guidance and structure for the various financial functions of the Town. These policies have been based on best practice and industry standard as recommended by the Government Finance Officers Association (GFOA).

The Town's Financial Policies shall be adopted by resolution of the Town Council. The policies shall be reviewed annually by management and any modifications made thereto must also be approved by resolution of the Town Council.

## **Objectives**

In order to achieve its purpose, the Comprehensive Financial Management Policy has the following objectives for the Town's fiscal performance:

1. To guide Town Council and management policy decisions that have significant fiscal impact.
2. To set forth operating principles that minimize the cost of government and financial risk.
3. To employ balanced and fair revenue policies that provide adequate funding for desired programs.
4. To maintain appropriate financial capacity for present and future needs.
5. To promote sound financial management by providing accurate and timely information on the Town's financial condition.
6. To protect the Town's credit rating and provide for adequate resources to meet the provisions of the Town's debt obligations on all municipal debt.
7. To ensure the legal use of financial resources through an effective system of internal controls.
8. To promote cooperation and coordination with other governments and the private sector in the financing and delivery of services.

# Budget Policies

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## Introduction

The formulation of the annual operating budget, including the publication of the budget document is one of the most important financial activities that the Town of Johnstown undertakes each year. The budget process provides a comprehensive plan to deliver efficient services to residents and stakeholders of the Town and translates into financial terms the programs and priorities of the Town. The guidelines in this policy adhere to the Colorado Constitution and State Statutes, the Town of Johnstown Home Rule Charter and reflect the recommended practices of the Government Finance Officers Association.

## A. General Budget Policies

1. Fiscal Year. The fiscal year for the Town of Johnstown is the calendar year, January 1<sup>st</sup> through December 31<sup>st</sup>. The Town will adopt a budget annually in accordance with the provisions of the Local Government Budget Law of the State of Colorado.
2. Balanced Budget. The Town will adopt a structurally balanced budget, where recurring revenues equal or exceed recurring expenditures. The Town will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing maintenance and other expenditures, accruing future years' revenues, or rolling over to short term debt. The exceptions to this policy would be planned equipment purchases, operating maintenance and capital projects based on accumulated funding over the years.
3. Increase Efficiency. The Town staff will identify programs to increase efficiency in order to provide for long-term cost savings to the Town. This may include the use of technology, revised organizational structures, or other tools which may be identified. Eliminating outdated practices is encouraged.
4. Investment in the Town's future. The Town staff, whenever possible, will take a long-term view of the investments (people and resources) and emphasize quality operations which encourage productivity for today and the future.
5. Resource Sharing. The Town staff will explore ways to share staff, training resources and equipment/supplies in order to more effectively utilize resources.
6. Identify Funding for New Services or Service Levels. Proposals to add new services or increase existing services will be presented with revenue alternatives to fund or subsidize the new service levels. This includes initial costs and ongoing operations.
7. Asset Management Plan. The budget will provide for adequate maintenance and replacement for capital assets.



8. Employee Programs. The Town recognizes that employees are the most valuable asset of the organization and commits to fund this resource to the extent possible appropriately; including adequate funding for retirement systems, benefit packages, and training.
9. Overhead Allocations. The budget will include transfers or overhead allocations for expenditures/services that are provided by one fund that benefit another fund. The formula for calculating this transfer or allocation may include revenues, staff, supplies and services. The formula will be reviewed annually.
10. Fund Reserves. The Town will maintain adequate cash reserves in order to reduce the potential need for borrowing or service reductions during periods of economic downturn, natural catastrophe, or for other, one-time extraordinary expenditures. The GFOA recommends at a minimum, that general purpose governments maintain unrestricted fund balances in their general fund of no less than two months of regular operating revenues or expenditures. Annually, the Town will hold a minimum target of 41% (150 days) of General Fund revenues as a General Fund ending balance, commonly known as a reserve. The Town Council can increase the target reserve amount at any time.
11. Fund Level. The annual budget is adopted and appropriated by the Town Council on a fund level.
12. Budget Monitoring. The Finance Department will maintain a system for monitoring the Town's budget performance. This system will provide the Council with monthly reports that include resource collections, and expenditures on a fund level.
12. Community Grants. The Town of Johnstown may budget for and provide grants to qualified non-profit or community organizations that provide services within the Town and per Town policy. Grants rarely exceed \$500 per calendar year, per organization. Community grants will be allocated and approved by Council on a case by case basis.
13. Distinguished Budget Presentation. The Town will seek to obtain the Government Finance Officers Association Distinguished Budget Presentation Award for each annual budget. The budget will be presented in a way that clearly communicates the budget to the members of the public.

## **B. Budget Development Process**

1. Council Goals as Direction. The Town budget will support the goals and policies of the Town Council, Town Council adopted long-range plans, and the service needs of the community. Staff is responsible to prepare an annual budget to implement and accomplish the goals identified.
2. Budget Schedule. The following are key procedural steps in the Town's budget development process.
  - a. Each year in the spring, the Town Council has a goal setting meeting to identify Council initiatives.
  - b. Beginning in June, departments are provided with their budget worksheets for the upcoming year. Departments are expected to update their current year existing budgets, including expenditure and revenue estimates, performance data and financial and program delivery outcomes as well as put

together their requests for the upcoming year based on the Council initiatives and organizational needs.

- c. Departmental budget requests are collected and reviewed by the Town Manager and the Finance Director during the month of July with individual meetings with the Departments following during the month of August.
- d. No later than October 15<sup>th</sup> of each year, the proposed annual budget for the ensuing fiscal year shall be submitted to the Town Council as required by Local Government Budget Law of the State of Colorado.
- e. Between late October and early December, the Council will meet in a series of budget sessions as requested by Council to review and discuss the preliminary budget.
- f. At least one public hearing is scheduled between the months of October and December. Citizens are able to comment on recommended programs and/or ideas for new programs at the public hearing(s).
- g. In early December the Town Council will adopt the budget by resolution and establish the budget appropriation for the upcoming year.
- h. The final budget is published and distributed before the end of the first quarter of the following year. Copies are made available to the public for a fee and are available on the Town's website.

3. Forecasting. Revenues, operating and capital expenditures, and debt service will be projected each year. Based on assumed circumstances, including various economic, service, and inflationary factors, the forecast will attempt to portray whether programs can be supported over the designated period. Generally, revenue estimates should be prepared on a conservative basis to minimize the possibility that economic fluctuations could imperil ongoing service programs during the budget year. Operating expenditure estimates should anticipate contingencies that are foreseeable.

4. Town Manager Review. The Town Manager will review the details of each proposed budget for efficiency and compliance with Council direction.

5. Budget Presentation. The annual budget document will be prepared based on guidelines identified by the Government Finance Officers Association (GFOA).

6. Public Hearings. Open public hearings are noticed and held during the fourth quarter of each year to provide residents with additional opportunities for input regarding the proposed budget.

7. Council Amendments. The Council can amend the proposed budget by adding and increasing programs or amounts and may delete or decrease programs or amounts except those expenditures required by law, for debt service or for estimated cash deficits. If Council amends the budget after the public hearing and prior to formal adoption of the annual budget, and the amendments increase the total expenditures, then an additional public hearing will be noticed and held prior to the adoption of the budget.

8. Legal Requirements. The Town will adopt the budget and levy property taxes in accordance with State and Municipal requirements. Adoption of the budget by Council shall constitute appropriations of the amounts specified therein for expenditure from the funds indicated.

9. General Priorities. Generally, the priority order of the budget are personnel, operations and maintenance, debt service, and capital outlays.

10. Public Record. Copies of the budget and capital program as adopted shall be public records and shall be available to the public.

## **C. Contents of Proposed Budget**

1. Proposed Budget and Message. The Town Manager shall prepare a proposed budget and accompanying message. The proposed budget shall contain a general summary of its contents and, shall include comparative figures for revenues and expenditures for the current and prior fiscal year or years.

2. Revenues. An estimate of anticipated revenues classified by source.

3. Cash Available. An estimate of cash available, as of December 31 of the current fiscal year.

4. Expenditures. Proposed expenditures for the operation of the Town, by fund, by department, office and agency and the method of financing such expenditures.

5. Reserves and Contingencies. – Provisions for both.

6. Capital Expenditures. Proposed capital expenditures by fund, department, office and agency and the proposed method of financing such expenditures.

7. Net Income – Anticipated net surplus or deficit for each municipal utility system, municipal enterprise and the proposed method of its disposition.

8. Ad Valorem Tax. Estimate of the amount to be raised from an ad valorem tax levy.

9. Debt. A statement of the outstanding securities and other debt and payment obligations of the Town, showing the debt redemption and interest requirements, the debt authorized and outstanding and the condition of sinking funds, if any.

10. Other. Such other information as the Council may require.

## **D. Budget Adjustment & Amendment Processes**

Under the provisions of the Town of Johnstown Home Rule Charter, the operating budget may be amended in the following ways:

1. Supplemental Appropriations – When excess revenues are recognized, the Town Council may by resolution make supplemental appropriations for the year not to exceed the amount of such excess, provided that such additional spending is not in conflict with the Colorado Constitution.

2. Emergency Appropriations – To meet a public emergency affecting life, health, property or the public good or peace, the Council may make emergency appropriations. To the extent that there are no available unappropriated revenues to meet such appropriations, the Council may authorize the issuance of emergency notes.

3. Reduction of Appropriations - If during the fiscal year it appears probable to the Town Manager that the revenues available will be insufficient to meet the amount appropriated, it shall be reported to the Council without delay, indicating the estimated amount of deficit, any remedial action taken and recommendations as to any other steps to be taken. The Council shall take such further action it deems necessary to prevent any deficit. For that purpose, it may, by resolution, reduce one or more appropriations. No appropriation for debt service may be reduced.

4. Transfer of Appropriations - The Town Council may, by resolution, authorize a maximum amount which the Town Manager may transfer from any unused balance of any general fund appropriation or portion thereof from one (1) department or other spending unit to another. Except as otherwise provided in this Charter, the transfer of monies from one (1) fund to another shall only be made by a resolution amending the budget as adopted. No appropriation for debt service may be transferred.

## **E. State of Colorado – Amendment 1**

On November 3, 1992, the Citizens of the State of Colorado approved Amendment 1, also known as the Taxpayers Bill of Rights (TABOR). Amendment 1 specifically and significantly addresses the following issues: spending limitations, operating reserves and debt service.

On November 7, 2000, voters within the Town of Johnstown approved the collection, retention and expenditure of the full amount of town taxes, grants and all other revenue collected from all sources including property taxes, received in 1999 and each subsequent year, without regard to any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado constitution or any other law.

The Town will be in compliance with the remaining requirements of Amendment 1, including election, debt, and reserve requirements.

## **Revenue Policies**

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The Town must be sensitive to the balance between the need for services and the Town's ability to raise fees, charges and taxes to support those services. As much as is possible and feasible, Town services that benefit specific users should be paid for by fees and charges to provide maximum flexibility in use of general taxes to meet the cost of broader public services.

1. Specific Use of Services. Charges for services that benefit specific users should recover full costs, including all direct costs, indirect costs, depreciation on capital and General Fund overhead. Departments

that impose fees or service charges should prepare and periodically update cost of service studies for each such service.

2. Diversify Revenue. The Town should strive to maintain a diversified mix of revenues in order to provide ongoing stability and predictability, even in times of economic downturn. The Town will review revenue raising proposals in light of its total revenue mix in order to encourage growth and keep the Town economically competitive.

3. Taxes. Taxes should be selected for balance, applicability and economic impact. The Council shall have the authority to adopt and levy, by ordinance, all taxes which are not prohibited for home rule municipalities by the Colorado Constitution, subject to any applicable limitations in that Constitution. Council shall comply with applicable voter approval requirements in the Colorado Constitution. The following factors will be considered when the Town's taxes are increased, decreased, extended or changed in any way:

- a. Stability of the tax source over its expected life.
- b. Suitability for a pledge against future debt if that is part of the Council's long-term intent for the revenue source.
- c. Apply the tax impact information for both residential and business taxpayers against a future vision of what the tax policy is intended to foster.

4. Recapture Investment. The overall revenue structure should be designed to recapture for the Town some of the financial benefits resulting from Town sponsored programs and community investments.

5. Additional Resources. The Town will observe the following priorities in obtaining additional resources:

- a. Use existing resources efficiently. The Town will use as efficiently as possible all existing resources.
- b. Collect existing revenues. The Town will collect as efficiently as possible the resources to which it is already entitled. The Town will follow an aggressive policy of collecting and minimizing receivables.
- c. Revenues are consistent with Town goals. The Town will seek new resources, consistent with the policies in this document and other Town goals.

5. Enterprise Funds. The Town will set fees, user charges and other revenues for each enterprise fund (Water, Sewer, Drainage) at a level that supports the total direct and indirect cost of the activity including operating costs, system expansion and maintenance. Indirect costs include the cost of annual replacement needs due to depreciation of capital assets.

6. Legal Requirements. The Town will maintain compliance with legal revenue restrictions as identified by voters, for special revenue funds, compliance with State Law, and other restricted revenues.

7. Grant Revenues. The Town will refrain from using grants to meet ongoing service delivery needs. In the Town's financial planning, grants will be treated in the same manner as all other temporary and uncertain resources and will not be used to fund ongoing, basic service needs. When pursuing or

applying for grants, the Town will consider and plan for the long-term implications including increased maintenance, operational costs and replacement costs that may be necessary.

## Operating Policies

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When the other Financial Policies fail to address a specific issue, general operating policies will be reviewed for direction. In some cases, these policies repeat what has already been stated in other areas, but that is only to emphasize the importance and value of that policy.

1. Current Revenues to Pay for Current Expenditures. Current operating revenues will meet or exceed current operating expenditures. Each Town fund budget must identify ongoing resources that at least match ongoing annual requirements. One-time cash transfers and ending balances in excess of reserves may be applied to reserves or to fund one-time expenditures. They will not be used to fund ongoing programs.

2. Do Not Restrict Revenues. The Town will not normally earmark discretionary revenues for specific purposes. This will preserve the ability of the Town Council to determine the best use of available revenues to meet changing service requirements to meet the needs of the community.

3. Reserves. The Town will maintain adequate cash reserves for emergencies, unforeseen needs of a non-recurring nature, operating maintenance, equipment replacement and capital projects. Annually, the Town will hold a minimum target of 41% of General Fund revenues as a General Fund ending balance, commonly known as a reserve.

4. Continual Improvement of Service Delivery. The Town will seek to optimize the efficiency and effectiveness of its services to reduce costs and improve service quality. This will include a review of all existing administrative procedures and software to eliminate exception-based procedures, special interest projects or programs that benefit less than the majority.

5. Cash Management. The Finance Department will develop, maintain, and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. During regular business days, all cash received by Town departments will be deposited with Finance within 24 hours of receipt.

6. Fund Balances. Accruals and non-cash enhancements to revenues will not be made as a means to influence fund balances at year-end or during budget discussions.

7. Fixed Asset Inventories. Accurate inventories of all physical assets (including infrastructure), their condition, life spans and cost will be maintained to ensure proper stewardship of public property. The Finance Director will establish policies and appropriate procedures to manage fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories will be taken.

8. Allocation of Overhead Costs. Overhead costs will be allocated to determine the full cost of providing services. Overhead costs will be allocated according to consistent methodology developed in consultation between the Finance Department and other operating departments.

9. Internal Loans. Interfund loans must be approved by Council and may be charged interest.

10. Publication of Financial Information. The Town will publish the list of bills on the Town's website within twenty (20) days of the adjournment of each regular or special meeting.

11. Bank Accounts. Bank accounts may only be opened or closed by the Finance Director, or the Town Manager. No other employee or department of the Town shall open a bank account in the Town's name.

12. Petty Cash. Petty cash can be obtained upon authorization of the Finance Department. A receipt must be submitted to the Finance Department immediately. Petty cash disbursements should not exceed \$50.00.

13. Surplus Property Disposal. As items are purchased with public funds, the Town Manager must declare items to be surplus prior to disposal and said disposal must follow the provisions herein.

- a. De Minimis Valued Items. Non-capital material and supply items that are normally used up during the normal course of business and have individual value less than \$250 are exempted from the formal surplus disposal process. These items can be thrown away, destroyed, donated or sold with approval from the Town Manager or Finance Director.
- b. Unusable Equipment. The disposal of capital equipment with a salvage value less than \$2,500 is exempted from the formal surplus disposal process. These items can be sold for salvage value without a declaration of surplus property, upon approval from the Town Manager or Finance Director.
- c. Auction or Sale of Property (Formal). When the current value is deemed to exceed \$2,500, it can be offered at public auction or written bid. The bid must be advertised at least 10 days prior to sale. If no bids are received or if a determination is made that the market value of the property exceeds the offer of the highest bidder, all bids may be rejected and the appropriate Department Head and Finance Department may negotiate a sale.

## Accounting, Auditing & Financial Reporting Policies

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The Town shall maintain a system of financial monitoring, control and reporting for all operations and funds in order to provide an effective means of ensuring that overall Town goals and objectives are met.

1. Generally Accepted Accounting Principles (GAAP). The Town will maintain its accounting records and report on its financial condition and results of operations in accordance with State and Federal law and regulations, including GAAP.

2. Basis of Accounting. The term "basis of accounting" refers to when revenues, expenses, expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial

statements. Specifically, it relates to the timing of the measurements made. The following are the basis of accounting available for use by the Town:

- a. Cash Basis – transactions are recognized only when cash is received or disbursed.
- b. Accrual Basis – transactions are recognized when the economic event occurs, regardless of whether cash is paid or received. Proprietary funds, which include the enterprise funds, use the accrual basis of accounting.
- c. Modified Accrual Basis – expenditure transactions are recognized when incurred. Revenues are recognized when both measurable and available. Governmental funds, including the general, special revenue, debt service and capital projects use the modified accrual basis of accounting. “Available” in this case, means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. For purposes of consistency, that time-frame shall be not more than sixty (60) days.

3. Reporting Focus – Budget vs. GAAP. This concept is used at the Town of Johnstown to refer to the way transactions are recorded and reported for compliance with Colorado Budget Law included in the Colorado Revised Statutes as opposed to financial statement presentation in conformance with Generally Accepted Accounting Principles. The Town’s monthly statement of revenues and expenditures are reported during the fiscal year on what is informally called a “budget basis.” The Town’s transactions are recorded throughout the year in accordance with the financial statement requirements as set forth within the Colorado Revised Statutes. By recording the transactions in general compliance with this law, the revenues and expenditures can be more easily monitored on a monthly basis to ensure compliance with the legal requirements as set forth within the Colorado Revised Statutes.

At the end of the fiscal year, adjustments are made to present the financial information in a format that is comparable to that used by other local government units around the country. The standards for this reporting are referred to as “Generally Accepted Accounting Principles” (or GAAP basis). The adjustments to convert the Town’s financial records from “budget basis” to “GAAP basis” are made to ensure that the Town’s financial statements are fairly and consistently presented in conformance with GAAP.

4. Simplified Fund Structure. The Town will minimize the number of funds, departments, programs and account codes. The funds will be categorized in accordance with generally accepted accounting principles (GAAP) for reporting purposes. The development of new funds will be approved by the Town Council. The development of new departments, programs and accounts will be approved by the Town Manager.

5. Classification of Fund Balance. The Town will classify governmental fund balances as follows:

- a. Non-spendable - Amounts that cannot be spent either because they are in non-spendable form (assets) or because they are legally or contractually required to be maintained intact.
- b. Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, Town code or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws and regulations of other governments.
- c. Committed - Amounts that can be used only for specific purposes determined by a formal action of the Town Council. The Town Council is the highest level of decision-making authority for the



Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Town Council.

- d. Assigned - Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned - All other spendable amounts.

6. Accounting Internal Controls. The Town will maintain an internal control structure that consists of three elements.

- a. Control Environment - Consisting of an “overall attitude and awareness of actions” as they influence the Town. The management and staff shall consider the financial implications of decisions, both current and long term.
- b. Accounting System - An effective accounting system will result in:
  - 1. Identification and recording of all valid transactions.
  - 2. Describe the transaction in sufficient detail to permit proper classification of the transaction for reporting purposes.
  - 3. Record the transaction in the correct time period.
  - 4. Proper presentation of all transactions and related disclosures in the financial statements.
- c. Control procedures - Consist of:
  - 1. Proper authorization of transactions and activities.
  - 2. Adequate segregation of duties.
  - 3. Adequate documents and records.
  - 4. Adequate safeguards regarding access and use of assets and records.
  - 5. Independent checks on performance.

7. Independent Audit. An independent firm of certified public accountants will annually perform a financial and compliance audit of the Town’s financial statements as required by state statute. Their opinions may be contained in the Town’s Comprehensive Annual Financial Report (CAFR) and the Report on Compliance with the Single Audit Act of 1984 (if required based on federal funding levels.) The audit shall be completed within six (6) months after the close of the fiscal year.

8. Monthly Financial Reporting. The Finance Department will prepare reports at the end of each month identifying the difference between actual and budget for revenues and expenditures by fund. These reports will be presented to the Town Manager and may be included in Council updates.

9. Excellence in Financial Reporting. As an additional independent confirmation of the quality of the Town’s financial reporting, the Town will annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The CAFR will be presented in a way designed to communicate with citizens about the financial affairs of the Town.

## Purchasing Policies

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The purpose of this section is to establish purchasing guidelines. These policies are applicable to all purchasing for the Town of Johnstown and are established to ensure that needed goods and services are obtained in a timely manner, at the lowest prices possible, consistent with acceptable quality standards.

Consistent with these objectives, a part of the Town's procurement activity is decentralized. In recognition of the cost of staff time and to reduce the cost of making small purchases, purchasing cards are issued to selected personnel as approved by the Finance Director. The purchasing card will be defined later in this manual.

Procedures which apply to purchases made directly by Town staff as well as the steps followed by the Finance Department are described below, along with the public purchasing law and ethical standards that shape the Town's purchasing activities.

1. Governing Laws and Policies. Procurements by the Town of Johnstown are governed by state law and these Purchasing Policies further establish requirements for the Town's purchasing activities.
2. Conflict of Interest. No employee or official of the Town shall participate in a transaction, contract, activity, or service of the Town which has a direct or predictable effect on their financial interests or the financial interests of an immediate family member.
3. Personal Purchases. It is prohibited for an employee or official to make purchases for personal purposes or to receive special pricing from a vendor using the Town's name, account or reputation.
4. Payment Authorization. All requests for payment must be approved by the Department Head or Town Manager. Employees can not authorize payments to themselves.
5. Purchase Orders. A purchase order is required for all purchases over \$50.00.
6. Purchasing Thresholds/Authority. Generally, the purchasing thresholds detailed below will be applicable (if there are grant funds involved, the thresholds may differ. Please refer to any grant requirements and proceed using the most restrictive standards.):
  - a. Under \$2,500. Small items in this category, used on a day to day basis, may be purchased with the approval of supervisory personnel without competitive bidding on each item. However, even on these items, periodic telephone inquiries should be made to be certain the purchases are secured from a local source at the lowest possible price for the quality needed. Items that are used on a day to day basis consist of office supplies and other items that routinely purchased. Department heads may authorize employees to purchase budgeted items.
  - b. \$2,500 - \$49,999.99. Purchases or contracts for services for the sum of \$2,500 to \$49,999.99 shall be secured on a competitive bid basis. This must be accomplished by securing at least three informal bids, requests for proposals or through the formal bid process utilizing advertisement and specifications; whichever is most advantageous to the Town.
  - c. \$50,000 and higher. Any item for services, projects, or equipment in this category shall be purchased through the formal bid process. Formal bids shall be secured by advertisement. Additionally, a random sample of vendors who qualify, or who have indicated an interest in

bidding, shall be forwarded a copy of the specifications, when possible to ensure the best competitive bids for the Town.

1. Appropriated Items up to \$100,000 – Construction contracts and purchases can be approved by the Town Manager.
2. Appropriated Items up to \$10,000 - Construction contracts can be approved by department head.
3. Non-Appropriated Items exceeding \$25,000 – Must go before the Town Council and be approved and if necessary, appropriated by resolution.

7. Local Purchasing Preference.

- a. If a local bidder is within five (5%) percent of the lowest bid from an out of town bidder on a construction or other formally bid project from \$0.00 - \$4,999.99, two (2%) percent on such project(s) from \$5,000.00 up to \$999,999.99, and within one percent on such project(s) from \$1,000,000.00 up to \$5,000,000.00, then the local bidder will be awarded the bid unless otherwise provided in this section.
- b. The local purchasing preference policy shall not apply in the following instances:
  1. When purchases and/or contracts are funded in whole or in part by federal funds;
  2. When purchases are more than \$5,000,000.00;
  3. When purchases are not required to be formally bid, such as sole source procurements, emergency procurements and any other such procurements as defined in the Town procurement policy or the Town emergency management policy;
  4. When professional services are procured through the issuance of requests for qualifications and/or requests for proposals, including design-build contracts; or,
  5. When such preference is in conflict with any applicable state or federal laws, rules or regulations.
- c. The local purchasing preference policy shall not apply to private construction projects financed with public assistance, including, but not limited to, tax increment financing, redevelopment projects and enterprise zone redevelopment.
- d. “Local” is defined as a business operating within the corporate limits of the Town of Johnstown, with the majority of its primary business operations, including, but not necessarily limited to, production, operation, purchasing, billing, marketing, management, administration and ownership, occurring within the town limits. “Local” shall not include the following:
  1. Those businesses with only a local Johnstown post office box;
  2. Those businesses with a sales presence in the Town, but no physical business location within the Town limits.
- b. Home based businesses that merely take orders for products shipped from out of town to their customers. Exceptions will be considered on a case-by-case basis when a written request is submitted to the Town Manager.
- c. Notwithstanding the foregoing, the local bidder must otherwise meet all qualifications and procurement policy requirements of the Town, including, but not limited to, the “best bid” requirements, in order to be awarded a bid under this section.

8. Bid Guidelines.

- a. Correspondence with Vendors. All correspondence with vendors should be communicated through the department head responsible for overseeing the specific bid unless the bid specifications make it advisable to delegate authority to others.
- b. Formal Bid Notice. All formal bid purchases or formal contracts for services shall be advertised as follows:
  - 1. All notices and solicitations of bids shall state the time and place of the bid opening. If required the request for bids will be published in the newspaper and posted on the Town's website at least 10 days prior to the bid deadline. The request shall include an adequate description of the scope of work to be completed, any specifics which may be required of the vendor, including the amount of any bid bond, all contractual terms, and conditions application to the public project.
  - 2. Notices and solicitations of bids shall include information that these are sealed bids and that they should be so identified on the envelope.
  - 3. Notices and solicitations of bids shall plainly state to whom the sealed bid(s) should be addressed, and should be filed with the Town Clerk.
  - 4. When advertising for proposals with federal funding, guidance will be followed as per CFR200.319 thru CFR200.322 to ensure proper competition of project awards. This also entails taking necessary affirmative action steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- c. Public Opening. All bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid and such other relevant information as may be specified by rules, together with the name of each bidder shall be entered on a record and open to public inspection. After the time of the award, all bids and requests for proposal documents shall be open to public inspection.
- d. Performance Bonds. Performance bonds, in cash or otherwise, or other acceptable financial assurance such as a letter of credit shall be requested, if in the best interest of the Town, in such an amount as may be deemed sufficient to secure the execution of the contract or to furnish supplies.
- e. Technology and Advertising. The Town will use electronic means (i.e. internet, email, etc.) to inform potential vendors and may use technology to improve transparency and purchasing efficiencies for the Town. All available means for advertising the invitation to bid shall be used to the extent possible, to encourage full and open competition. When advertising for proposals with federal funding, guidance will be followed in CFR200.319 to ensure proper competition of project awards is encouraged. This also entails, for example, taking necessary affirmative steps to assure that the minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- f. Competitive Buying. Town policy requires quotes or bids to be obtained from as many providers as reasonably possible to ensure a competitive marketing atmosphere and advantageous pricing. Bids will be solicited when required by policy and also when it is found to be advantageous to do so. Any qualified provider may respond to a Town request for quote or bid.
- g. Awards. The Town of Johnstown reserves the right to reject any and all bids and waive any informality. The Town of Johnstown also reserves the right to select the lowest and/or best bidder as determined by the Town in its sole discretion. Bidders may be disqualified for past failure to follow proper change order processes or failure to complete projects in a timely and/or professional work like manner.

9. Exclusive Service. Sole source purchases may be made if it has been determined that there is only one good or service that can reasonably meet the need and there is only one vendor who can provide the good or service. Written justification for the sole source purchase must be retained with support for the purchase.

10. Emergency Purchases. In the event of natural disasters, accidents or other emergencies where health, safety or welfare of the community is at risk, the Town shall comply with the procurement requirements to the extent practicable, but this may be waived by the Town Manager. The Town Manager will notify the Town Council of any emergency immediately identifying the nature of the emergency and any purchase which may be required. Forms required herein for the purpose of authorizing and acquiring goods or services necessary for the immediate preservation of life, health, safety, welfare or property during a local disaster or emergency conditions shall not require compliance with bidding requirements set forth in this Policy and may be awarded on a sole-source basis. Documentation of procurement decisions in an emergency period is required to be retained, to support the urgency of the purchase and as justification for deviation of any Town policy. Once the Town is no longer operating in an emergency period, adherence to the approved procurement requirements is required. Careful consideration shall be given to procurement decisions made in an emergency period and when grant funds may be received. Federal procurement guidance currently available (at CFR200.319) indicates that purchases above the dollar threshold of a micro purchase, currently \$3,000, must also have three written quotes to support the cost reasonableness of the purchase. If, at any time, a purchase may have a grant implication, purchaser should follow guidance from the grantor.

11. Exemptions From Public Bidding. The Town recognizes the need to use outside sources for providing Professional Services, constructing Capital Projects (vendors and contractors) and for providing services for day to day operations and maintenance. The Town requires staff to solicit bids for any purchase of goods over \$50,000, per engagement or annually. This requirement may be waived by the Town Manager for ongoing service contracts where the past experience related directly to the Town is a compelling reason to continue a service contract from year to year. Selection of vendors, contractors or consultants may be based on past experience with the Town, knowledge of the Town and region, philosophy of the nature of the job, availability of time, quality of product, quality of service and material, maintenance, warranties, price and other such criteria as deemed appropriate for a particular public project. The Town recognizes the following exemptions for the Public Bid Process:

- a. Professional Services. This purchasing policy shall not apply to professional services and the requirements shall not be mandatory in the employment of professional services. Professional services include, but are not limited to the following: Attorneys, Bond Counsel, Certified Public Accountants/Auditors, Consultants, Engineers, Financial Advisors, Physicians and Real Estate Brokers. The Council may award these services as desired and at their discretion. The staff shall use the following criteria when applicable and necessary, based on specific project that includes:
  1. Past experience in performing the services requested;
  2. Responsiveness to the needs of the Town, with respect to time to complete the project, the approach to the project, and anticipated design concepts offered;
  3. Responsibility and experience in dealing with municipal governments and projects of similar size, scope and nature;

4. The professional's engagement team, including the experience and resumes of key personnel assigned; and
  5. Results of reference checks and past performance for other clients.
- b. Design Build Services. This policy shall not apply to design-build specialty services so long as the project does not exceed \$100,000. If less than \$100,000, the following evaluation criteria shall apply:
1. A guaranteed maximum price must be agreed upon and any savings shall revert back to the Town if the final project cost is less than the guaranteed maximum price.
  2. The Town shall have the option at any time to validate proposed costs and fees of the professional who must disclose all information used to arrive at the proposed costs and fees.
- c. Use of State Bids or Existing Contracts. This purchasing policy shall not apply if the purchasing department is able to piggy-back on a State Bid Award, GSA bid award, or other bid award where a public bid process has taken place on the conditions that appropriate verification of the bid is provided, the cost does not exceed \$100,000, and the funds are available in the budget.
- d. Waiver of Bidding Process. Notwithstanding the provisions of this Policy, the Town may forego the bidding process altogether in certain specific instances that would be in the best interests of the Town provided that there is sufficient information and documentation to demonstrate that a waiver of the procedure would benefit the Town. Any deviations from the bidding process must have Town Manager approval, who shall then generate a report to the Town Council for the next Town Council meeting explaining the reasons for the waiver. It is intended that this process should be used infrequently and only when there is supporting information to demonstrate that the waiver would be in the best interests of the Town and not in any fashion compromise the integrity of the overall bidding policy of the Town.
12. Contract Authority. The Town Manager or department head shall have the power and duty to approve and execute, by signature, all contracts or agreements of, or on behalf of, the Town or its enterprises, subject to the following limitations.
- a. Amount not to Exceed \$100,000. Contracts or agreements that exceed \$100,000 must be approved by the Council unless part of an annual contract and appropriated in the budget.
  - b. Conveyances. No contract or agreement shall involve conveyances of interest in land, bonds, indentures, evidence of indebtedness, or proclamations, unless the authority to approve and execute such documents shall be granted by the Council.
  - c. Charter and Municipal Code. Contracts or agreements that are required by the Town's Home Rule Charter or the Johnstown Municipal Code to be approved and executed by the Town Council.
  - d. Intergovernmental Agreements. Such contract or agreement does not constitute an "intergovernmental agreement" under Colorado law.
  - e. Delegation. The Town Manager may delegate the signatory authority for the approval and execution of contracts and agreements to department heads when the contractual matters fall within their area of responsibility.
  - f. Appropriation. No contract shall be approved or executed unless funds for the payment of obligations under the contract or agreement are in the budget and have been approved by the Town Council. This section shall not prohibit the approval and execution of multi-year contracts or agreement where such agreements are legally permissible.

- g. Legal Review. Unless of a routine nature as determined by the Town Manager or the Town's standard form of contractor/professional services agreement cannot be used, all contracts or agreements are subject to legal review.

13. Town Issued Purchasing Cards. This policy applies to all items procured by the use of a Town-issued Purchasing Card.

- a. Issuance. Town purchasing cards may only be issued to department heads or other personnel as authorized by the Town Manager and Finance Director.
- b. Legitimate Business Expenses. A purchasing card shall be used for purchases on behalf, or costs associated with, approved travel. No cardholder may procure goods or services for personal purposes. Personal use of a purchasing card consists of an item that is not a legitimate business expense and must be reimbursed to the Town. Misuse of the card could subject an employee to discipline pursuant to the personnel policies of the Town. Department Heads may make available purchasing cards for purchases where time is of the essence to save the Town money; where credit card is the only or easiest form of payment accepted for a product or service; or when required for travel purposes. It is the responsibility of the Department Head to notify the Finance Department if an employee is no longer authorized to use the Town's purchasing card.
- c. Purchasing Procedures. Purchases made with the purchasing card should follow all guidelines as stated in this Financial Policy document.
- d. Travel Related Expenses. If a spouse or family member is accompanying the employee on a business trip, only employee's travel expenses may be charged to the card. Airline tickets or other travel expenses related to the family member must be paid by the individual at the time of purchase. It is not acceptable to reimburse the Town for those expenses. Personal expenses may not be charged to the hotel room and must be paid for separately. Hotel, car rental, parking, taxi, etc. receipts must be submitted to the Finance Department within a week of return from the business trip. Travel expenses for the employee will be reimbursed up to the maximum allowed for that location by U.S. General Service Administration ([www.gsa.gov](http://www.gsa.gov)). Mileage will be reimbursed at the published Internal Revenue Service (IRS) standard mileage rate. Mileage will only be reimbursed if no Town vehicle is available for use.
- e. Monthly Statements. It will be the responsibility of the card holder to reconcile the monthly credit card statements and receipts. Original receipts must be submitted to the Finance Department within one week of purchase. Failure to do so will result in loss of purchasing card privileges.

## Capital Improvement Planning Policy

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A number of important policy considerations are the basis for the Capital Improvement Plan (CIP). The following policies are designed to guarantee that current and future projects are maintained at a quality level and that capital projects do not restrict the Town's ability to provide basic services. The Town must preserve its current physical assets and plan in an orderly manner for future capital investments, including the operating costs associated with these projects. In addition to amenity improvements the Town must also make capital investments needed to support and enhance the delivery of basic services.

1. Capital Expenditures. Capital expenditures for purposes of financial reporting include buildings, land, major equipment, infrastructure investment, and other items that have a value of \$5,000 or greater and have a life expectancy greater than one year.
2. Relationship of Long-Range Plans to the CIP Plan. Virtually all of the projects included in the CIP are based upon formal long-range plans that have been adopted by the Town Council.
3. Ten-year Capital Plan. Each department with capital expenditures will develop and maintain ten-year capital plans. This will include sources of funding and maintenance.
4. Current Capital Budget. The Town will prepare an annual Capital Budget which will include current year capital expenditures and sources of funds based on the current year of the CIP. This document will be presented to the Council concurrently with the date of submission of the proposed budget and should include the following:
  - a. A general summary of its contents.
  - b. A list of all capital improvements which are recommended to be undertaken, continued or completed.
  - c. Cost estimates and methods of financing the improvements.
  - d. The estimated annual cost of operating and maintaining the improvements.
  - e. Such other information that the Council might require.
5. Include Future Maintenance. As part of the annual Capital Budget, the Town will identify and include full costs of future maintenance needs and operating costs of new capital facilities and equipment prior to funding as part of the annual Capital Budget. It is essential to recognize that many smaller projects can have a significant impact on the existing staff and maintenance levels when considering the total impact. All capital projects will identify the maintenance requirements in terms of staffing, supplies and services.
6. Types of Projects Included in the CIP Plan. The CIP Plan will display, to the maximum extent possible, all major capital projects in which the Town is involved. While the following criteria may be used as a general guide to distinguish which projects should be included or excluded from the CIP Plan, there are always exceptions which require management's judgment. For purposes of the CIP Plan, a CIP project is generally defined to be any project that possesses all of the following characteristics:
  - a. Exceeds an estimated cost of \$25,000
  - b. Involves totally new physical construction, reconstruction designed to gradually and systematically replace an existing system on a piecemeal basis, replacement of a major component of an existing facility or computer system, expansion of an existing system, introduction of a new system, or acquisition of land or structures.
  - c. Involves Town funding in whole or in part, or involves no Town funds but is the Town's responsibility for implementing, such as a 100% grant-funded project.
7. Preserve Existing Capital Infrastructure Before Building New Facilities. It is the Town's policy to ensure that adequate resources are allocated to preserve the Town's existing infrastructure before targeting resources to build new facilities that also have operating and maintenance obligations. This policy addresses the need to protect the Town's historical investment in capital facilities and to avoid embarking



on a facility enhancement program, which when coupled with the existing facilities requirements, the Town cannot afford to adequately maintain.

8. Capital Priority. In general, the following guidelines will be used to identify capital priorities: safety, complete existing projects, maintenance of existing capital facilities, extension or expansion of existing systems and new projects. Maintenance should be given priority over new facilities unless a cost/benefit analysis indicates otherwise. State, Federal and local mandates or new service demands may require acquisition of new facilities or new construction even when maintenance needs are not fully met. Unique opportunities may arise which should be considered as a priority particularly if there is community support for acquisition. Maintenance of facilities should take priority over operating programs if deferring maintenance will result in greater costs to restore or replace neglected facilities.

9. Balanced CIP Plan: The CIP Plan is a balanced ten-year plan. This means that for the entire ten-year period, revenues will be equal to project expenditures in the Plan. It is anticipated that the plan will have more expenditures than revenues in single years of the Plan, but this imbalance will be corrected through the use of interim financing as needed. However, over the life of the ten-year plan, all planned interim debt will be repaid and all Plan expenditures, including interest costs on interim debt will be provided for with identified revenues. Any project funding plan, in which debt is not retired within the current ten-year Plan, must have specific Town Council approval.

10. Use of Debt in the CIP. The CIP is viewed as a long-term program that will continually address capital requirements far into the future. As such, the use of long-term debt has been minimized, allowing the Town to put money into actual projects that benefit Johnstown residents and businesses rather than into interest payments to financial institutions. It is expected that debt incurred will be paid back before the end of the current CIP. If the Town uses bonds for financing, then the life of debt is not to exceed 75% of the life of the project or acquisition. Finance staff monitor CIP cash flow regularly and utilize fund balances to minimize the amount of borrowing required. There are exceptions to this policy for extraordinary circumstances, where the voters have approved long-term debt issuances to achieve major Town goals that otherwise could not have been achieved, or would have been delayed an unacceptable amount of time.

11. Finance Director's Authority to Borrow. The Finance Director is authorized to initiate interim and long-term borrowing measures, as they become necessary, as identified in the current CIP Plan, with approval from the Council.

12. CIP Plan Update and Amendment. The CIP Plan will be updated at least annually as a part of the Town's budget process. The Town Council may amend the CIP Plan at any time if a decision must be made and action must be taken before the next CIP review period.

13. Formalization of Monetary Agreements. All agreements between the Town and outside jurisdictions shall be in writing specifying the financial terms of the agreement, the length of the agreement, and the timing of any required payments. Formalization of these agreements will protect the Town's interests. Program areas shall make every effort to promptly request any reimbursements that are due the Town. Where revenues from outside jurisdictions are ongoing, these requests shall be made at least quarterly, unless alternative arrangements are approved by the Town Manager or Town Council.

14. Applicable Project Charges. CIP projects should reflect all costs that can be clearly shown to be necessary and applicable. Staff charges to CIP projects will be limited to time spent actually working on those projects and shall include an overhead factor to cover the applicable portion of that person's operating cost.

## Investment Policy

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The purpose of this policy is to establish the Town's investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments, selection of financial institutions, portfolio maturities, volatility, diversification, risk, safekeeping, and custody requirements. The investment program for the Town of Johnstown shall operate in conformance with federal, state, and other legal requirements.

1. Scope. This investment policy applies to all investment *transactions/activities* of the Town of Johnstown, Colorado, involving the investable funds of said Town with the exception of its uniformed and non-uniformed employee pension plans. Investment activities shall be performed in conformance with this policy and the Town's financial policies. The Town, its financial institutions, its investment managers and broker/dealers shall be an equal opportunity employer.

2. Restriction of Authority. The ultimate responsibility and authority for investment transactions resides with the Finance Director, who is fully authorized to buy, sell, and trade investments in accordance with the goals and objectives of this investment policy. No person may engage in an investment transaction except as authorized under the terms of this policy.

3. Objectives. The Town shall seek to optimize its return on investments within the constraints of safety and liquidity. The primary objective of this investment policy shall be to manage the portfolio in such a manner as to preserve capital and protect investment principal while attaining a market rate of return equal to or greater than average rate of return. To attain this objective, diversification shall be required to ensure that potential losses on any security or securities do not exceed the income generated from the overall portfolio.

The portfolio shall be structured to allow maximizing the return consistent with risk limitations and prudent investment decisions as set forth by the Finance Director.

The portfolio shall remain sufficiently liquid to meet anticipated disbursement requirements.

Nothing shall prohibit the Town's Finance Director from investing all excess funds in the most efficient and beneficial manner possible in order to achieve market rates of return consistent with constraints imposed for safety, cash flow, and applicable investment laws.

4. Prudent Person Standard. Investments made pursuant to CRS 24-75-601.1 must be made in accordance with the "prudent man (person)" standard of CRS 15-1-304, (CRS 24-75-601.1(2)). This requirement states

that fiduciaries, such as official custodians who make investments or deposits for local governments, are obligated to exercise ... the judgment and care, under the circumstances then prevailing, which persons 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. (CRS 15-1-304)

5. Reporting Requirements. Monthly, the Finance Director shall submit to the Town Manager and Town Council a report listing the investments held by the Town with the current market value of the investments.

6. Internal Controls. The Finance Department shall establish a system of internal controls to ensure the integrity of the investment process. Investment transactions shall be supported by written evidence, such as a confirmation ticket issued by the broker/dealer. In addition, the Town's independent auditor shall perform a review of the controls on an annual basis. The controls shall be designed to prevent loss of public funds because of fraud, error, and misrepresentation by another party or imprudent actions by an employee or employees of the Town.

7. Eligible Investments. Eligible investments shall be defined as those instruments allowed in this policy as follows:

- a. U.S. Treasury Obligations: Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips with maturities not exceeding five years from the date of purchase.
- b. Federal Instrumentality Securities: Debentures, discount notes, callable securities, step-up securities, and stripped principal or coupons with maturities not exceeding five years from the date of trade settlement. If a Federal Instrumentality Security carries a rating lower than the highest category by any NRSRO, the security is eligible for purchase subject to the following limitations: the final maturity (from the date of trade settlement) may not exceed the statutory limit stated in C.R.S. 24-75-601 and the security must be rated at least AA- or the equivalent by at least two NRSROs (Nationally Recognized Statistical Rating Organization), and not less by any. Subordinated debt shall not be purchased. For securities authorized in this paragraph, the Town shall limit the combined total of investments to no more than 90 percent of the total portfolio and 30 percent per issuer.
- c. Commercial Paper issued by domestic corporations with maturities not exceeding 270 days from the date of purchase, which at the time of purchase is rated at least A-1, or the equivalent by at least two NRSROs, and rated not less by all NRSROs that rate the commercial paper. If the commercial paper issuer has senior debt outstanding, it must be rated at least AA, or the equivalent at the time of purchase by at least two NRSROs, and rated not less by all NRSROs that rate the issuer. The aggregate investment in commercial paper, banker's acceptances, and corporate debt shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.
- d. Corporate Debt with a maturity not exceeding three years from the date of trade settlement, issued by any corporation or bank organized and operating within the United States. The debt must be rated at least AA- or the equivalent by at least two NRSROs, and rated not less by any NRSRO that rates it. The aggregate investment in corporate debt, commercial paper, and banker's acceptances shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.

- e. Local Government Investment Pools. Pursuant to CRS 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 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 one or more NRSROs.
- f. Repurchase Agreements with a termination date of 180 days or less collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in a. and b. above with a final maturity not exceeding ten years. 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 Town's third-party custodian bank, and the market value of the collateral securities shall be marked-to-the market daily. Repurchase Agreements shall be entered into only with broker/dealers recognized as Primary Dealers by the Federal Reserve Bank of New York, or with firms that have a Primary Dealer within their holding company structure. Approved Repurchase Agreement counterparties if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by each NRSRO that rates them.
- g. Non-Negotiable Certificates of Deposit with a maturity not exceeding five years in any FDIC insured state or national bank located in Colorado that is an eligible public depository as defined in CRS 11-10.5-103. Certificates of deposit that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act. In addition, at the time of purchase, issuing banks shall meet the credit criteria set forth in the section of this investment policy, "Selection of Banks".
- h. Eligible Banker's Acceptances with maturities not exceeding 180 days, issued by FDIC insured state or national banks. Banker's Acceptances shall be rated at least A-1, or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the instrument. If the issuing bank has senior debt outstanding, it must be rate at least AA or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the bank. The aggregate investment in banker's acceptances, commercial paper, and corporate debt shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.
- i. 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 one or more NRSROs.

The foregoing list of authorized securities and transactions should be strictly interpreted. Any deviation from this list must be pre-approved by the Council of Trustees.

8. Prohibited Investments. It shall be the policy of the Town to refrain from investment in SBA's, banks or savings and loan associations who secure more than 5% of their deposits through brokers, or whose equity to asset ratio is less than 3%, or to invest in GNMA's or Eurodollar TD's, Eurodollar CD's, Equity Mutual Funds, Unit trusts, and government backed funds not allowed by C.R.S. 24-75-601 as amended.

9. Collateral Requirements. To qualify as a depository, financial institutions and savings and loan associations must collateralize the Town's deposits in accordance with: Sections 11-10.5-101 through 11-10.5-121, C.R.S. as amended entitled "Public Deposit Protection Act"; Sections 11-47-101 through 11-47-120 C.R.S. as amended entitled "Savings and Loan Association Public Deposit Protection Act."

The Town considers repurchase agreements as simultaneous 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. It is the Town's policy to require all issuers of repurchase agreements to execute a copy of the Town's master repurchase agreement. A copy must be on file *prior to entering* into any repurchase agreements. In addition, the maximum length of a repurchase agreement shall be 90 days.

10. Selection of Financial Institutions and Dealers. The Town's depository shall be selected through competitive bidding in accordance with the Town's financial policies. When selecting the depository, the creditworthiness of the institution shall be considered. It shall be the policy of the Town to purchase securities only from those financial institutions providing services as set forth in State Statutes guidelines.

All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the Town's funds. The supervising officer of the institution shall agree to exercise due diligence in monitoring activities of the officers and subordinate staff members engaged in transactions with the Town. Employees of any firm or financial institution that offers securities or investments to the Town shall be trained in the precautions appropriate to public sector investments and are required to be familiar with the Town's investment objectives and constraints.

11. Portfolio Maturities and Volatility. It is the Town's intent to manage all of its investments, with the exception of the uniformed and non-uniformed employee pension plans, in such a way that any market price losses resulting from interest rate volatility would be offset by coupon income and current income received from the balance of the portfolio during a 12-month period. In addition, no maturity extension (swap) should be taken if it would result in negative income on the overall funds portfolio. The maximum maturity date for all securities is no more than 5 years from the date of purchase unless otherwise authorized by the Town Council.

12. Diversification. It is the policy of the Town to diversify investments within the portfolio. Securities shall be diversified to eliminate the risk of loss resulting from over-concentration of investment in a specific maturity, a specific issue or a specific class of securities. Diversification strategies shall be determined and revised periodically by the Finance Department.

When establishing specific diversification strategies, the following general policies and constraints shall apply: maturities shall be staggered in such a way that avoids undue concentration of assets in a specific maturity sector. Short-term maturities shall be selected which coincide with specified disbursement dates thereby avoiding the need to sell securities prior to maturity. Longer-term maturities shall be selected which provide for stability of income and reasonable liquidity.

13. Risk Tolerance. The Town realizes that investment risk can result from issuer defaults, market price changes or certain technical complications, which lead to temporary illiquidity. Therefore, portfolio

diversification is used as a means to control risk. The Finance Director is expected to display prudence when selecting investment securities and use safety, liquidity and yield in that order of priority as a way to minimize the risk of default. In addition, no one individual investment transaction shall be made which would jeopardize the total capital position of the overall portfolio.

14. Safekeeping and Custody. Investments of the Town shall be held by a third-party custodian (bank or broker/dealer) or any branch of the Federal Reserve. Investment officials shall be bonded to protect the public against possible embezzlement and fraud.

15. Defense of Staff and Payment of Judgments or Settlements against Staff. Staff, as public employees of the Town, shall be subject to the defense of public employees and payment of judgments or settlements against public employees from liability for losses that may occur in the administration of this investment policy to the extent provided for under the Colorado Governmental Immunity Act, CRS 24-10-101 et. seq.

## Debt Policy

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Long term debt is a liability that places a future contractual or other obligation against future revenues of the Town. This policy will set guidelines for the amount and type of debt to be issued by the Town.

1. Use for Capital. The Town will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.

2. Life of Debt. The life of debt is not to exceed 75% of the life of the project or acquisition – when the Town finances capital projects by issuing bonds; it will pay back the bonds within a period not to exceed 75% of the expected useful life of the project.

3. Debt restrictions. The Town will not use long-term debt for current or annual operations. Debt that obligates future Town Councils shall be approved consistent with applicable state statutes.

4. Legal Debt Limits. The Town will review its legal debt limitation at least annually. Debt limits will be included in the statistical section of the Comprehensive Annual Financial Report (CAFR).

5. Form of Debt. The Town may borrow money and issue bonds, securities, documents and instruments of indebtedness or enter into other obligations to evidence such borrowing and may otherwise incur payment obligations. The ultimate form of debt shall be recommended by the Town Manager for consideration and approval by the Town Council.

- a. General Obligation. General obligation debt is subject to voter approval. No general obligation debt can be created unless it has been approved by a majority of the registered electors of the Town, in an election, for that purpose. General obligation debt shall be structured on a level debt service basis with a maximum maturity of 30 years, but terms may vary as conditions warrant. Debt service on general obligation debt can be payable from a separate mill levy, taxation, fees or revenue from projects.

- b. Revenue Bonds. Revenue bonds are generally used to finance assets that generate revenue which may repay the obligation. Revenue bonds may be issued without approval of the registered electors of the Town and are not payable from a dedicated mill levy, or sales and use taxes.
  - c. Lease Financings. Lease financings are generally used for long-lived assets that would not be affordable if funded on a lump sum or cash basis during a single year. Lease financing is subject to approval by the Town Council. This type of financing is not considered debt or a multiple-fiscal year financial obligation under the Colorado Constitution.
6. Annual Review. The Town of Johnstown will conduct an annual review of its debt taking into consideration current market rates and current cash flows.
7. Bond Rating. The Town will maintain a strong bond rating that is consistent with other Town goals. The Town will maintain good communications with bond rating agencies about its financial condition. The Town will follow a policy of full disclosure on every financial report and bond prospectus.
8. Debt Refinancing. When advantageous to the Town, the Town Manager and/or Finance Director shall present options to the Council.

## Grant Policy

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The purpose of this section is to develop, implement, and maintain meaningful grant oversight and coordination for the Town thereby increasing grant related revenue, limiting the Town's exposure for grant related legal liability, and improving the efficiency and impact of programs and services funded through grants.

Grant funds received by the Town support important programs and services that the Town provides to the community including: public safety, recreation, homeland security, infrastructure improvements, among others.

1. Conflict of Interest. No employee or official of the Town shall have any interest, financial or otherwise, direct or indirect, or have any arrangement concerning prospective employment that will, or may be reasonably expected to, bias the design, conduct, or reporting of a grant-funded project on which he or she is working unless disclosed and such official shall disclose the conflict and if an elected official, abstain from voting for or against the item.

It shall be the responsibility of the Grant Project Manager for each particular grant-funded project to ensure that in the use of project funds, officials or employees of the Town and nongovernmental recipients or sub-recipients shall avoid any action that might result in, or create the appearance of:

- a. Using his or her official position for private gain.
- b. Giving preferential treatment to any person or organization.
- c. Losing complete independence or impartiality.
- d. Making an official decision outside official channels.

- e. Affecting adversely public confidence in the grant funded program in particular and the Town in general.

2. Roles and Responsibilities. Department Heads and staff that occupy positions of responsibility with respect to grant activity have specific roles and responsibilities that they shall perform and uphold both ethically and in the best interests of the Town.

- a. Town Council. The Town Council has the sole responsibility for approving grant awards by resolution.
- b. Town Manager. The Town Manager has the sole responsibility for approving all grant applications not requiring legislative body approval and executing all grant contracts and agreements for grant awards approved by the Town Council.
- c. Finance Department. All grant activity must be routed through the Finance Department including receipt and deposit of grant related funds and requests for expenditure of funds. Grant applications and/or grant status reports often require the signature of the “Finance Officer” or similar title representing the Town’s senior financial authority. In these cases, the name and requested information for the Finance Director shall be provided. The Finance Department is responsible for setting up project accounts to track revenues and expenditures. Separate revenue and expense accounts or sub accounts shall be created for all federal grants.
- d. Town Attorney. A legal review of grant agreements should be done to ensure that all of the terms of the agreement are legally enforceable. The Town Attorney shall review the terms and conditions of the award as the initial step in the Resolution process, as requested by the Town Manager, Finance Department or Department Head.
- e. Town Departments. Town Departments are responsible for all aspects of the grant process including planning for grant acquisition, preparation and submitting grant proposals, preparing Resolution requests to accept funds, developing grant implementation plans, managing grant programs, preparing and submitting reports to grantors, and properly closing out grant projects, as detailed throughout this manual and in compliance with requirements of the grantor. The department receiving the grant shall also be responsible for making an internal request to the Finance Department to establish a project account number for the grant program. Department staff and Finance Department staff will maintain a close working relationship, with respect to grant activity, to ensure a clear understanding of the project status.

3. Grant Planning. Each Town Department that seeks grant funding shall undergo an annual planning process for grant acquisition coordinated through the appropriate department head to compile a comprehensive list of Department needs that can potentially be met through grant funding. Budgets and narrative statements should then be developed for each of the needs, as should goals and objectives that, once achieved, will address the identified need. Federal grants often require more extensive reporting requirements than state and local grants. The anticipated cost of administering and implementing the grant should be compared to the dollar benefit of the grant. The Department Head shall take the cost/ benefit analysis into consideration when determining which grants to submit application requests. If grant becomes available after budget planning, appropriations should be handled as needed.

4. Grant Award and Resolution. The Department receiving the grant award must prepare the Resolution and the agenda commentary and submit it to the Town Clerk for inclusion in the Town Council packet. A



grant award letter and grant agreement must accompany the Resolution. The Resolution may include language for a supplemental appropriation by the Town Council for inclusion in the year-end supplemental appropriation.

5. Grant Implementation. All departments that receive grant funding shall develop a Grant Implementation Plan that identifies the goals and objectives to be achieved, the project timeline, milestone events, an anticipated expenditure schedule, roles and responsibilities, and takes into account grantor terms and conditions.

Upon notification of a grant award, the recipient department shall convene an implementation planning process that includes the Finance Director, Finance staff, key project staff, and any other key individuals. Exceptions to this requirement must be approved by the Town Manager.

6. File Management. All Town Departments shall maintain a file format for grant related documents to include separate sections for documents associated with submittal, research, award, and reports, with clear separation between fiscal years, unless otherwise directed by the grantor. The grantor's preferred file structure shall always take precedence.

7. File Structure. All department and master files associated with a grant award must include the following five sections with clear separations between different fiscal years, unless otherwise directed by the grantor.

- a. Submittal – application guidance and copy of application.
- b. Research – statistical and other information used in preparation and support of the grant.
- c. Award – award letter, objectives and requirements, grant agreement and anything else related to the award.
- d. Financial Services – account set up, copies of all invoices and payment requests.
- e. Reports – reports submitted to granting entity and evaluation components.

8. File Retention. The Town maintains grant records for a minimum of three years following the closure of their most recent audit report. If any litigation, claim, negotiation, audit or other action involving records has been started before the expiration of the three year period, the records must be maintained until the completion of the action and resolution of all issues that arise from it, or until the end of the regular three year period, whichever is later. Grantors may require retention periods in excess of three years. Grantor requirements will take precedence.

9. Budget Modifications. Modifications to the budget associated with a grant funded project in such a way that will alter the grant amount or move funds from one budget to another, shall require prior approval from the grantor or as per the grantor's terms and conditions. Approval in writing from the grantor is required.

10. Receipt of funds. If the grant funds have not already been appropriated then no funds shall be dispersed until a Resolution has been approved by the Town Council and the Finance Department has establishing the accounting specifics.

11. Procurement. All procurement activity associated with grant-funded projects shall follow the procedures outlined in the Purchasing Policy, as well as the grant requirements, whichever is more restrictive.

12. Program Income. All program income resulting from a grant-funded project or program shall be managed and maintained as established in the award letter, grant agreement, contract, special conditions, or other document generated by the granting entity.

13. Reporting. Recipient department shall prepare accurate and timely reports as required by the grantor. All financial reports and reimbursement requests must be reviewed by the Finance Director prior to submission to the grantor.

14. Grant Oversight. During the grant period of any grant received by the Town, the appropriate Department Head may review files associated with the grant and that project or program it funds.

**Johnstown Village**

**Storm Water**

## **TOWN COUNCIL AGENDA COMMUNICATION**

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**AGENDA DATE:** December 16, 2019

**ITEM NUMBER:** 10C

**SUBJECT:** Consider a request by Johnstown Village, LLC for a waiver request to the Storm Water Development Fee

**ACTION PROPOSED:** Consider a request from Johnstown Village for the waiver of Stormwater fees associated with the Johnstown Village Single Family Residential Plat and Corresponding Subdivision Development Improvement Agreement

**ATTACHMENTS:** 1. Letter of Request by Johnstown Village, LLC

**PRESENTED BY:** Matt LeCerf, Town Manager

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### **AGENDA ITEM DESCRIPTION:**

Enclosed for your review is a letter provided by Johnstown Village, LLC. The letter outlines a request for consideration by the Town Council for a waiver of the storm water fees which is required by Town Municipal Code. Generally, the fee is due at final platting which occurred earlier this year for Johnstown Village. As outlined in the Town Municipal Code, the fee due is based on a per acre basis. Sections 13-136 (1) and (3) state the following applications related to this plat:

*(1) System development charges. As each parcel of land is developed or redeveloped and approved as to final plat, each acre of such filing shall be assessed a system development charge of one thousand one hundred dollars (\$1,100.00). This fee may be amended by the Town Council by resolution. These charges fund the expansion of public facilities needed to accommodate new growth.*

*(3) There is hereby established a detention credit which shall act to reduce the fee assessed against certain lots or parcels of land subject to the within storm water drainage fee. Any lot or parcel of land located within the Town which contains self-maintained on-site storm water detention facilities shall be entitled to a twenty-five-percent reduction on the fee assessed pursuant to the formula set forth above. It shall be the obligation of the owners of lots or parcels of land entitled to this detention credit to present satisfactory evidence thereof to the Town Engineer prior to obtaining the benefit of this credit.*

Based on the guidance of the code, Staff recognizes that the application of the fee is to be set at \$1,100 per acre. Furthermore, the development platted includes a 12 acre detention pond. Accordingly, we would apply a 25% reduction for the detention credit.

While going through the development process with the Town, allegedly, the previous Planning Director may have suggested to Johnstown Village, LLC that based on the fact that they are

installing a regional storm water pipe that serves multiple properties that they can have their fee for the storm water waived. The problem with this is two fold:

1. The Town's Planning Director and for that matter, the Town Manager Johnstown does not have the authority to make this determination. The only entity in the Town that has this ability is the Town Council.

2. As part of the Subdivision Development and Improvement Agreement (SDIA), Johnstown Village, LLC signed the document which included the following section which clearly states the obligations related to the payment of the storm water fees which are those applicable by Town Code. If the fees were to be waived by some other means, it should be strictly assumed that this would be explicitly referenced in the SDIA or if this language was a concern, it should have been brought up during the negotiations of the SDIA. At no time was this matter brought to the Town Manager or Town Attorney's attention during the drafting process:

## **BUILDING PERMITS**

*7.1 The Town shall not issue building permits or install water meters for a Phase of the Development, as applicable, until: (1) the Final Plat has been recorded with the Weld County Clerk and Recorder; (2) Developer has paid all applicable use tax due and owing to the Town and all other fees required by the Town, including but not limited to water and tap fees, impact fees, storm drainage fees and cash-in-lieu payments due, if any, to Weld County School District RE-5J, for that Phase or Subphase....*

Most entities are maintaining their existing detention ponds associated infrastructure minus those utilities that are in the right of way of the Town. The Johnstown Village property has a metropolitan district on it and that district requested the additional 10 mills to make regional improvements. While Johnstown Village, LLC in its argument to support a waiver, suggests that regional improvements total over \$4 million with approximately \$1.95 million associated with the storm water line it is unclear where the additional regional improvements exist. Also, not mentioned is the fact that Johnstown Village, LLC may also be benefitting financially with connection to the regional storm water system by other private developers along the regional storm water flow line that ultimately terminates at the Little Thompson River.

In general, the purpose of the fee is for the Town to be able to make capital improvements to the storm drainage system as necessary to ensure positive flow throughout the system and mitigate the potential for localized flooding. Providing for a complete waiver of the fee could provide for other entities to make similar requests. This would leave our Town's Storm Water fund in a precarious position related to the long-term improvements and needs of the Town, even in the immediate area where the design based on the Town's Master Transportation Plan calls for Colorado Blvd. to be a major arterial, which would include the a five (5) lane road segment including construction of curb and gutter currently not in place.

Based on the facts that the Town has an ordinance in place requiring the payment, the developer signed the SDIA, and no formal requests were made by the developer for a waiver of the fee to the Council which is the appropriate place to make this request; Staff recommends application of the fee at 75% with the 25% reduction due to the existence of a detention pond on site.

**LEGAL ADVICE:**

**FINANCIAL ADVICE:**

Waiving of this fee would impact the Town financially and may cause the Town to delay capital storm water improvement projects.

**RECOMMENDED ACTION:**

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**SUGGESTED MOTIONS:**

**For Approval of the Waiver Request:** I move to approve the waiver of the Storm water impact fee for Johnstown Village, LLC as per their request and authorize the Town Manager to ensure that no fees for storm water fees are collected by the Town.

**For Denial of the Waiver Request:** I move to deny the waiver of the Storm water impact fee for Johnstown Village, LLC as per their request and authorize the Town Manager to ensure no building permits are issued until the storm water fees are collected by the Town.

**Reviewed and Approved for Presentation:**

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Town Manager

# Johnstown Village, LLC

10221 Prestwick Trail

Lone Tree, CO 80124

November 26<sup>th</sup>, 2019

Dear Town of Johnstown Counsel:

We are writing you to resolve a misunderstanding with regard to the storm water systems fee. As you are aware we are installing a regional storm system in Johnstown that will benefit our development and many other land owners in Johnstown.

There is a misunderstanding with regard to the storm water systems fee. My partner Harvey Deutch and I met with Town Planner John Franklin November 16<sup>th</sup>, 2018, one topic discussed was the regional storm water fee and why Johnstown Village believed we should not pay this fee. We discussed with Mr. Franklin the following;

1. Johnstown Village is installing the regional storm water line and paying 100% of the cost.
2. When the storm line is completed, the metro district will take ownership of the line and be responsible for all maintenance in perpetuity.
3. The town is not taking any of our storm water as it goes from our property directly to the Little Thompson River.
4. Johnstown Village is paying \$1,949,600 to install the regional storm line. We received 10 mills (\$2.15M) in our bonding capacity for all offsite costs. Our offsite costs total over \$4M, this leaves us \$1.85M short of bond reimbursement with uncertain reimbursement in the future from other land owners.

Mr. Franklin said he agreed as long as it was a regional storm line we should not have to pay the fee or worst case we would be reimbursed. I sent Mr. Franklin a summary of our meeting on Nov. 18<sup>th</sup> and asked him to correct anything he did not agree with. On Nov. 19<sup>th</sup> he sent me an email back with a few comments but did not make a comment on the storm in which I noted that we do not believe we should pay the fee. I called Mr. Franklin the next day and ask if we were in agreement that we do not have to pay the storm water fee and he said, "Yes that's why I didn't comment on it".

Based on this we thought the storm water systems fee was resolved until Kim Meyer emailed us on 11/21/2019 saying we need to pay the fee. She referenced that the PZC meeting packet and a review comment letter from Mr. Franklin pointed out the fees. Both were prior to our meeting with Mr. Franklin. The storm water fee was never included in the SDIA, and Mr. Franklin confirmed with me that this should have been included in the agreement if the town required us to pay this fee.

The developer of the Thompson River Ranch put in a regional storm line and was reimbursed within a year. We are respectfully requesting from the counsel that instead of reimbursing our fees, that you waive this fee given the circumstances I just outlined.

Sincerely,  
Bob Quinette  
Johnstown Village



# **WORK SESSION**



# CONNECTING SEVERANCE

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NICHOLAS J. WHARTON, MPA  
TOWN ADMINISTRATOR



# History of Broadband in Severance

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- 1 Wireless Provider and 1 Cable Provider (2014)
- Internet Speeds Averaged 1-5 Mbps with a max of 100 Mbps (2014)  
\*\*\*It was not uncommon for Internet to be out for hours at a time\*\*\*
- 2 Wireless Providers, 1 Cable Provider, 2 Fiber Providers (2018)
- Internet Speeds Averaged 100 Mbps – 1 Gig with a max of 100 Gigs (2018)
- 3 Wireless Providers, 1 Cable Provider, 3 Fiber Providers (2020)
- Internet Speeds Will Average 1 Gig (2022)

# Conduit Ordinance

- Ordinance 2017-15 on all new development and construction
- Requires Construction Companies and Developers to install Three (3) HDPE SOR 11 or SOR 13.5 conduit lines, each one-and one quarter inch (1 ¼") in diameter, shall be placed at horizontal and vertical locations approved by the Town Engineer and Town Planner
- In addition, when crossing a public street, a HDPE four-inch schedule 40 or 80 PVC sleeve conduit will be placed around each of the three (3) HDPE smooth SOR 11 or SOR 13.5 conduit lines for the full width of the ROW.

## TOWN OF SEVERANCE ORDINANCE NO. 2017-15

### AN ORDINANCE TO AMEND CHAPTER 16 ARTICLE 4 AND ARTICLE 15 OF THE SEVERANCE MUNICIPAL CODE FOR THE PURPOSE REQUIRING ALL DEVELOPMENTS TO INSTALL UNDERGROUND CONDUIT WITHIN THE TOWN OF SEVERANCE

**WHEREAS** the Town Board of Trustees desires to update Chapter 16 Article 4 and Article 15 of the Severance Municipal Code to include sections requiring all development to install underground conduit within the Town of Severance;

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF SEVERANCE, COLORADO, AS FOLLOWS:**

Section 1. Section 16.4.60(b)(9)(a)(5) of the Severance Municipal Code is amended to include the final plat construction plans shall include the location of internet conduit which shall read in its entirety as follows

#### **Sec. 16.4.60. Final Plat.**

- 5) The plan must show right-of-way lines and widths, road names, lot lines, tangent lengths and bearings, curve radii, delta angles, curve lengths, chord lengths and bearings, stationing at all beginning of curves and end of curves, intersections, structures, angles, curb lines, cross pans, traffic control devices (islands, striping, signs, etc.), drive cuts, curb returns and radii and all other features to enable construction in accordance with approved standards and standard engineering practice. Stationing may be centerline if approved by the Town Engineer. Construction plans shall include internet conduit, water lines and appurtenances, sewer lines and appurtenances, stormwater lines and appurtenances and any other wet utilities such as non-potable water systems and irrigation ditches.

Section 2. Section 16.4.70(d)(13) of the Severance Municipal Code is amended to include internet conduit as an improvement that shall typically be constructed as determined by the Town Engineer which shall read in its entirety as follows:

#### **Sec. 16.4.70. Development Agreements.**

- 13) Underground telephone, electricity, internet conduit, and gas lines.

Section 3. The Severance Municipal Code is amended to include a new section 16.15.80 which shall read in its entirety as follows:

#### **Sec. 16.15.80. Underground Conduit.**

- a) In association with the installation of dry utilities, all new developments shall be required to construct and install internet conduit along a lot easement and that all developments that affect, disturb, construct and/or improve streets,



# SB-152 Ballot Question

- Resolution Dec. 2018 to create a ballot question
- April 2018 Citizens voted on SB-152 on whether to allow the Town of Severance to re-establish the town's right to provide cable television service, telecommunications service, or any additional advanced service
- Voters Approved

## TOWN OF SEVERANCE RESOLUTION NO. 2017-39R

A RESOLUTION OF THE TOWN OF SEVERANCE, COLORADO, SUBMITTING TO THE REGISTERED ELECTORS VOTING IN THE SEVERANCE MUNICIPAL ELECTION TO BE HELD APRIL 3, 2018, A BALLOT ISSUE CONCERNING WHETHER THE TOWN OF SEVERANCE SHOULD RE-ESTABLISH THE TOWN'S RIGHT TO PROVIDE CABLE TELEVISION SERVICE, TELECOMMUNICATIONS SERVICE, OR ANY ADDITIONAL ADVANCED SERVICE:

**WHEREAS**, the Town of Severance, Colorado ("Town"), is a statutory town; and

**WHEREAS**, the Town is considering the possibility of re-establishing the town's right to provide cable television service, telecommunications service, or any additional advanced service; and

**WHEREAS**, the Board finds and determines that it is necessary and desirable to submit to the electors of the Town voting at the General Municipal Election to be held on April 3, 2018, the question of re-establishing the town's right to provide cable television service, telecommunications service, or any additional advanced service.

### **THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF SEVERANCE, COLORADO, AS FOLLOWS:**

Section 1. All actions heretofore taken (not inconsistent with the provisions of this resolution) by the Town and the officers thereof, directed toward the election in the objects and purposes herein stated are hereby ratified, approved and confirmed.

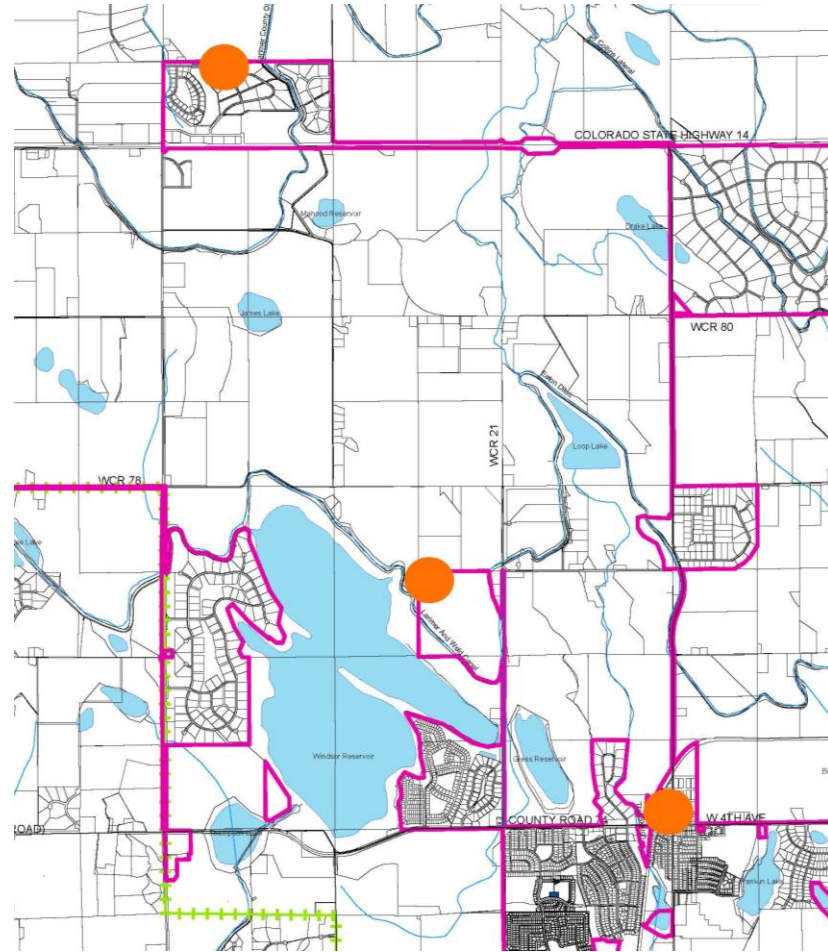
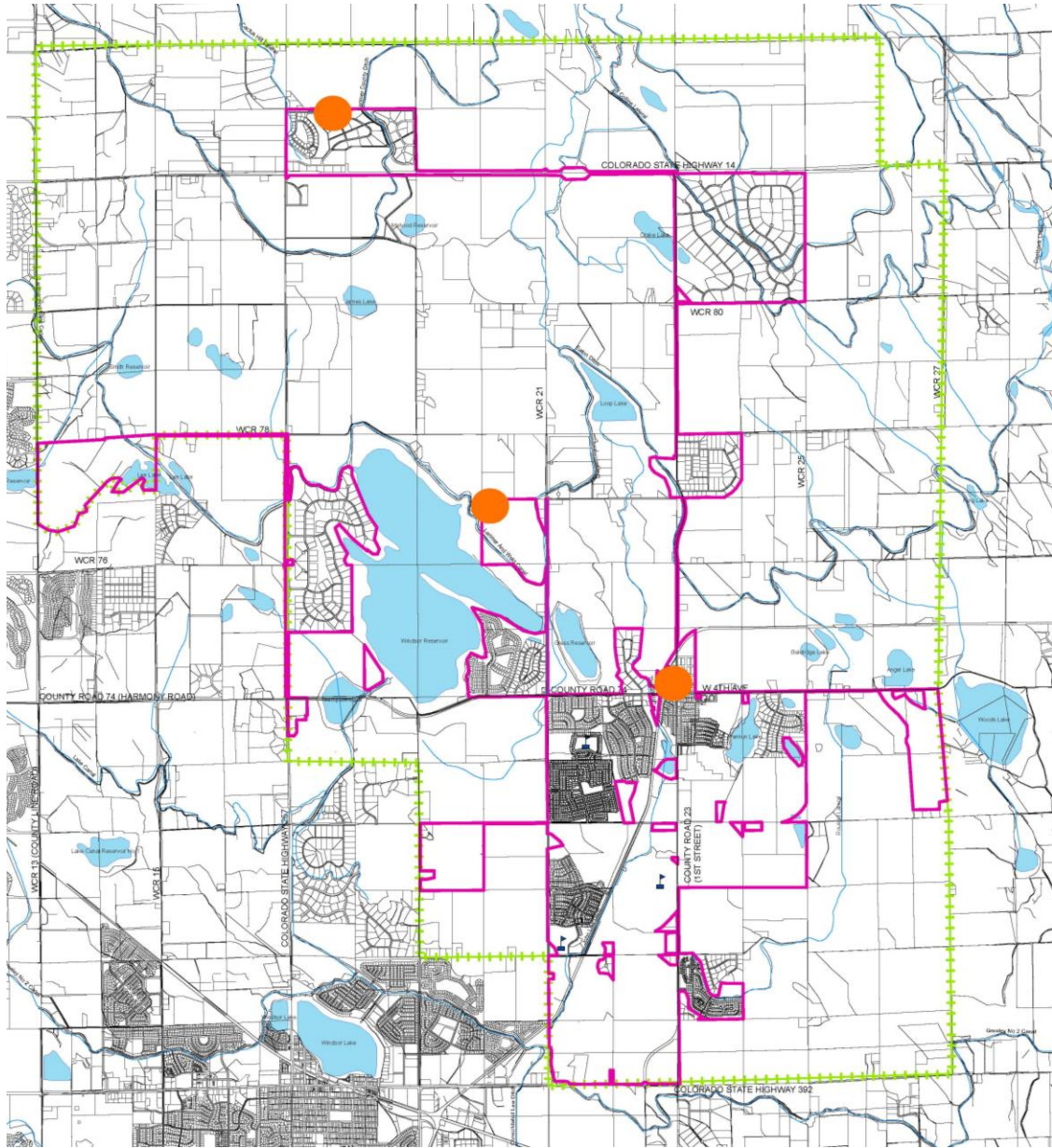
Section 2. The following Ballot Issue shall be submitted to the qualified electors of the Town voting at the General Municipal Election to be held on April 3, 2018:

### **RE-ESTABLISHING THE TOWN'S RIGHT TO PROVIDE CABLE TELEVISION SERVICE, TELECOMMUNICATIONS SERVICE, OR ANY ADDITIONAL ADVANCED SERVICE**

WITHOUT INCREASING TAXES, SHALL THE CITIZENS OF THE TOWN OF SEVERANCE, COLORADO, RE-ESTABLISH THEIR TOWN'S RIGHT TO PROVIDE ALL SERVICES RESTRICTED SINCE 2005 BY TITLE 29, ARTICLE 27 OF THE COLORADO REVISED STATUTES, DESCRIBED AS "ADVANCES SERVICES," "TELECOMMUNICATIONS SERVICES" AND "CABLE TELEVISION SERVICES," INCLUDING ANY NEW AND IMPROVED HIGH BANDWIDTH SERVICES BASED ON FUTURE TECHNOLOGIES, UTILIZING COMMUNITY OWNED INFRASTRUCTURE INCLUDING BUT NOT LIMITED TO THE EXISTING FIBER OPTIC NETWORK, EITHER DIRECTLY OR INDIRECTLY WITH PUBLIC OR PRIVATE SECTOR PARTNERS, TO POTENTIAL SUBSCRIBERS THAT MAY INCLUDE TELECOMMUNICATIONS SERVICE PROVIDERS, RESIDENTIAL OR











# 1<sup>st</sup> Tower Location

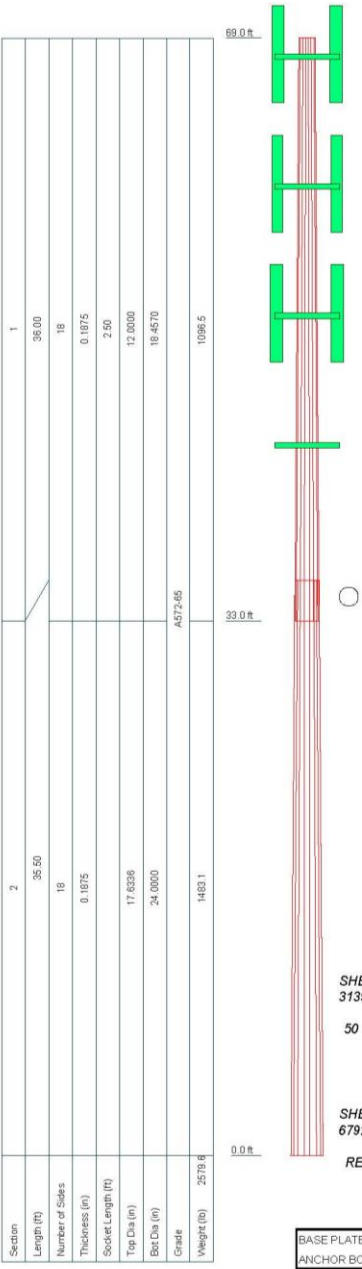
- Construction Date Oct. 2018
- Operational Date Dec. 2018
- Approximate Total Cost of \$47,000

This tower allowed for approximately 40% internet coverage for the Town of Severance and has the ability to serve portions of Windsor.



# Tower Design

- 70 ft. Tall Mono-Pole Design
  - Slim Design w/o cables
- Three Co-location Design
  - Broadband (1-3 Servicers)
  - Town Communications System
  - Meter Reading Gateway System

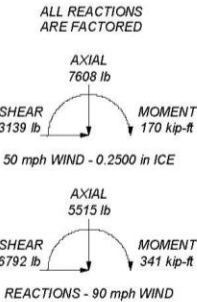


DESIGNED APPURTENANCE LOADING			
TYPE	ELEVATION	TYPE	ELEVATION
Ubiquiti AP-5AC-90-HD Panel Antenna	68	Ubiquiti AP-5AC-90-HD Panel Antenna	60
Ubiquiti AP-5AC-90-HD Panel Antenna	68	24" Side Arm Mount	60
Ubiquiti AP-5AC-90-HD Panel Antenna	68	(2) Ubiquiti airFiber AF-5 / AF-5U Antenna	52
Ubiquiti AP-5AC-90-HD Panel Antenna	68	(2) Ubiquiti airFiber AF-5 / AF-5U Antenna	52
Ubiquiti AP-5AC-90-HD Panel Antenna	68	(2) Ubiquiti airFiber AF-5 / AF-5U Antenna	52
24" Side Arm Mount	68	(2) Ubiquiti airFiber AF-5 / AF-5U Antenna	52
Ubiquiti AP-5AC-90-HD Panel Antenna	60	(2) Ubiquiti airFiber AF-5 / AF-5U Antenna	52
Ubiquiti AP-5AC-90-HD Panel Antenna	60	24" Side Arm Mount	52
Ubiquiti AP-5AC-90-HD Panel Antenna	60	Top of Water tank	44

MATERIAL STRENGTH					
GRADE	Fy	Fu	GRADE	Fy	Fu
A572-65	65 ksi	80 ksi			

- TOWER DESIGN NOTES**
1. Tower is located in Weld County, Colorado.
  2. Tower designed for Exposure C to the TIA-222-G Standard.
  3. Tower designed for a 90 mph basic wind in accordance with the TIA-222-G Standard.
  4. Tower is also designed for a 50 mph basic wind with 0.25 in ice. Ice is considered to increase in thickness with height.
  5. Deflections are based upon a 60 mph wind.
  6. Tower Structure Class II.
  7. Topographic Category 1 with Crest Height of 0.00 ft.
  8. Weld together tower sections have flange connections.
  9. Connections use galvanized A325 bolts, nuts and locking devices. Installation per TIA/EIA-222 and AISC Specifications.
  10. Tower members are "hot dipped" galvanized in accordance with ASTM A123 and ASTM A153 Standards.
  11. Welds are fabricated with ER-70S-6 electrodes.
  12. TOWER RATING: 72.7%

**Preliminary Design  
Not For Fabrication**



**Accent Broadband Towers**  
**Site Name: Windsor Reservoir**  
**70-Ft. Monopole**  
**40° 32' 40.89", -104° 52' 35.13"**  
**Weld County**

BASE PLATE: 1.75" x 37" Dia. (55 KSI)  
ANCHOR BOLTS: (4) 2.25" DIA ON 31" B.C.







# 1<sup>st</sup> Tower Location

Town of Severance Internet Tower Construction Costs		
Vendor	Description	Amount
Majestic Surveying	Survey	1,410
Trans American Power Poles	Tower Structure	11,918
Ascent Broadband	Installation	29,154
FRS Enterprises	Installation	4,484
		<b>46,966</b>

# P3 Agreement

- Private Public Partnership
- Construction of Tower
- 2 Year Non-Exclusive Contract
- 3% Gross Subscriber Revenue
- Allows for Amendments for Additional Towers

## TOWER LEASE AGREEMENT

This Agreement is entered into by and between Ascent Broadband, LLC, a Colorado Limited Liability Company, herein referred to as the Lessee, and the Town of Severance, a Colorado municipality, herein referred to as the Lessor.

### Recitals

- A. Lessor is the owner of agreed locations for the construction of two (2) broadcast towers located in the Town of Severance, Weld County, Colorado (hereinafter Tower Facilities), and;
- B. Subject to Town funding, Lessee agrees to construct, at Town's expense, and subsequently to lease the Tower Facilities, including all rights of access for use and to assume all obligations for maintenance and repair, and Lessor desires to lease said described Tower Facilities to Lessee, on terms and conditions as set forth in this Agreement, and;
- C. Lessee shall utilize such Tower Facilities for the purpose of facilitating Internet access, availability, and service to citizens of the Town and surrounding areas. The following services shall be provided:
  1. Internet plans shall start at speeds not less than 5mbps;
  2. Lessee must acquire and maintain sufficient backhaul bandwidth to service advertised speeds ranging from 5mb to 1,000mb, as determined by service plan selected by customer (hereinafter Services) during peak hours;
  3. No data caps or additional data charges will be assessed;
  4. Notice of any planned maintenance which may cause outages must be provided to all affected customers at least seventy-two (72) hours in advance of said outages; and
  5. Reasonable efforts shall be made to provide Services to all customers that are within line-of-site of the Tower Facilities.
- D. The parties desire to reduce the terms of their agreement in writing, and;

NOW, THEREFORE, IN CONSIDERATION of the covenants and agreements herein contained, Lessor and Lessee agree as follows:

1. Recitals. The above recitals are incorporated herein by reference, as though fully set forth herein.
2. Lease of Tower Facility. Upon confirmation of construction funding from Town, Lessor agrees to lease to Lessee, and Lessee hereby leases from Lessor, access to and use of the real property where the Tower Facilities are to be located, together with associated operations and equipment space (collectively the "Tower Facilities") as hereinafter set forth. During the term of this Agreement, Lessor hereby grants permission to Lessee to install, maintain, and operate wireless communication equipment on the Tower Facilities as described in Section "C" above.
3. Rental. Lessee shall pay to Lessor as rent during the term of this Lease Agreement, a rental payment equal to three percent (3%) of gross wireless internet subscriber revenue for ISP services invoiced for each subscriber on the Tower Facilities, commencing the 1<sup>st</sup> day of October 2018, with lease payment payable on the first day of each subsequent month thereafter. After October 1, 2020, the monthly lease payment shall be the greater of three percent (3%) of gross wireless

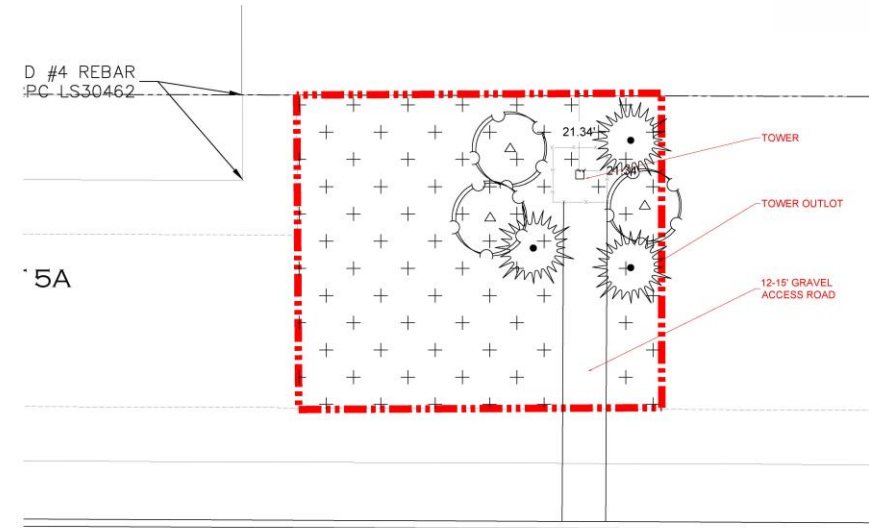


# 2<sup>nd</sup> Tower Location



- Tower Ordered & Contractors Selected
- Construction Date Set for Dec. 2019
- Operational Date Set for Feb. 2020
- Approximate Total Cost of \$60,000

This tower will allow for approximately 70% internet coverage for the Town of Severance and has the ability to serve portions of Wellington and Windsor.



**BRANDING IRON DRIVE**

SEVERANCE TOWER SITE  
SADDLER RIDGE TOWER SITE  
OUTLOT 5A, SADDLER PUD 2ND  
FILING, SEVERANCE, CO

SADDLER RIDGE TOWER SITE  
OUTLOT 5A, SADDLER PUD 2ND  
FILING, SEVERANCE, CO

# 3<sup>rd</sup> Tower Location



- Tower will be ordered in Feb. 2020
- Construction Date Set for May 2020
- Operational Date Set for August 2020
- Approximate Total Cost of \$45,000–\$50,000

With this final tower it will allow for approximately 100% wireless internet coverage for the Town of Severance.







# Recap & Next Steps of in Severance

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- ✓ Town Owned Conduit System
- ✓ 3 Multi-use Towers
  - ✓ Wireless Internet, Town Communications System & Meter Reading Gateway System
- ✓ 100% Wireless Internet Coverage
- ✓ Private Public Partnership to offer Reliable and Multiple Choices of Broadband Service
- ✓ Creating a Town Owned Internal Fiber Network
- ✓ Working Towards becoming “Gig City”



# Questions or Comments

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# **I-25/CO 402 INTERCHANGE FINANCING ANALYSIS**

Prepared for:

Town of Johnstown  
450 S. Parish Avenue  
Johnstown, CO 80534

Prepared by:

Felsburg Holt & Ullevig  
6300 South Syracuse Way, Suite 600  
Centennial, CO 80111  
303.721.1440

FHU Reference No. 119133-02

October 2019

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## INTRODUCTION

The Colorado Department of Transportation is currently leading reconstruction of Interstate 25 (I-25) between Johnstown and Fort Collins. The project will increase capacity by adding an Express Lane in both directions, replacing four aging bridges, and widening two additional bridges. The project will also improve multimodal access to regional transit to promote mode shift, improve bus service performance by adding new bus slip ramps from I-25 to the new Park-n-Ride at Kendall Parkway, create new pedestrian and bicycle access under I-25 at Kendall Parkway, and construct new bridges over the Cache la Poudre River, allowing for the future completion of the regional trail. The project is expected to be completed in 2021 with the total cost estimated at \$302 million.

As part of the project, the I-25/Colorado (CO) 402 interchange will be reconstructed, with completion scheduled by the end of 2019. Reconstruction will improve the safety of the interchange by smoothing out the curves, both horizontally and vertically, adding pedestrian and bike facilities to allow safe crossings of I-25, modernize the aging infrastructure, and increase interchange capacity to accommodate the continuing population growth in the Loveland and Johnstown area.

The Town of Johnstown has committed \$7 million toward the I-25/CO 402 interchange reconstruction project. The Town engaged Felsburg Holt & Ullevig (FHU) to evaluate a potential impact fee that could be assessed on future development in Johnstown that will benefit from the improved interchange. This impact fee would allow the Town to recoup an appropriate portion of the committed \$7 million Johnstown share of the cost of the planned interchange improvement project. This study provides forecasts of development in Johnstown, analysis of the contribution of development in various parts of Johnstown to the interchange, and a basis for an interchange impact fee for new Johnstown development that will benefit from improvements to the I-25/CO 402 interchange.

## DEVELOPMENT FORECASTS

A key foundation for analyzing funding options is developing reasonable growth forecasts for areas that generate traffic using the interchange. The North Front Range Metropolitan Planning Organization (NFRMPO) regional model was used as a basis for forecasting. The regional model includes 2015 base year, and 2030 and 2040 model years. The regional model includes household and employment data and forecasts for the entire North Front Range region, using a transportation analysis zone (TAZ) system.

A study area was defined encompassing the part of Johnstown and the Town's Growth Management Area judged to be within the influence area of the I-25/CO 402 interchange. **Figure I** shows the model TAZs that are in the study area, consisting of Johnstown limits or the Town's Growth Management Area between CO 60/Larimer County Road 14 (LCR 14) on the south and US 34 on the north.

Johnstown's own development expectations for 2030 and 2040 were established and used to replace NFRMPO forecasts for Johnstown's TAZs. Johnstown's Director of Planning and Development established forecasts of development types and magnitudes anticipated by 2030 and by 2040 based on current development activity and development trends. Town forecasts by acreage and general development types had to be translated into the household and employment data that is used in the regional travel model.

**Table I** shows the key assumptions that were used for this translation, including the mix of employment types for different general land use category, average density as measured by dwelling units/acre or floor area ratio (building area as a percentage of total land area), and average building square footage per employee.

**Table I. Development Types and Density Assumptions**

Land Use Type	Employment Category				Total
	Retail	Service	Base	Medical	
Commercial	0.5	0.5	0		1.00
Commercial/Employment	0.25	0.75	0		1.00
Commercial/LightIndustrial	0.1	0.4	0.5		1.00
LightIndustrial/Employment	0	0.5	0.5		1.00
Commercial/Retail	0.5	0.5	0		1.00
Commercial/Office	0.25	0.75	0		1.00
MixedUse	0.25	0.75	0		1.00
Single Family Density	3 per acre				
Multi-Family Density	15 per acre				
FAR (Bldg/Land Area)	0.2	0.2	0.1		-
Density (ft2/Employee)	500	300	1000		-

*Note: Values are based on information from the city and on industry standards*

**Table 2** shows the expected residential units and the acres of development by TAZ for different land use categories provided by the Town, along with the resulting employment by category based on the assumptions provided in **Table I**. The employment results are displayed for three employment categories used in the regional model: Retail, Service (primarily office employment) and Base (industrial and agricultural employment). There were no forecasts provided for Medical employment, the fourth category used in the model.



Figure I. Study Area

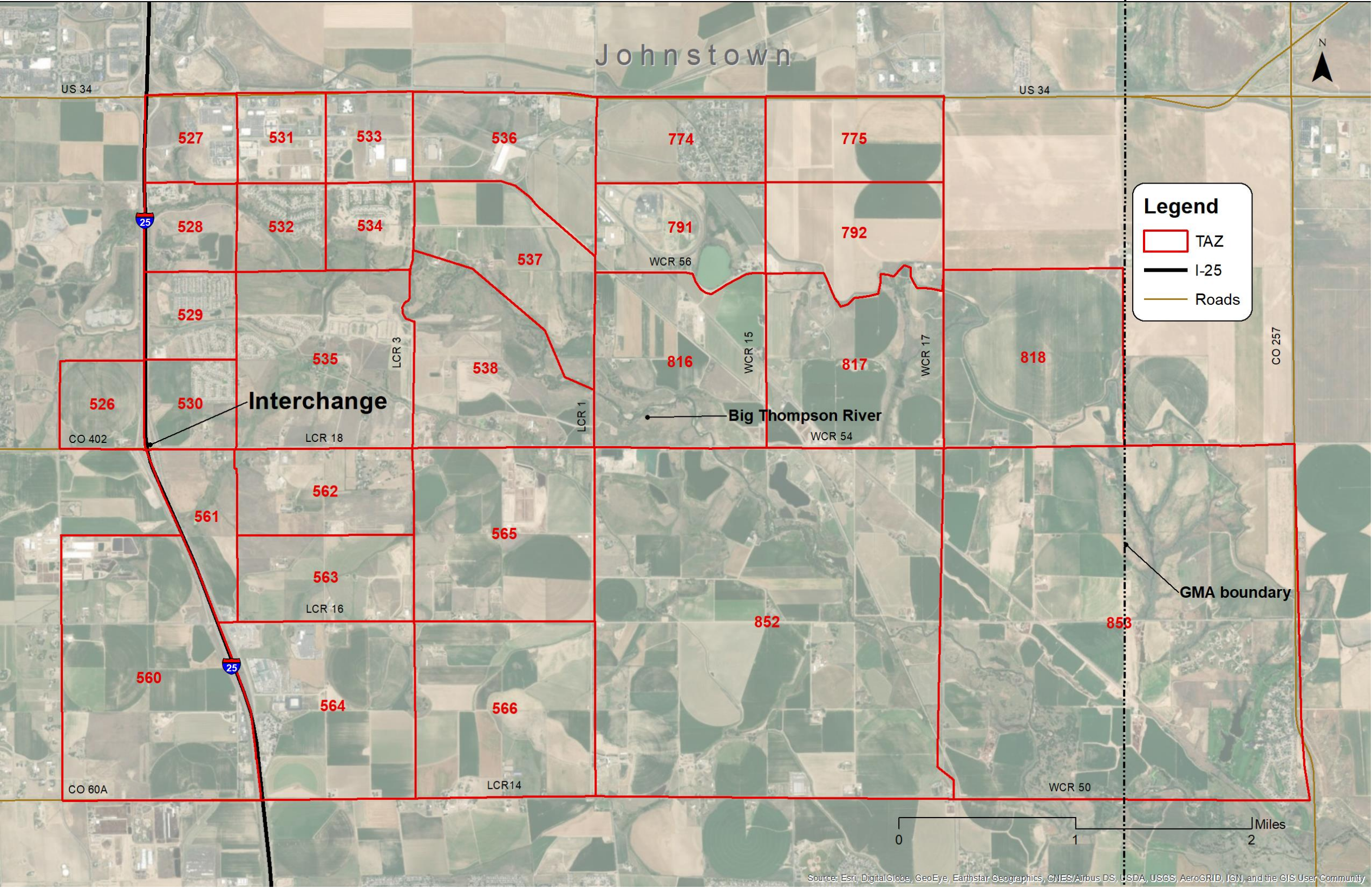




Table 2. Household and Employment Calculations Based on Johnstown Development Forecasts by Land Use Type

TAZ		Households				Commercial				Commercial/Employment						Commercial/Light Industrial								Light Industrial/Employment									
Total Area		Single Family (DU)		Multi-Family (DU)		Area (Acres)		Retail Emp		Service Emp		Area (Acres)		Retail Emp		Service Emp		Area (Acres)		Retail Emp		Service Emp		Base Emp		Area (Acres)		Service Emp		Base Emp			
#	Acres	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040		
526	153	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
527	170	-	-	228	228	15	15	131	131	218	218	-	-	-	-	-	-	4	4	7	7	46	46	9	9	-	-	-	-	-	-		
528	168	-	240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
529	166	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
530	172	94	94	200	200	25	25	218	218	363	363	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
531	166	-	-	-	-	-	-	-	-	-	-	40	40	174	174	871	871	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
532	161	-	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
533	161	-	-	240	240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.76	16.76	243	243	37	37	-	-	
534	159	-	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
535	641	1,900	1,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
536	402	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180	180	2,614	2,614	392	392	-	-	
537	399	-	250	-	240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
538	533	250	250	-	-	-	8	-	70	-	116	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
560	929	-	1,280	-	-	-	-	-	-	-	-	-	160	-	697	-	3,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
561	196	-	-	-	-	-	-	-	-	-	-	32	32	139	139	697	697	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
562	314	300	300	400	400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
563	313	-	700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
564	622	700	700	120	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
565	644	-	1,350	-	-	-	8	-	70	-	116	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
566	653	-	1,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
774	301	-	-	-	-	15	15	131	131	218	218	-	-	-	-	-	-	-	-	-	-	-	-	-	70	70	1,016	1,016	152	152	-	-	
775	315	-	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60	-	105	-	697	-	131	-	-	-	-	-	-	-	
791	329	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
792	367	-	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
816	604	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
817	601	-	390	-	-	-	15	-	131	-	218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
818	656	-	400	-	-	-	15	-	131	-	218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
852	2,494	-	950	-	200	-	15	-	131	-	218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
853	2,606	-	-	-	-	-	15	-	131	-	218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	15,397	3,244	10,564	1,188	1,628	55	131	480	1,144	799	1,903	72	232	313	1,010	1,568	5,053	4	64	7	112	46	743	9	140	267	267	3,873	3,873	581	581	-	-

Note: Forecasts based on provided development assumptions for each TAZ. See Table 3 for Household and Employment (growth) totals

**Table 3** provides a summary of forecasted development between now and 2030 and 2040 for the Johnstown growth management area. Households include single family and multi-family residences and employment is shown by retail, service, and base employment types.

These development assumptions were added to the NFRMPO model's base year (2015) demographic data to develop total 2030 and 2040 forecasts, as shown on **Table 4**. Forecasts show more than a tripling of both households and employment anticipated by 2030 compared with 2015 base year data. Additional growth between 2030 and 2040 is expected to be approximately 130 percent for households and 65 percent for employment.

One complicating factor in the forecasting process is the fact that the regional model's base year is 2015 and there is no dataset available with current (2019) household and employment data. For traffic forecasting exercises described later in the report, it was necessary to estimate the growth that has occurred between 2015 and 2019. This was done using aerial photography and comparing estimated existing demographics to the 2015 data set. The 2019 estimates shown on **Table 4** result in an average (households and employment) estimate that 7.2 percent of the projected 2015 to 2030 growth has already taken place. The 2030 and 2040 calculated growth rate is also shown at the bottom of the table.

**Table 3. New Household and Employment Growth Forecasts by TAZ**

TAZ	Households				Employment						Total Growth by year			
Johnstown	Single Family		Multi-Family		Retail Emp		Service Emp		Base Emp		2019 - 2030		2019 - 2040	
#	2030	2040	2030	2040	2030	2040	2030	2040	2030	2040	HH	EMP	HH	EMP
526	-	-	-	-	-	-	-	-	-	-	-	-	-	-
527	-	-	228	228	138	138	264	264	9	9	228	411	228	411
528	-	240	-	-	-	-	-	-	-	-	-	-	240	-
529	-	-	-	-	-	-	-	-	-	-	-	-	-	-
530	94	94	200	200	218	218	363	363	-	-	294	581	294	581
531	-	-	-	-	174	174	871	871	-	-	-	1,045	-	1,045
532	-	60	-	-	-	-	-	-	-	-	-	-	60	-
533	-	-	240	240	-	-	243	243	37	37	240	280	240	280
534	-	50	-	-	-	-	-	-	-	-	-	-	50	-
535	1,900	1,900	-	-	-	-	-	-	-	-	1,900	-	1,900	-
536	-	-	-	-	-	-	2,614	2,614	392	392	-	3,006	-	3,006
537	-	250	-	240	-	-	-	-	-	-	-	-	490	-
538	250	250	-	-	-	70	-	116	-	-	250	-	250	186
560	-	1,280	-	-	-	697	-	3,485	-	-	-	-	1,280	4,182
561	-	-	-	-	139	139	697	697	-	-	-	836	-	836
562	300	300	400	400	-	-	-	-	-	-	700	-	700	-
563	-	700	-	-	-	-	-	-	-	-	-	-	700	-
564	700	700	120	120	-	-	-	-	-	-	820	-	820	-
565	-	1,350	-	-	-	70	-	116	-	-	-	-	1,350	186
566	-	1,250	-	-	-	-	-	-	-	-	-	-	1,250	-
774	-	-	-	-	131	131	1,234	1,234	152	152	-	1,517	-	1,517
775	-	200	-	-	-	105	-	697	-	131	-	-	200	933
791	-	-	-	-	-	-	-	-	-	-	-	-	-	-
792	-	200	-	-	-	-	-	-	-	-	-	-	200	-
816	-	-	-	-	-	-	-	-	-	-	-	-	-	-
817	-	390	-	-	-	131	-	218	-	-	-	-	390	349
818	-	400	-	-	-	131	-	218	-	-	-	-	400	349
852	-	950	-	200	-	131	-	218	-	-	-	-	1,150	349
853	-	-	-	-	-	131	-	218	-	-	-	-	-	349
<b>TOTAL</b>	<b>3,244</b>	<b>10,564</b>	<b>1,188</b>	<b>1,628</b>	<b>800</b>	<b>2,266</b>	<b>6,286</b>	<b>11,572</b>	<b>590</b>	<b>721</b>	<b>4,432</b>	<b>7,676</b>	<b>12,192</b>	<b>14,559</b>

Note: Total growth forecasts by land use type and by year

**Table 4. Total Household and Employment Forecasts by TAZ**

TAZ	2015 (from Model)		Estimated Growth '15-'19		2019		Estimated Growth '19-'30		2030		Estimated Growth '19-'40		2040	
#	HH	EMP	HH	EMP	HH	EMP	HH	EMP	HH	EMP	HH	EMP	HH	EMP
526	0	11	0	0	0	11	0	0	0	11	0	0	0	11
527	128	206	175	138	303	344	228	411	531	755	228	411	531	755
528	144	36	0	0	144	36	0	0	144	36	240	0	384	36
529	144	36	50	25	194	61	0	0	194	61	0	0	194	61
530	10	19	75	0	85	19	294	581	379	600	294	581	379	600
531	33	480	0	300	33	780	0	1045	33	1825	0	1045	33	1825
532	78	61	0	0	78	61	0	0	78	61	60	0	138	61
533	29	387	0	150	29	537	240	280	269	817	240	280	269	817
534	30	49	100	0	130	49	0	0	130	49	50	0	180	49
535	193	124	150	0	343	124	1900	0	2243	124	1900	0	2243	124
536	33	289	0	0	33	289	0	3006	33	3295	0	3006	33	3295
537	14	136	0	0	14	136	0	0	14	136	490	0	504	136
538	16	31	0	0	16	31	250	0	266	31	250	186	266	217
560	22	143	3	20	25	163	0	0	25	163	1280	4182	1305	4345
561	4	11	0	0	4	11	0	836	4	847	0	836	4	847
562	10	12	0	0	10	12	700	0	710	12	700	0	710	12
563	10	12	0	20	10	32	0	0	10	32	700	0	710	32
564	32	282	0	40	32	322	820	0	852	322	820	0	852	322
565	28	5	0	20	28	25	0	0	28	25	1350	186	1378	211
566	11	14	0	0	11	14	0	0	11	14	1250	0	1261	14
774	57	8	0	0	57	8	0	1517	57	1525	0	1517	57	1525
775	4	102	0	0	4	102	0	0	4	102	200	933	204	1035
791	57	8	0	50	57	58	0	0	57	58	0	0	57	58
792	0	0	0	0	0	0	0	0	0	0	200	0	200	0
816	12	74	0	5	12	79	0	0	12	79	0	0	12	79
817	33	45	0	0	33	45	0	0	33	45	390	349	423	394
818	71	69	0	0	71	69	0	0	71	69	400	349	471	418
852	2	0	0	5	2	5	0	0	2	5	1150	349	1152	354
853	269	233	0	0	269	233	0	0	269	233	0	349	269	582
TOTAL	1,470	2,881	553	773	2,023	3,654	4,432	7,676	6,455	11,330	12,192	14,559	14,215	18,213

Note: 2015 values are based on the North Front Range MPO model, adjusted to Johnstown's TAZs areas. Growth '15-'19' are estimated values based on satellite imagery  
2030 and 2040 are calculated based on forecasted growth values (Table 3) + estimated 2019 values

Growth Rate	-	-	-	-	8.3%	6.1%	-	-	11.1%	10.8%	-	-	9.7%	7.9%
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Note: 2019 Growth Rate (compound annual growth rate) is based on year 2015. 2030 and 2040 growth rate is based on year 2019.

## TRAFFIC FORECASTS

The base year, 2030 and 2040 regional travel models, with Johnstown development forecasts as described in the previous section, were used to prepare traffic forecasts for the I-25/CO 402 interchange. **Table 5** documents the results of the forecasting. All data shown represent daily traffic volumes.

Following are descriptions of various data provided on **Table 5**:

- Total Trips – The Total Trips columns represent the total number of daily vehicle trips generated by each TAZ, including trips in and out of the TAZ.
- Ramp Trips – The Ramp Trips columns represent the number of daily trips to and from each TAZ that use the I-25/CO 402 interchange, specifically using one of the four interchange ramps.
- % – The % columns show the percentage of all TAZ trips that use the I-25/CO 402 interchange.
- Ranking of TAZs by Interchange Use – TAZs are ranked in descending order by the percentage of total TAZ traffic that uses the interchange. Development in the TAZs with the highest percentage of interchange use are judged to receive the most benefit of interchange improvements.
- Tier 1 and Tier 2 TAZs – TAZs that are estimated to have more than 17 percent of total trips using interchange ramps in 2030 are designated as Tier 1 TAZs. Other TAZs that are estimated to have more than 7 percent of total trips using the interchange ramps in 2030 are designated as Tier 2 TAZs.
- Tier 1 and Tier 2 Averages – The bottom rows of the table show 1<sup>st</sup> Tier and 2<sup>nd</sup> Tier totals. It shows that the average percentage of trips using the interchange for Tier 1 TAZs is 27 percent and the average for Tier 2 TAZs is 11 percent, so the average Tier 1 percentage is approximately 2.5 times as great for Tier 1 compared with Tier 2. This ratio will be used later in the report to establish an equitable fee level for Tier 1 versus Tier 2 areas.
- TAZ 816 Special Treatment – TAZ 816 overall showed a relatively low percentage of traffic using the interchange; however, it was judged that the low percentage applies to the portion of the TAZ that is north of the Big Thompson River and is therefore oriented to the north. The portion of TAZ 816 south of the Big Thompson River is expected to have traffic more oriented to the south toward WCR 54/CO 402 so that portion of the TAZ is being treated as a Tier 2 area.

**Table 6** provides a summary of the forecasted trips using the I-25/CO 402 interchange and the proportion of those trips starting or ending in Johnstown zones.

- The Interchange Total Trips column provides the model's forecasts of interchange trips, which are the sum of the daily traffic volumes on the four interchange ramps. Total interchange trips are shown for 2019 (2015 model adjusted for estimated 2015 to 2019 growth), 2030, 2040, and growth between 2019 and 2030 and between 2019 and 2040.
- The Total Johnstown Trips column shows the number of trips and percentage of total interchange trips that are to or from the 29 TAZs that comprise the Johnstown study area as shown on **Figure 1**. Johnstown TAZs are estimated to account for 15 percent of 2019 interchange traffic, increasing to 40 percent in 2030 and 44 percent in 2040. This increase is a result of sharper development growth projected for Johnstown compared to Loveland and other areas that feed the interchange.
- The 1<sup>st</sup> Tier and 2<sup>nd</sup> Tier columns show the percentage of total interchange traffic estimated to begin or end in the TAZs in the 1<sup>st</sup> and 2<sup>nd</sup> Tier influence zones as shown on **Figure 2**.



Table 5. Total Daily Trips and Trips Using I-25/CO 402 Interchange

TAZ	Tiers		2015			2019			2030			Growth Trips (2019 - 2030)		2040			Growth Trips (2019-2040)	
#	1 <sup>st</sup>	2 <sup>nd</sup>	Ramp trips	%	Total trips	Ramp trips	%	Total trips	Ramp trips	%	Total trips	Ramp trips	Total Trips	Ramp trips	%	Total trips	Ramp trips	Total trips
526	*		10	56%	18	13	54%	24	9	53%	17	0	0	60	32%	185	47	161
562	*		127	43%	295	168	43%	390	2,108	40%	5,285	1,940	4,895	2,210	33%	6,769	2,042	6,379
530	*		22	47%	47	29	47%	62	2,047	37%	5,539	2,018	5,477	2,109	27%	7,809	2,080	7,747
561	*		41	45%	91	54	45%	120	1,149	35%	3,260	1,095	3,140	1,140	24%	4,778	1,086	4,658
529	*		729	30%	2,415	963	30%	3,191	704	21%	3,337	0	146	450	14%	3,320	0	129
535	*		37	29%	129	49	29%	170	2,971	19%	15,815	2,922	15,645	2,811	14%	19,982	2,762	19,812
538	*		23	31%	74	30	31%	98	261	18%	1,452	231	1,354	351	12%	2,998	321	2,900
818		**	82	22%	369	108	22%	488	52	14%	375	0	0	1,144	11%	10,701	1,036	10,213
563		**	9	23%	39	12	23%	52	5	13%	38	0	0	548	11%	5,144	536	5,092
565		**	19	22%	87	25	22%	115	11	13%	86	0	0	1,111	11%	10,309	1,086	10,194
564		**	719	17%	4,153	950	17%	5,488	1,057	12%	8,667	107	3,179	978	9%	10,831	28	5,343
817		**	8	20%	41	11	20%	54	5	12%	42	0	0	256	5%	4,924	245	4,870
560		**	54	12%	436	71	12%	576	51	11%	456	0	0	2,214	7%	31,055	2,143	30,479
852		**	4	15%	26	5	15%	34	3	12%	26	0	0	217	4%	5,221	212	5,187
528		**	4	12%	34	5	11%	45	3	9%	35	0	0	184	8%	2,431	179	2,386
566		**	9	18%	51	12	18%	67	5	10%	51	0	0	710	6%	11,651	698	11,584
527		**	52	7%	748	69	7%	988	463	8%	5,543	394	4,555	350	6%	5,939	281	4,951
853			131	9%	1,484	173	9%	1,961	86	6%	1,537	0	0	79	2%	4,163	0	2,202
531			133	6%	2,259	176	6%	2,985	411	5%	7,500	235	4,515	200	2%	8,550	24	5,565
533			55	6%	956	73	6%	1,263	123	3%	4,323	50	3,060	52	1%	4,641	0	3,378
534			2	5%	41	3	6%	54	2	4%	54	0	0	11	2%	592	8	538
532			26	5%	522	34	5%	690	19	3%	713	0	23	19	1%	1,478	0	788
816		**	5	4%	116	7	5%	153	3	3%	119	0	0	2	1%	142	0	0
537			2	5%	44	3	5%	58	1	2%	44	0	0	68	2%	4,114	65	4,056
791			2	3%	59	3	4%	78	1	2%	60	0	0	1	1%	71	0	0
792			1	5%	19	1	4%	25	0	0%	19	0	0	13	1%	1,476	12	1,451
774			19	3%	652	25	3%	862	11	2%	658	0	0	58	1%	6,050	33	5,188
536			5	2%	245	7	2%	324	58	1%	7,961	51	7,637	81	1%	9,704	74	9,380
775			0	0%	0	0	0%	0	0	0%	0	0	0	20	0%	6,092	20	6,092
All TAZs			2,330	15%	15,450	3,079	15%	20,415	11,619	16%	73,012	8,540	52,597	17,447	9%	191,120	14,368	170,705

Note: 2019 trips are based on 2015 model values plus same estimated growth rate as of development from 2015 to 2019 (from Table 4). 2030 and 2040 come from development values applied to the NFR MPO model.

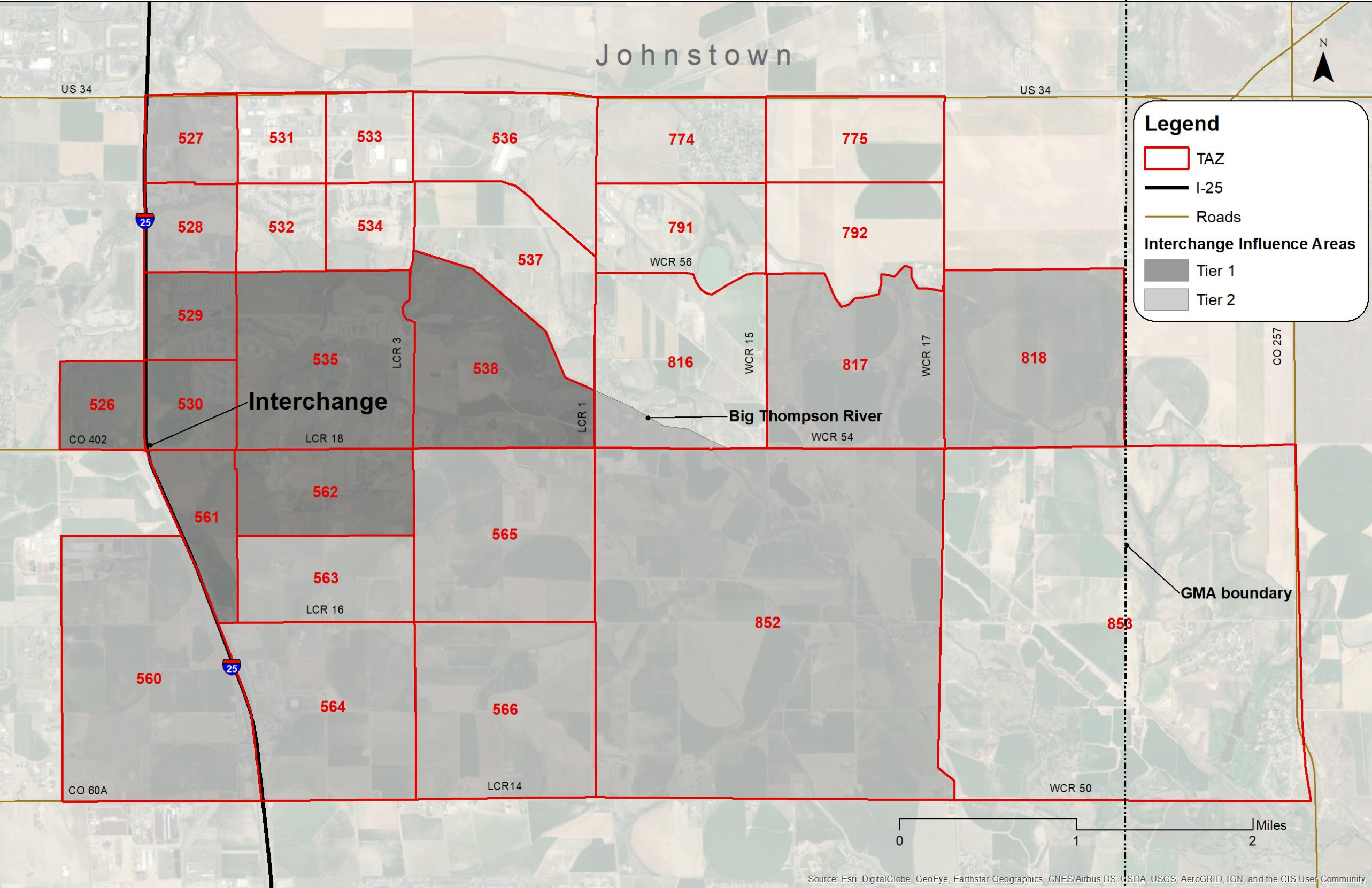
1st Tier	*	989	32%	3,069	1,306	32%	4,055	9,249	27%	34,705	7,943	30,650	9,131	20%	45,983	7,825	41,928
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Note: Based on TAZ's with highest 2030 ramp trips ratio (> 17%).

2nd Tier	**	960	16%	5,984	1,275	16%	8,060	1,658	11%	15,438	383	7,378	7,714	8%	98,348	6,439	90,288
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Note: Based on TAZ's with 2030 ramp trips ratio between 7% and 17%. It includes part of TAZ 816 since its southernmost section development would be in the influence area.

Figure 2. Interchange Influence Areas



**Table 6. I-25/CO 402 Interchange Trips and Sources**

	Interchange Total Trips	% of total	Total Johnstown Trips	% of total	1st Tier ( >17% )	% of total	2nd Tier (17% > x > 7%)	% of total
<b>2019</b>	19,908	100%	3,079	15%	1,306	6.6%	1,275	6%
<b>2030</b>	28,824	100%	11,619	40%	9,249	32%	1,658	6%
2019 - 2030 Growth	8,916	100%	8,540	96%	7,943	89%	383	4%
<b>2040</b>	39,293	100%	17,447	44%	9,131	23%	7,714	20%
2019 - 2040 Growth	19,385	100%	14,368	74%	7,825	40%	6,439	33%

Note: Interchange Total (Ramps) Trips uses the North Front Range MPO (model). "% of total" refers Interchange Total Trips.

Using interchange trip data shown in **Table 6**, **Table 7** provides a calculation of the fair share of Johnstown's committed contribution to the interchange that can be attributed to growth in Johnstown's 2-tier interchange influence area. It shows that the total Johnstown study area's 2030 contribution to interchange traffic is an estimated 11,619 daily trips. The interchange traffic attributable to projected growth in the Tier 1 plus Tier 2 influence area is an estimated 8,326 daily trips, or 72 percent of the Johnstown study area total. This 72 percent will be applied to the \$7 million Johnstown commitment to the interchange to obtain a **\$5,040,000 target for Johnstown influence area impact fees**.

**Table 7. Johnstown Influence Area Growth as a Percent of Total 2030 Johnstown Interchange Trips**

Tier 1 Daily Trips (2019 - 2030 Growth)	7,943
Tier 2 Daily Trips (2019 - 2030 Growth)	383
<b>Tier 1 + 2 Daily Trips (2019 - 2030 Growth)</b>	<b>8,326</b>
<b>Total Johnstown Daily Trips - 2030</b>	<b>11,619</b>
<b>Tier 1 + 2 Growth Trips as % of Total Johnstown 2030 Trips</b>	<b>72%</b>

Note: Tier 1 and 2 data trips (2030) come from table 6



## IMPACT FEES

To develop an impact fee, a service unit needs to be established as a basis for assessing equitable fees on different development types. Daily trip generation was selected as the appropriate service unit. **Table 8** provides factors and rates used to translate residential units and employment forecasts into new daily trips for use as the service unit.

**Table 8. Daily Trip Generation by Land Use Type**

	Single Family	Multi- Family	Retail Shopping	Service (Office)	Base (Industrial )
Density (ft <sup>2</sup> /Employee)	-	-	500	300	1000

Note: Densities of ft<sup>2</sup>/employee are typical industry standards

Unit	DU	DU	1,000 ft <sup>2</sup>	1,000 ft <sup>2</sup>	1,000 ft <sup>2</sup>
Daily Trip	9.44	7.32	37.75	9.74	4.96
Trip Factor	100%	100%	64%	100%	100%
New Daily Trip	9.44	7.32	24.16	9.74	4.96

Note: DU refers to Dwelling Unit

Source: Trip Generation Manual, 10th Edition, Institute of Transportation Engineers

The top part of **Table 8** provides factors to translate the employment forecasts presented earlier into building square footage, which is the measure commonly used for daily trip generation. Trip generation rates per 1,000 square feet of retail, office, and industrial employment, and per single family and multi-family dwelling unit were taken from the Trip Generation Manual, 10<sup>th</sup> Edition (Institute of Transportation Engineers, 2017).

In addition to trip generation rates, the manual provides estimates of the percent of traffic from different uses that represents new trips versus passerby trips where drivers stop on the way between primary destinations. A 64 percent trip factor was used for retail uses to generate a rate for new trips.

**Table 9** applies the **Table 8** trip rates to 2030 forecasts presented earlier and calculates estimated daily trip generation for development forecasted in Tier 1 and Tier 2 influence areas in 2030. Year 2030, rather than 2040, has been selected as the horizon year for the impact fee calculations because development forecasts in this timeframe were deemed by the Town as much more reliable than longer range forecasts to 2040, and because 10 years was judged to be a reasonable timeframe for assessment of fees directed at the interchange improvement.

**Table 10** shows the derivation of the proposed impact fee per trip based on the following parameters as presented above:

- Target fee revenue – \$5,040,000
- 2030 trips generated by new development in Tier 1 – 35,817
- 2030 trips generated by new development in Tier 2 – 11,638
- Target ratio of Tier 1 fee/trip to Tier 2 fee/trip – 2.5

Based on the \$125 fee/trip for Tier 1 and \$50 fee/trip for Tier 2, Table 11 provides a schedule of fees for five common land use types. The estimated revenue from these fees based on the development forecasts presented herein would be approximately \$5.06 million.

**Table 9. Derivation of Impact Fee / Trip**

TAZ	Single Family		Multi-Family		Commercial (Retail/Shopping)			Service (Office)			Base (Industrial)		
	Households (DU)	Daily trips	Households (DU)	Daily trips	Retail Employees	Retail Bldg (ft <sup>2</sup> )	New daily trips	Service Employees	Service Bldg (ft <sup>2</sup> )	Daily trips	Base Employees	Base Bldg (ft <sup>2</sup> )	Daily trips
526	-	-	-	-	-	-	-	-	-	-	-	-	-
562	300	2,832	400	2,928	-	-	-	-	-	-	-	-	-
530	94	887	200	1,464	218	109,000	2,633	363	108,900	1,061	-	-	-
561	-	-	-	-	139	69,500	1,679	697	209,100	2,037	-	-	-
529	-	-	-	-	-	-	-	-	-	-	-	-	-
535	1,900	17,936	-	-	-	-	-	-	-	-	-	-	-
538	250	2,360	-	-	-	-	-	-	-	-	-	-	-
<b>Tier 1 Total</b>	2,544	24,015	600	4,392	357	178,500	4,313	1,060	318,000	3,097	0	0	0
818	-	-	-	-	-	-	-	-	-	-	-	-	-
563	-	-	-	-	-	-	-	-	-	-	-	-	-
565	-	-	-	-	-	-	-	-	-	-	-	-	-
564	700	6,608	120	878	-	-	-	-	-	-	-	-	-
817	-	-	-	-	-	-	-	-	-	-	-	-	-
560	-	-	-	-	-	-	-	-	-	-	-	-	-
852	-	-	-	-	-	-	-	-	-	-	-	-	-
528	-	-	-	-	-	-	-	-	-	-	-	-	-
566	-	-	-	-	-	-	-	-	-	-	-	-	-
527	-	-	228	1,669	138	69,000	1,667	264	79,200	771	9	9,000	45
816	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Tier 2 Total</b>	700	6,608	348	2,547	138	69,000	1,667	264	79,200	771	9	9,000	45

Note: 2030 forecasted development comes from table 4, and selected Tier 1 and 2 TAZs come from selected impact areas based on % from table 5

**Table 10. 2030 Johnstown Development and Trip Generation**

Tier 1 and 2 Growth Impact (%)	Target Impact Fee Revenue	Tier 1 Total Daily Trip Generation	Tier 2 Total Daily Trip Generation	Ratio of Tier 1 Fee per Trip/ Tier 2 Fee per Trip	Tier 1 - Fee per Trip	Tier 2 - Fee per Trip
72%	\$ 5,040,000	35,817	11,638	2.5	\$ 125	\$ 50

Note: Tier 1 and 2 daily trips data comes from table 9. Target Impact based on (Table 7)

<b>Total Committed</b>	<b>\$7,000,000</b>
------------------------	--------------------

**Table 11. Schedule of Fees**

Use	Unit	New Daily Trip/unit	Tier 1 Zone		Tier 2 Zone	
			Cost/trip	Fee/Unit	Cost/trip	Fee/Unit
Single Family Residential	DU	9.44	\$ 125	\$ 1,180	\$ 50	\$ 472
Multi-Family Residential	DU	7.32	\$ 125	\$ 915	\$ 50	\$ 366
Office	1,000 SF	9.74	\$ 125	\$ 1,218	\$ 50	\$ 487
Retail	1,000 SF	24.16	\$ 125	\$ 3,020	\$ 50	\$ 1,208
Industrial	1,000 SF	4.96	\$ 125	\$ 620	\$ 50	\$ 248

Note: Cost per trip comes from table 10. New Daily trips per unit comes from the Generation Manual, 10th Edition, ITE.

***INFORMATIONAL***

**Kerr-McGee Oil & Gas Onshore LP**

October 28, 2019

Via Certified Mail

Town of Johnstown  
450 S Parish  
Johnstown, CO 80534

**Re: Offer to Participate for the CUMMINGS 19-12HZ**

Dear Mineral Owner:

According to our title examination, you own an unleased mineral interest under the spacing unit of the above referenced proposed well. Through correspondence with this office you have been offered an opportunity to lease your mineral interest or sell your mineral interest. To date, you have declined to lease or sell your mineral interest to KMG, or have not responded to our offers. Since you remain an unleased mineral owner you will also be considered a working interest owner. As a working interest owner you have the opportunity to participate in the drilling and completion of the referenced well.

Kerr-McGee Oil & Gas Onshore LP ("KMG") hereby proposes to drill and operate a new Horizontal well ("Well") at the captioned location.

**1. Surface and Bottomhole Location:**

Please see the attached Well Location Certificate for all information regarding surface location, bottomhole location, footages and approximate location of the wellbore.

**2. Wellbore Spacing Unit:**

Please see the attached Spacing Unit Diagram.

**3. Target Formation and Completion:**

This well will be drilled to a total depth to sufficiently test the **Codell** formation. As a part of these operations, we will be working with our service contractors in an effort to attempt to reduce costs and as such we may encounter some delays in operations for the drilling or completing activities associated with this well.

**4. Anticipated Spud Date:**

KMG anticipates commencing operations on the well in 2nd quarter, 2020.

**5. Preliminary Working Interest Ownership:**

Working Interest Owner:

WI Percentage:

KMG .....	95.810522%
Town of Johnstown.....	01.829205%

**6. Options Available to You:**

- a. **Sell or lease your mineral interest:** You may still sell or lease your mineral interest. If this is now your preference, please call me within ten days of receipt of this letter. KMG will then evaluate your interest and make you a final offer according to your preference to lease or sell.



- b. **Elect to participate or not to participate in the drilling of this well:** This option can be accomplished by following the directions in No. 7 below.

7. **Well Proposal Documents to be signed and returned:**

This Well Proposal consists of four individual components each of which needs to be completed whether you elect to participate or not participate in drilling, completing and equipping the referenced well. The four components are:

a. **Authority for Expenditure (AFE):**

The estimated costs to drill, complete and equip the referenced well are set forth on the enclosed AFE. If you desire to participate in this well, you must sign and return an executed copy of the AFE to my attention within Sixty (60) days from your receipt of this letter.

b. **Election Page:**

Please make your election by checking one of the three options. If you elect not to participate in drilling, completing and equipping the referenced well, select the first option. If you elect to participate in drilling, completing and equipping the referenced well, select the second or third option. After making your election, please sign the election page, print your name and indicate your title (if applicable).

If you do not return: 1) the signed Election Page and 2) the signed AFE within Sixty (60) days of your receipt of this letter, you will be deemed to have elected not to participate in the drilling, the referenced well.

If you elect not to participate in drilling the referenced well as provided and do not sign a Joint Operating Agreement, KMG may file an Application with the Colorado Oil and Gas Conservation Commission to statutorily pool your ownership interest pursuant to C.R.S. §34-60-116.

If you have any questions regarding this proposal, please call me at 720-929-3814 so that any issues may be resolved within the next 60 days. Thank you for your cooperation.

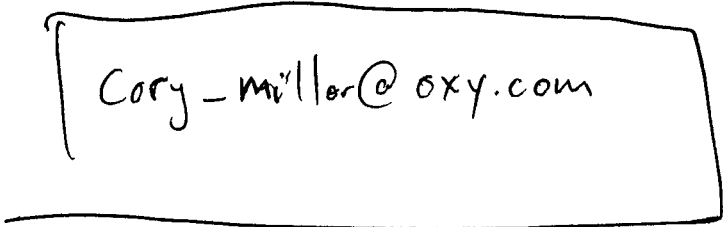
**KERR-MCGEE OIL & GAS ONSHORE LP**

A wholly owned subsidiary of Occidental Petroleum Corporation



Cory Miller  
Staff Landman

Enclosures: Election Page, AFE, Well Location Certificate, Spacing Unit Diagram, JOA, Declaration of Pooling, Pooling Brochure



Cory\_miller@oxy.com

**ELECTION PAGE**

Please make one election and sign below. Please sign and return the election whether you elect to participate or not.

\_\_\_\_\_ The undersigned **elects not to participate** in the drilling, completion and equipping of the **CUMMINGS 19-12HZ** well.

\_\_\_\_\_ The undersigned **elects to participate** in the drilling, completion and equipping of the **CUMMINGS 19-12HZ** well **and limit its participation to its working interest in said well.**

\_\_\_\_\_ The undersigned **elects to participate** in the drilling, completion and equipping of the **CUMMINGS 19-12HZ** well **as to its working interest in said well and in addition,** in the event a party or parties elect not to participate in the drilling of said well, the undersigned **elects to participate for all of its proportionate share of any Non-Consenting Parties' interest(s).**

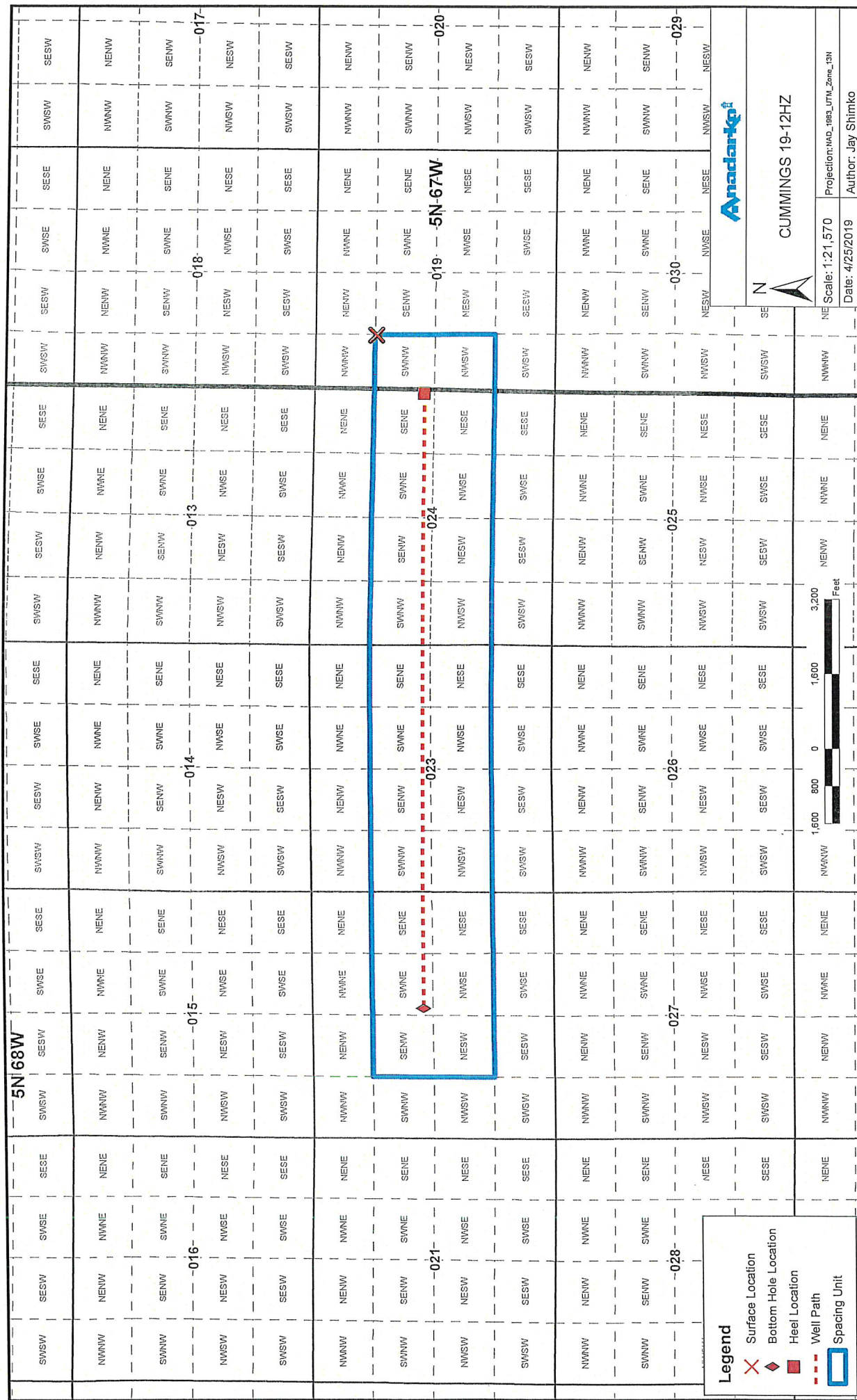
**Working Interest Owner:**

TOWN OF JOHNSTOWN

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

Name: \_\_\_\_\_

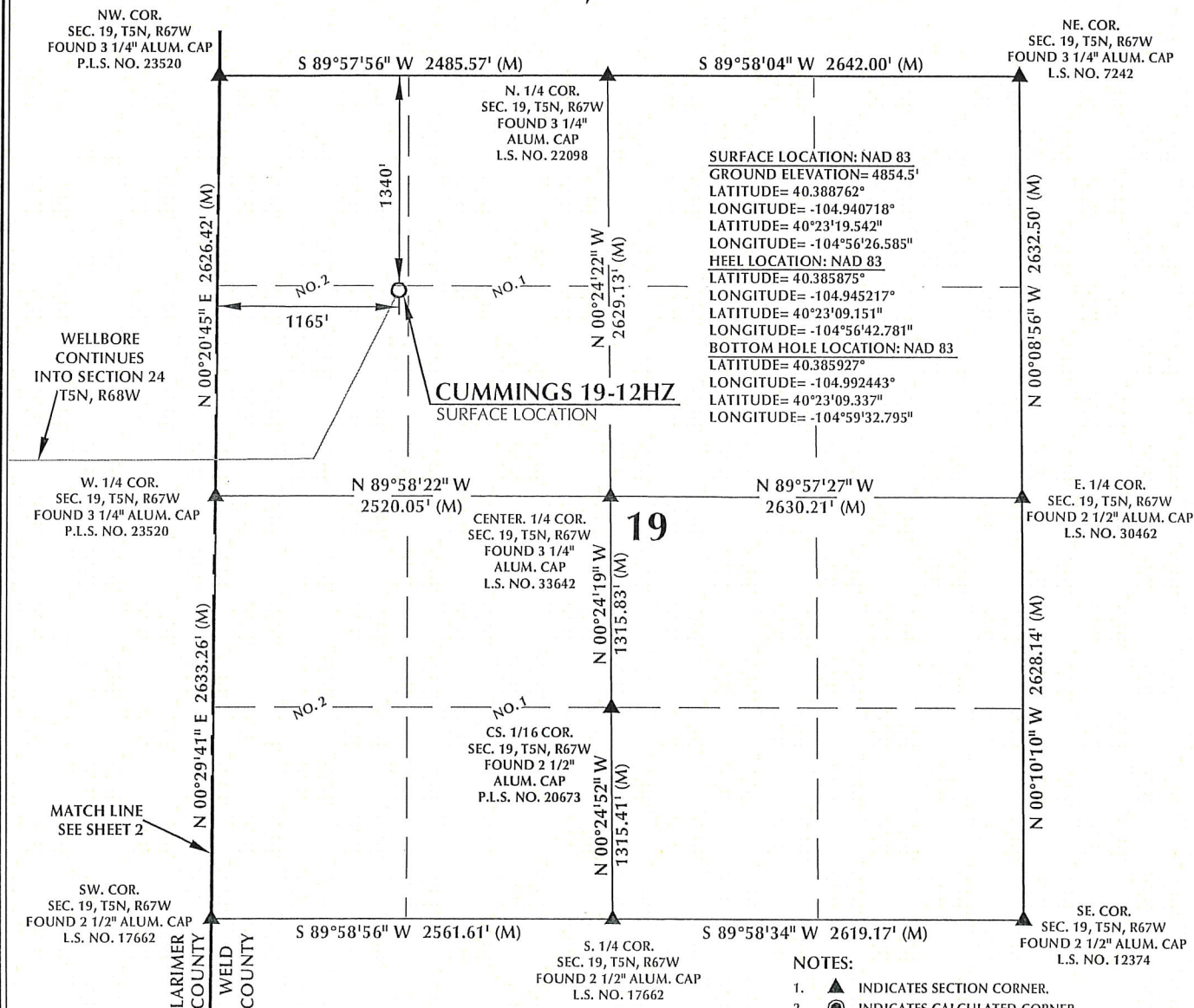
Title: \_\_\_\_\_



For external information only. Depicted information is subjective and its accuracy has not been verified. Printed or saved versions may be outdated. Replications and information are intended to be confidential, and may be subject to legal restrictions or protections. For questions regarding appropriate use, contact the GSC (sc2000).  
Path: L:\SharedData\Server\Backup\Lost\Waterbury\andGIS\Hardline\msd330dayMap\_Cummings\_4-25-19.mxd



# T5N, R67W



## NOTES:

- ▲ INDICATES SECTION CORNER.
- ⊙ INDICATES CALCULATED CORNER.
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- WELL FOOTAGES ARE MEASURED AT RIGHT ANGLES TO THE SECTION LINES.
- THE BOTTOM OF HOLE BEARS S89°44'20"W, 13156' FROM THE HEEL LOCATION.
- NO. 1 & NO. 2 AS SHOWN HEREON ARE GOVERNMENT LOTS 1 & 2 PER THE ORIGINAL GLO SURVEY.

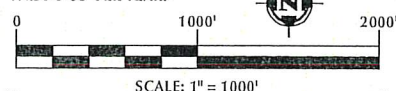
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*Randall K. French*  
 RANDALL K. FRENCH  
 PROFESSIONAL LAND SURVEYOR  
 COLORADO REGISTRATION NUMBER 38512  
 4/26/19

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NOTE: MAGNETIC NORTH IS CURRENT AS OF 3/20/2019. MAGNETIC NORTH CHANGES WEST 0°06' PER YEAR.



## WELL PAD - CUMMINGS 18-19HZ

CUMMINGS 19-12HZ  
 WELL LOCATION CERTIFICATE  
 1340' FNL & 1165' FWL LOT 2 (SWNW) (SURFACE)  
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 WELD COUNTY, COLORADO  
 2399' FNL & 75' FEL SENE (HEEL)  
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 LARIMER COUNTY, COLORADO

**Kerr-McGee Oil & Gas Onshore L.P.**  
 1099 18th Street  
 Denver, Colorado 80202



## CONSULTING, LLC

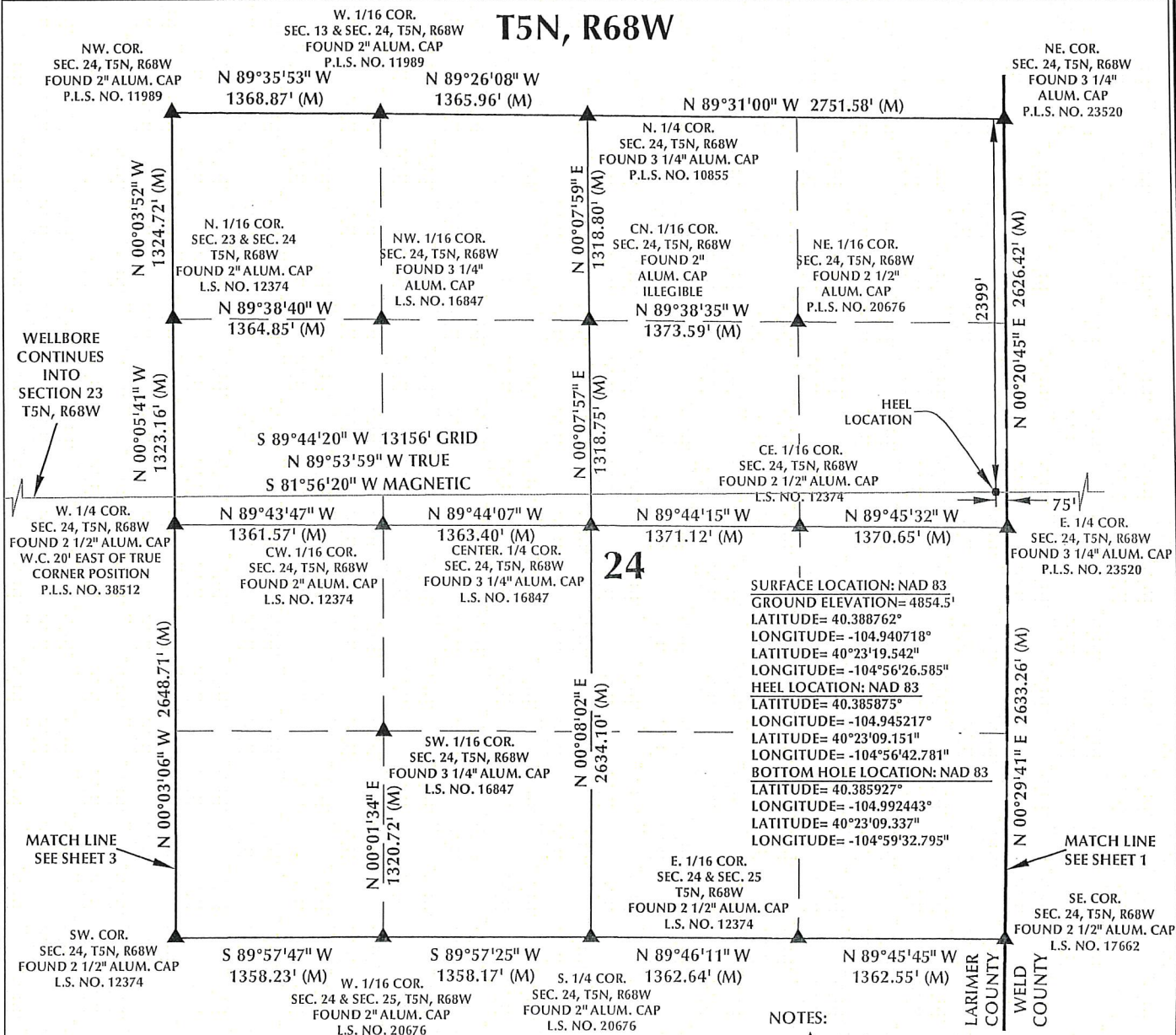
**SHERIDAN OFFICE** 1095 Saberton Avenue  
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 Phone 307-674-0609

**LOVELAND OFFICE** 6706 North Franklin Avenue  
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 Phone 970-776-4331

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DATE DRAFTED: 4/26/19	DATE SURVEYED: 3/20/19	1 OF 4
REVISED:	FILE NAME: 18-159	



# T5N, R68W



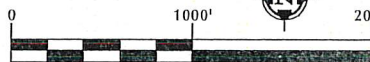
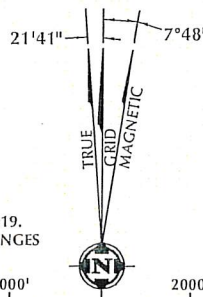
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 WEST 0°06' PER YEAR.



SCALE: 1" = 1000'

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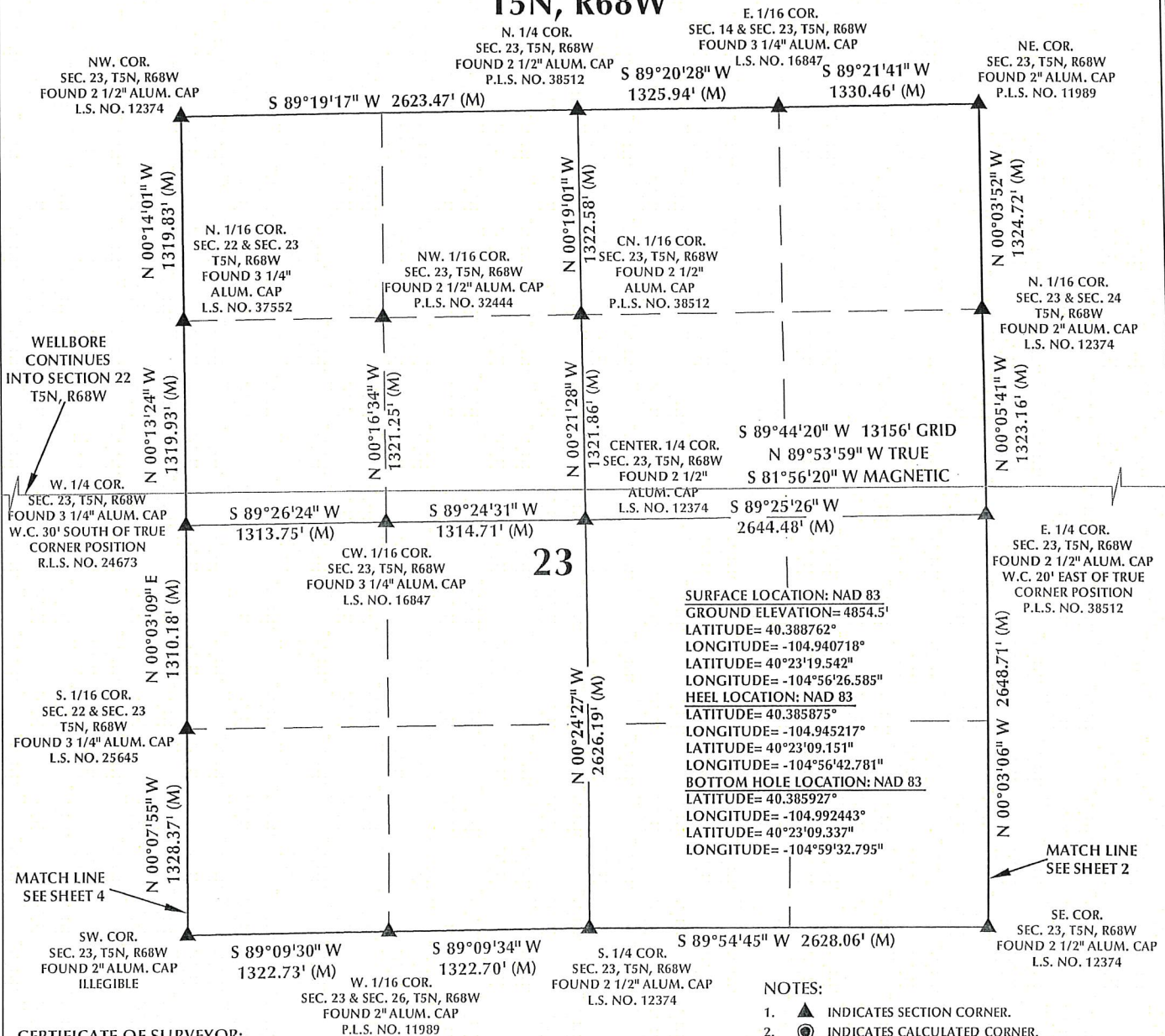
## CONSULTING, LLC

SHERIDAN OFFICE: 1095 Saberton Avenue, Sheridan, Wyoming 82801, Phone 307-674-0609  
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DRAFTED BY:	LMO	CHECKED BY:	RKF	SHEET NO:
DATE DRAFTED:	4/26/19	DATE SURVEYED:	3/20/19	2
REVISED:		FILE NAME:	18-159	2 OF 4



# T5N, R68W



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**Kerr-McGee Oil &  
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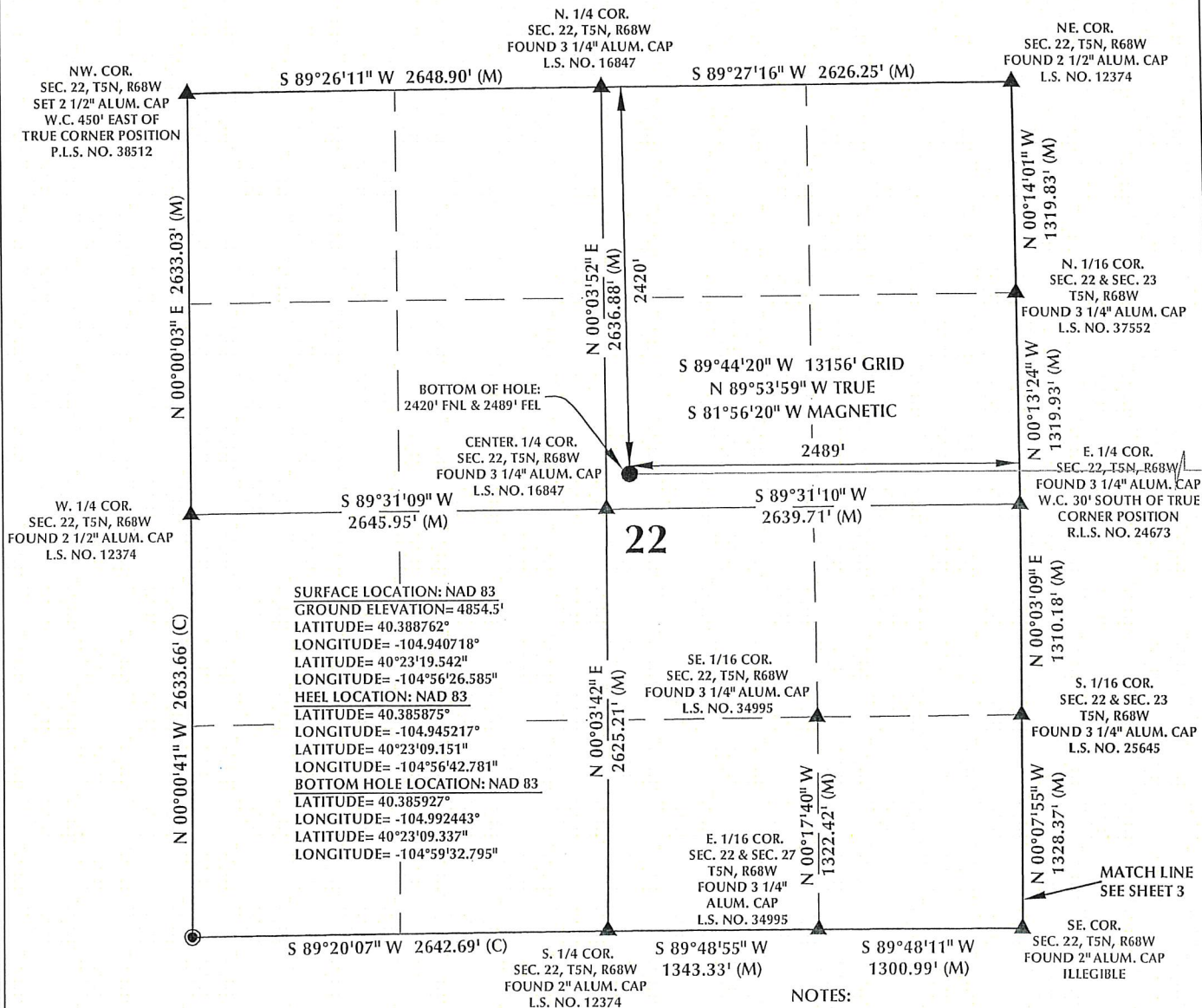
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REVISED:		FILE NAME:	18-159	3 OF 4



# T5N, R68W



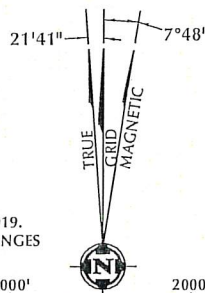
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DATE DRAFTED: 4/26/19	DATE SURVEYED: 3/20/19	4 OF 4
REVISED:	FILE NAME: 18-159	

# Kerr-McGee

Oil and Gas Onshore LP

## AUTHORIZATION FOR EXPENDITURE

Company Code: 0657 AFE No: 2152077 AFE Type: DD - DRILLING - DEVELOPMENT - PRIMARY  
Well #/Name: 1K733300 / CUMMINGS 19-12HZ CODL Field: 0893 WATTENBERG  
Country: USA State/Province: COLORADO County: WELD  
Project Name: CUMMINGS 19-12HZ  
Project Description: CUMMINGS 19-12HZ

Working Interest Owner	Operator	WI	Amount
TOWN OF JOHNSTOWN		0.01829205	\$79,634

	PDE	DRL.DHC	DRL.CNS	CMP	EQP	Total
ORIGINAL	\$97,950	\$1,106,509	\$284,857	\$2,275,969	\$588,200	\$4,353,485
Total	\$97,950	\$1,106,509	\$284,857	\$2,275,969	\$588,200	\$4,353,485

Please mark your election in the box below

- ☐ Election to Participate  
☐ Election to Non-Consent

APPROVED BY: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_

### NOTICE TO NON-OPERATOR:

Costs and working interest shown on this Authority for Expenditure are estimates. Non-Operator should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation or on Non-Operator's proportionate share of the costs associated with this operation.



**RESOLUTION OF THE  
Larimer County Department of Health and Environment  
BOARD OF HEALTH**

**TO RECOMMEND THE ADOPTION OF REGULATIONS TO RAISE THE MINIMUM  
LEGAL SALES AGE OF TOBACCO OR PRODUCTS CONTAINING NICOTINE TO  
TWENTY-ONE, AND TO ADOPT A LICENSING STRUCTURE FOR THE SALE OF  
TOBACCO AND PRODUCTS CONTAINING NICOTINE**

WHEREAS, it is the mission of the Larimer County Board of Health to promote a healthy community and reduce unnecessary suffering; and

WHEREAS, e-cigarette use among youth is increasing at an alarming rate, with nearly one-third of Larimer County high school students reporting current use; and

WHEREAS, adolescent and young adult brains are still developing and are more vulnerable to nicotine addiction; and

WHEREAS, youth in Colorado are using e-cigarette products at the highest rate in the country and Larimer County youth are using e-cigarette products at a higher rate than the state average; and

WHEREAS, Colorado high school youth were two times more likely to have tried an electronic tobacco product than a traditional cigarette; and

WHEREAS, there is substantial evidence that e-cigarette use increases the risk of eventually using combustible tobacco cigarettes among youth and young adults; and

WHEREAS, research indicates that raising the minimum legal age for the sale of tobacco products and products containing nicotine is an effective strategy to reduce tobacco use among youth and young adults; and

WHEREAS, Colorado is among one of thirteen states that does not currently require a license to sell cigarettes and products containing nicotine; and

WHEREAS, adopting a licensing and regulatory structure for the strict enforcement of policies prohibiting the retail sale of tobacco products and products containing nicotine to youth and young adults, sales of tobacco products using vending machines, and other means by which youth and young adults gain access to tobacco products and products containing nicotine in the commercial setting, can limit their opportunities to obtain these products; and

WHEREAS, the enforcement and monitoring of tobacco retailer compliance helps reduce rates of illegal sales of tobacco and products containing nicotine to minors; and

WHEREAS, raising the minimum legal sales age of tobacco and nicotine products to 21 years of age and requiring a retail tobacco and nicotine products store license reduces usage of these products by adolescents; and

WHEREAS, raising the minimum legal sales age for tobacco products and products containing nicotine and requiring a retail tobacco and nicotine products store license helps to protect residents and visitors under 21 years of age in Larimer County from tobacco-related morbidity and mortality; and

WHEREAS, the passage of House Bill 19-1033, signed by the governor on March 28, 2019, allows local jurisdictions, including counties, to raise the minimum age of sales of tobacco and products containing nicotine to 21 years of age, and to enact regulations which are more stringent than state standards; and

WHEREAS, House Bill 19-1033 states that a board of county commissioners has the power to adopt a resolution or ordinance regulating the purchase, sale, and possession of cigarettes, tobacco products, or products containing nicotine by and to minors.

NOW, THEREFORE, BE IT RESOLVED, that the Larimer County Board of Health hereby recommends that Larimer County, and the municipal jurisdictions within Larimer County, consider raising the minimum legal sales age for tobacco products and products containing nicotine to 21 years of age to protect the health, safety, and well-being of youth and visitors in Larimer County.

NOW THEREFORE, BE IT FURTHER RESOLVED, that the Larimer County Board of Health hereby recommends that Larimer County, and the municipal jurisdictions within Larimer County, consider adopting a regulatory framework for retail tobacco store licenses; this framework may consider local provisions to reduce the number of illegal sales to minors and to protect the health, safety, and well-being of youth and visitors in Larimer County.

Done this 12th day of September 2019, in Fort Collins, Colorado.

LARIMER COUNTY BOARD OF HEALTH

By:

  
Larimer County Board of Health

Attest By:

  
(Secretary)

# Current Laws Are Not Enough - Possible Local Solutions

## Strong local tobacco retail licensing



Regular compliance checks may result in large reductions in the use of cigarettes and may also result in lower e-cigarette use.

An independent study conducted in Colorado indicates that retail licensing leads to lower tobacco violation rates.

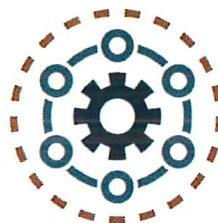
## Increasing the minimum legal sale age for tobacco

# T21

T21 can make a significant impact on decreasing tobacco initiation especially among 15 to 17 year olds.

In Colorado, 19 municipalities have adopted T21 while nationally 18 states and 500 cities and counties have raised the minimum legal sale age.

## Regulatory Framework



Create a regulatory framework for retail tobacco store licenses to reduce the number of illegal sales to minors.

Framework can include items such as prohibiting sales within a certain distance of schools and youth spaces and prohibiting flavors.

## Local Support

# 289

Number of known tobacco retailers located in Larimer County

# 8.3%

Between 2016 and 2018, 8.3% of Larimer County retailers who sell nicotine/tobacco products failed compliance checks and sold products to minors.

# 62%

62% of Fort Collins residents surveyed in the 2016 Community Health Survey completed by the Health District of Northern Larimer County favored a license to sell tobacco products.

**Looking for our data resources? Visit [larimer.org/tobaccoresources](http://larimer.org/tobaccoresources)**

Funding for this event/project/program was provided (in part) by Amendment 35 Tobacco Education, Prevention and Cessation Grant Program funding. The views expressed do not necessarily reflect the official policies of, nor does the mention of imply endorsement by, the Colorado Department of Public Health and Environment.

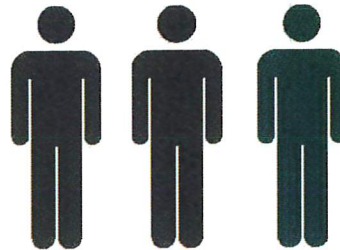


# Nicotine Use Among Youth is an Epidemic

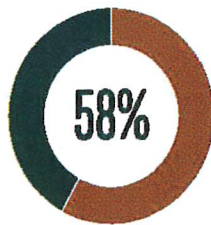


**34%**

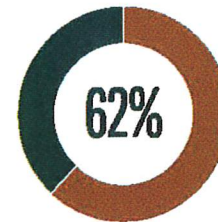
Of Larimer County youth report using any tobacco or nicotine product



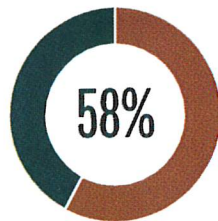
## Access



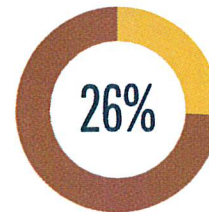
of students think cigarettes are easy to get



of students think electronic vapor products are easy to get

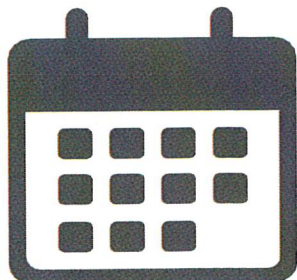


of minors bought their own cigarettes at a gas station, convenience store, grocery store or drug store



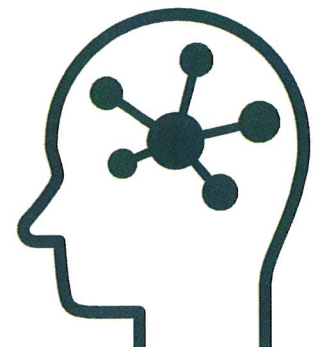
of minors bought their own electronic vapor products at a gas station, convenience store, grocery store or drug store

## Why It's Important



Adolescent and young adult brains are still developing and they are more vulnerable to nicotine addiction.

Symptoms of nicotine dependence can occur within only days or weeks of experimentation with nicotine use.



Youth who use e-cigarettes are more likely to use cigarettes and other tobacco products, even if they've never smoked before.

## ***Tobacco Retail Licensing Enforcement Models***

A Tobacco Retail Licensing (TRL) ordinance is an effective tool to reduce illegal sales of tobacco products to minors in retail environments. Under the framework of a local license, a community can: determine and maintain an inventory of local businesses that are selling tobacco products, provide education to retailers about tobacco sales laws, inspect for license compliance, and enforce strong penalties for retailers who break the law.

To be effective, a TRL must be enforced. This document provides a brief overview of key components of a TRL program with particular emphasis on compliance monitoring and enforcement options.

### **Basic structure for implementing TRL ordinances**

- Implementation
  - Designate an enforcement entity
  - Determine who will recruit and train minor operatives
  - Determine how many compliance checks will be conducted (2x annually)
  - Determine if all retailers will be checked or a percentage each time
  - Determine window of follow-up check for offenders
  - Set license fee to cover the cost of administration, education, and enforcement
- Administration
  - Educate retailers about the law (include information in packets or online)
  - Process applications and licenses
  - Compile and maintain a list of retailers that sell non-cigarette tobacco products
  - Work with enforcement entity to track and record compliance
- Enforcement
  - Determine compliance inspectors and train if necessary
  - Coordinate with minor operatives
  - Conduct compliance checks at least 2x annually
  - Cite violations
  - Send letters of congratulations to those who pass compliance check
  - Recheck offenders

### **TRL enforcement examples**

<b>Model</b>	<b>Example</b>
Police Department	City of Golden, CO and City of Edgewater, CO  The most common tobacco enforcement entity in Colorado is the local police department (PD). In this model, the PD assigns a unit or specific staff to oversee all enforcement activities.

	<ul style="list-style-type: none"> <li>• Recruit and train minor operatives.</li> <li>• Conduct undercover compliance checks with minor operative.</li> <li>• Issue tickets upon witnessing violations (with proper measures in place to protect minor operative).</li> </ul> <p>*Hybrid models involving other entities or departments may be incorporated to share administrative or educational burden.</p>
Other Municipal Department (create a department or nest under an existing department that handles issues around safety and inspections)	<p>City of St. Paul, MN</p> <p>The city's TRL ordinance names the Department of Safety and Inspections as the enforcement agency.</p> <ul style="list-style-type: none"> <li>• The ordinance explicitly gives the department the charge of conducting compliance checks of tobacco retailers and administering administrative fines (rather than criminal penalties).</li> <li>• The ordinance also allows for revocation of the license after a certain number of offenses.</li> </ul>
Private company contract	<p>State FDA contracts</p> <p>JBS International handles compliance checks for the FDA in multiple states and does design and consulting for some states' Departments of Revenue.</p> <ul style="list-style-type: none"> <li>• The company has the capacity to do municipal level inspection contracts and has a presence in all 50 states.</li> <li>• JBS Int'l recruits and trains both youth and adult inspectors, sends paperwork and evidence of violations to the city, and sets contract price based on cost per compliance check.</li> </ul>
Nonprofit community organization contract	<p>City of El Cajon, CA</p> <p>Community Action Service and Advocacy (CASA) handles all aspects of compliance checks for the City of El Cajon, CA, under a contract with the city, which is reviewed annually.</p> <ul style="list-style-type: none"> <li>• CASA recruits and trains youth inspectors and adult chaperones.</li> <li>• Youth and adult chaperones enter separately, with youth using petty cash to make a realistic purchase with the adult as a witness.</li> </ul>

	<ul style="list-style-type: none"> <li>All evidence of illegal purchase is filed and kept at CASA and detailed documentation is sent to the city, which sends out letters of violation to the retailer.</li> </ul>
Code Enforcement	<p>City of La Junta, CO</p> <p>Code enforcement conducts compliance checks with tobacco retailers and issues administrative citations.</p>
Health Department	<p>In many locations across the U.S., the local public health department is contracted to conduct compliance checks and submit evidence of violations to the municipality for enforcement action.</p> <ul style="list-style-type: none"> <li>Several programs and divisions within local public health departments may serve as the enforcement entity for TRL, including Health Promotion and Environmental Health Services (EHS).</li> <li>EHS within local health departments may conduct compliance checks of tobacco retailers, as they already conduct health inspections for food service, water systems, childcare centers, and other businesses.</li> <li>This model would operate in much the same way as any other externally contracted inspection entity.</li> </ul>

### **Potential role of health department throughout implementation of TRL**

The local health agency (LPHA) often plays an active role in assisting communities with implementing TRL ordinances.

- LPHAs may help local communities in the following ways:
  - Provide templates for license applications
  - Provide model protocols to guide the license administration
  - Recruit youth for the minor operative program
  - Assist with training materials for minor operatives and inspectors
  - Develop and disseminate education materials to tobacco retailers
    - Initial notification of TRL requirements for existing businesses
    - Education on licensing process, provisions, and compliance requirements (e.g., via brochures, videos, webinars, in-person visits)
    - Protocol in place to notify new businesses of license requirements

*For more in-depth guidance, tools, and resources for planning and implementing TRL ordinances, please contact the state technical assistance team at the Center for Public Health Practice:*

*Tracy Doyle, 303.724.4236, [tracy.doyle@ucdenver](mailto:tracy.doyle@ucdenver).*



# An Act

HOUSE BILL 19-1033

BY REPRESENTATIVE(S) Tipper and Kennedy, Arndt, Bird, Caraveo, Duran, Galindo, Gonzales-Gutierrez, Jaquez Lewis, Kipp, Lontine, McCluskie, Mullica, Roberts, Becker, Froelich, Snyder;  
also SENATOR(S) Fields and Priola, Court, Gonzales.

CONCERNING A LOCAL GOVERNMENT'S AUTHORITY TO REGULATE PRODUCTS  
CONTAINING NICOTINE.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 18-13-121, amend (3)  
as follows:

**18-13-121. Furnishing cigarettes, tobacco products, or nicotine products to minors.** (3) Nothing in this section prohibits a statutory or home rule municipality, COUNTY, OR CITY AND COUNTY from enacting an ordinance OR RESOLUTION that prohibits a ~~person under eighteen years of age~~ MINOR from purchasing any cigarettes, tobacco products, or nicotine products or imposes requirements more stringent than provided in this section.

**SECTION 2.** In Colorado Revised Statutes, 25-14-301, amend

*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

(3)(c) and (4) as follows:

**25-14-301. Possession of cigarettes, tobacco products, or nicotine products by a minor prohibited - definitions.** (3) As used in this section, unless the context otherwise requires:

(c) "Tobacco product" ~~shall have~~ HAS the same meaning as set forth in "CIGARETTE, TOBACCO PRODUCT, OR NICOTINE PRODUCT", AS DEFINED IN section 18-13-121 (5). ~~C.R.S.~~

(4) Nothing in this section ~~shall be construed to prohibit any~~ PROHIBITS A statutory or home rule municipality, COUNTY, OR CITY AND COUNTY from enacting an ordinance OR RESOLUTION that prohibits the possession of cigarettes, or tobacco products, OR NICOTINE PRODUCTS by a ~~person who is under eighteen years of age~~ MINOR or imposes requirements more stringent than provided in this section.

**SECTION 3.** In Colorado Revised Statutes, add article 30 to title 29 as follows:

#### **ARTICLE 30**

#### **Regulation of Cigarettes, Tobacco Products, and Nicotine Products**

**29-30-101. Regulation of cigarettes, tobacco products, and nicotine products.** THE CITY COUNCIL OF A STATUTORY OR HOME RULE CITY OR THE TOWN COUNCIL OF A STATUTORY TOWN MAY ADOPT AN ORDINANCE TO REGULATE THE POSSESSION OR PURCHASING OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, AS DEFINED IN SECTION 18-13-121 (5), BY A MINOR OR TO REGULATE THE SALE OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS TO MINORS.

**SECTION 4.** In Colorado Revised Statutes, 30-15-401, amend (1.5) as follows:

**30-15-401. General regulations - definitions.** (1.5) In addition to any other powers, the board of county commissioners has the power to adopt a resolution or an ordinance ~~prohibiting minors from possessing~~ TO REGULATE THE POSSESSION OR PURCHASING OF cigarettes, or tobacco products, OR NICOTINE PRODUCTS, as defined by section ~~39-28.5-101 (5)~~,

~~C.R.S.~~ 18-13-121 (5), BY A MINOR OR TO REGULATE THE SALE OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS TO MINORS.

SECTION 5. In Colorado Revised Statutes, 39-22-623, amend (1) introductory portion and (1)(a)(II)(A) as follows:

39-22-623. Disposition of collections - definition. (1) The proceeds of all moneys MONEY collected under this article ARTICLE 22, less the reserve retained for refunds, shall be credited as follows:

(a) (II) (A) Effective July 1, 1987, an amount equal to twenty-seven percent of the gross state cigarette tax shall be apportioned to incorporated cities and incorporated towns which THAT levy taxes and adopt formal budgets and to counties. For the purposes of this section, a city and county shall be IS considered as a city. The city or town share shall be apportioned according to the percentage of state sales tax revenues collected by the department of revenue in an incorporated city or town as compared to the total state sales tax collections that may be allocated to all political subdivisions in the state; the county share shall be the same as that which the percentage of state sales tax revenues collected in the unincorporated area of the county bears to total state sales tax revenues which THAT may be allocated to all political subdivisions in the state. The department of revenue shall certify to the state treasurer, at least annually, the percentage for allocation to each city, town, and county, and such THE DEPARTMENT SHALL APPLY THE percentage for allocation so certified shall be applied by said department in all distributions to cities, towns, and counties until changed by certification to the state treasurer. In order to qualify for distributions of state income tax moneys MONEY, units of local government are prohibited from imposing fees, licenses, or taxes on any person as a condition for engaging in the business of selling cigarettes. or from attempting in any manner to impose a tax on cigarettes. For purposes of this paragraph (a) SUBSECTION (1)(a)(II), the "gross state cigarette tax" means the total tax before the discount provided for in section 39-28-104 (1) FOR ANY CITY, TOWN, OR COUNTY THAT WAS PREVIOUSLY DISQUALIFIED FROM THE APPORTIONMENT SET FORTH IN THIS SUBSECTION (1)(a)(II)(A) BY REASON OF IMPOSING A FEE OR LICENSE RELATED TO THE SALE OF CIGARETTES, THE CITY, TOWN, OR COUNTY IS ELIGIBLE FOR ANY ALLOCATION OF MONEY THAT IS BASED ON AN APPORTIONMENT MADE ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a)(II)(A), AS AMENDED, BUT NOT FOR AN ALLOCATION OF MONEY THAT IS BASED ON AN APPORTIONMENT MADE

BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a)(II)(A), AS AMENDED.

**SECTION 6.** In Colorado Revised Statutes, amend 39-28-112 as follows:

**39-28-112. Taxation of cigarettes, tobacco products, or nicotine products by municipalities, counties, and city and counties - definitions.**

(1) ~~No provision of This article shall be construed to~~ ARTICLE 28 DOES NOT prevent the A STATUTORY OR HOME RULE MUNICIPALITY, COUNTY, OR CITY AND COUNTY IN THIS STATE FROM imposing, levying, and collecting of any SPECIAL SALES tax upon sales of cigarettes, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, or upon the occupation or privilege of selling cigarettes, ~~by any city or town in this state~~ TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, nor ~~shall the provisions of~~ DOES this article be interpreted to ARTICLE 28 affect any existing authority of local municipalities GOVERNMENTS to impose a SPECIAL SALES tax on cigarettes, TOBACCO PRODUCTS, AND NICOTINE PRODUCTS to be used for local and municipal GOVERNMENTAL purposes.

(2) (a) EACH COUNTY IN THE STATE IS AUTHORIZED TO LEVY, COLLECT, ENFORCE, AND ADMINISTER A COUNTY SPECIAL SALES TAX UPON ALL SALES OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS UNDER THE FOLLOWING CIRCUMSTANCES:

(I) A COUNTY MAY LEVY, COLLECT, ENFORCE, AND ADMINISTER A COUNTY SPECIAL SALES TAX UPON ALL SALES OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS PURSUANT TO THIS SUBSECTION (2) IN THE UNINCORPORATED AREAS OF THE COUNTY;

(II) A COUNTY MAY LEVY, COLLECT, ENFORCE, AND ADMINISTER A COUNTY SPECIAL SALES TAX UPON ALL SALES OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS PURSUANT TO THIS SUBSECTION (2) IN THE MUNICIPALITIES WITHIN THE BOUNDARIES OF THE COUNTY, IN WHOLE OR IN PART, THAT DO NOT LEVY A MUNICIPAL SPECIAL SALES TAX ON THE SALE OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS. THE COUNTY MAY LEVY A SPECIAL SALES TAX IN A MUNICIPALITY PURSUANT TO THIS SUBSECTION (2)(a)(II) ONLY UNTIL THE MUNICIPALITY OBTAINS VOTER APPROVAL TO LEVY A MUNICIPAL SPECIAL SALES TAX ON CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS. IF THE MUNICIPALITY OBTAINS

SUCH VOTER APPROVAL, THE COUNTY SPECIAL SALES TAX AUTHORIZED BY THIS SUBSECTION (2)(a)(II) IS INVALID WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY UNLESS THE COUNTY ENTERS INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE MUNICIPALITY PURSUANT TO SUBSECTION (2)(a)(III) OF THIS SECTION THAT AUTHORIZES THE COUNTY TO CONTINUE TO LEVY, COLLECT, ENFORCE, AND ADMINISTER THE SPECIAL SALES TAX ON CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY.

(III) A COUNTY MAY LEVY, COLLECT, ENFORCE, AND ADMINISTER A COUNTY SPECIAL SALES TAX UPON ALL SALES OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS PURSUANT TO THIS SUBSECTION (2) IN EACH MUNICIPALITY WITHIN THE BOUNDARIES OF THE COUNTY, IN WHOLE OR IN PART, THAT LEVIES A MUNICIPAL SPECIAL SALES TAX ON THE SALE OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, IF THE GOVERNING BODY OF THE COUNTY AND THE GOVERNING BODY OF THE MUNICIPALITY ENTER INTO AN INTERGOVERNMENTAL AGREEMENT PERTAINING TO THE COUNTY'S LEVY, COLLECTION, ENFORCEMENT, AND ADMINISTRATION OF A COUNTY SPECIAL SALES TAX UPON ALL SALES OF ALL CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY. AN INTERGOVERNMENTAL AGREEMENT PURSUANT TO THIS SUBSECTION (2)(a)(III) MAY INCLUDE A PROVISION FOR THE APPORTIONMENT OF A SPECIFIED PERCENTAGE OF THE GROSS COUNTY CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS SPECIAL SALES TAX REVENUE COLLECTED BY THE COUNTY TO THE MUNICIPALITY.

(b) NOTWITHSTANDING SECTION 29-2-103 (2), A COUNTY MAY LEVY, COLLECT, ENFORCE, AND ADMINISTER A SPECIAL SALES TAX PURSUANT TO THIS SUBSECTION (2) IN LESS THAN THE ENTIRE COUNTY WHEN THE COUNTY SATISFIES ONE OR MORE OF THE CONDITIONS OF THIS SUBSECTION (2).

(c) NO SPECIAL SALES TAX SHALL BE LEVIED PURSUANT TO THIS SUBSECTION (2) UNTIL THE PROPOSAL HAS BEEN REFERRED TO AND APPROVED BY THE ELIGIBLE ELECTORS OF THE COUNTY IN ACCORDANCE WITH ARTICLE 2 OF TITLE 29. ANY PROPOSAL FOR THE LEVY OF A SPECIAL SALES TAX IN ACCORDANCE WITH THIS SUBSECTION (2) SHALL BE SUBMITTED TO THE ELIGIBLE ELECTORS OF THE COUNTY ONLY ON THE DATE OF THE STATE GENERAL ELECTION OR ON THE FIRST TUESDAY IN NOVEMBER OF AN ODD-NUMBERED YEAR. ANY ELECTION ON THE PROPOSAL MUST BE

CONDUCTED BY THE COUNTY CLERK AND RECORDER IN ACCORDANCE WITH THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF TITLE 1.

(3) IF A COUNTY LEVIES, COLLECTS, ENFORCES, AND ADMINISTERS A SPECIAL SALES TAX IN A MUNICIPALITY THAT HAS ALREADY OBTAINED VOTER APPROVAL TO LEVY A MUNICIPAL SPECIAL SALES TAX ON THE SALE OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, THE COUNTY SPECIAL SALES TAX IS INVALID WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY UNLESS THE COUNTY ENTERS INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE MUNICIPALITY PURSUANT TO SUBSECTION (2)(a)(III) OF THIS SECTION THAT AUTHORIZES THE COUNTY TO CONTINUE TO LEVY, COLLECT, ENFORCE, AND ADMINISTER THE SPECIAL SALES TAX ON CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY.

(4) (a) EACH MUNICIPALITY IN THE STATE IS AUTHORIZED TO LEVY, COLLECT, ENFORCE, AND ADMINISTER A MUNICIPAL SPECIAL SALES TAX UPON ALL SALES OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS.

(b) A SPECIAL SALES TAX SHALL NOT BE LEVIED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION UNTIL THE PROPOSAL HAS BEEN REFERRED TO AND APPROVED BY THE ELIGIBLE ELECTORS OF THE MUNICIPALITY IN ACCORDANCE WITH ARTICLE 10 OF TITLE 31. ANY PROPOSAL FOR THE LEVY OF A SPECIAL SALES TAX IN ACCORDANCE WITH SUBSECTION (4)(a) OF THIS SECTION MUST BE SUBMITTED TO THE ELIGIBLE ELECTORS OF THE MUNICIPALITY ON THE DATE OF THE STATE GENERAL ELECTION, ON THE FIRST TUESDAY IN NOVEMBER OF AN ODD-NUMBERED YEAR, OR ON THE DATE OF A MUNICIPAL BIENNIAL ELECTION. ANY ELECTION ON THE PROPOSAL MUST BE CONDUCTED BY THE CLERK OF THE MUNICIPALITY IN ACCORDANCE WITH THE "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF TITLE 31.

(5) IF A COUNTY OR MUNICIPALITY OBTAINED APPROVAL FROM THE ELIGIBLE ELECTORS OF THE COUNTY OR MUNICIPALITY PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION (5), TO LEVY, COLLECT, ENFORCE, AND ADMINISTER A SPECIAL SALES TAX ON THE SALE OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, THE SPECIAL SALES TAX IS VALID AND THE COUNTY OR MUNICIPALITY IS AUTHORIZED TO CONTINUE TO LEVY, COLLECT, ENFORCE, AND ADMINISTER THE SPECIAL SALES TAX; EXCEPT THAT, IN THE CASE OF A COUNTY, THE COUNTY IS AUTHORIZED TO CONTINUE

TO LEVY, COLLECT, ENFORCE, AND ADMINISTER THE SPECIAL SALES TAX SO LONG AS THE COUNTY COMPLIES WITH SUBSECTION (2) OF THIS SECTION. IF A COUNTY LEVIES, COLLECTS, ENFORCES, AND ADMINISTERS A SPECIAL SALES TAX IN A MUNICIPALITY THAT HAS ALREADY OBTAINED VOTER APPROVAL TO LEVY A MUNICIPAL SPECIAL SALES TAX ON THE SALE OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, THE COUNTY SPECIAL SALES TAX IS INVALID WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY UNLESS THE COUNTY ENTERS INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE MUNICIPALITY PURSUANT TO SUBSECTION (3) OF THIS SECTION THAT AUTHORIZES THE COUNTY TO CONTINUE TO LEVY, COLLECT, ENFORCE, AND ADMINISTER THE SPECIAL SALES TAX ON CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY.

(6) (a) NOTWITHSTANDING ARTICLE 2 OF TITLE 29, A SPECIAL SALES TAX IMPOSED BY A COUNTY OR MUNICIPALITY PURSUANT TO THIS SECTION SHALL NOT BE COLLECTED, ADMINISTERED, OR ENFORCED BY THE DEPARTMENT OF REVENUE, BUT SHALL INSTEAD BE COLLECTED, ADMINISTERED, AND ENFORCED BY THE COUNTY OR MUNICIPALITY IMPOSING THE SPECIAL SALES TAX.

(b) A COUNTY OR MUNICIPALITY IN WHICH A SPECIAL SALES TAX IS IMPOSED PURSUANT TO THIS SECTION MAY AUTHORIZE A RETAILER SELLING CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS TO RETAIN A PERCENTAGE OF THE SPECIAL SALES TAX COLLECTED PURSUANT TO THIS SECTION TO COVER THE EXPENSES OF COLLECTING AND REMITTING THE SPECIAL SALES TAX TO THE COUNTY OR MUNICIPALITY. THE COUNTY OR MUNICIPALITY SHALL DETERMINE THE PERCENTAGE THAT A RETAILER MAY RETAIN PURSUANT TO THIS SUBSECTION (6)(b).

(7) A COUNTY OR MUNICIPALITY IN WHICH THE ELIGIBLE ELECTORS HAVE APPROVED A SPECIAL SALES TAX PURSUANT TO THIS SECTION MAY CREDIT THE REVENUES COLLECTED FROM THE SPECIAL SALES TAX TO THE GENERAL FUND OF THE COUNTY OR MUNICIPALITY OR TO ANY SPECIAL FUND CREATED IN THE COUNTY'S OR MUNICIPALITY'S TREASURY. THE GOVERNING BODY OF A COUNTY OR MUNICIPALITY MAY USE REVENUES COLLECTED FROM THE SPECIAL SALES TAX IMPOSED PURSUANT TO THIS SECTION FOR ANY PURPOSE AS DETERMINED BY THE GOVERNING BODY.

(8) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE

REQUIRES:

(a) "CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS" HAS THE SAME MEANING AS SET FORTH IN SECTION 18-13-121 (5).

(b) "SPECIAL SALES TAX" MEANS A SALES TAX IMPOSED BY A LOCAL GOVERNMENT THAT IS SEPARATE FROM A GENERAL SALES TAX IMPOSED PURSUANT TO SECTION 29-2-102 OR 29-2-103, AS APPLICABLE, AND MAY BE IMPOSED IN ADDITION TO THE TAXES IMPOSED PURSUANT TO THIS PART 1.

**SECTION 7.** In Colorado Revised Statutes, amend 39-28.5-109 as follows:

**39-28.5-109. Taxation by cities and towns.** ~~No provision of This article shall be construed to~~ ARTICLE 28.5 DOES NOT prevent the A STATUTORY OR HOME RULE MUNICIPALITY, COUNTY, OR CITY AND COUNTY FROM imposing, levying, and collecting of any SPECIAL SALES tax upon sales of CIGARETTES, tobacco products, OR NICOTINE PRODUCTS, AS THAT TERM IS DEFINED IN SECTION 18-13-121 (5), or upon the occupation or privilege of selling such CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE products. by any city or town in this state, nor shall the provisions of This article be interpreted to ARTICLE 28.5 DOES NOT affect any existing authority of local municipalities GOVERNMENTS to impose a SPECIAL SALES tax on CIGARETTES, tobacco products, OR NICOTINE PRODUCTS, IN ACCORDANCE WITH SECTION 39-28-112, to be used for local and municipal GOVERNMENTAL purposes.

**SECTION 8. Effective date.** This act takes effect July 1, 2019.

**SECTION 9. Safety clause.** The general assembly hereby finds,



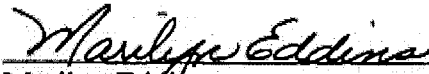
determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



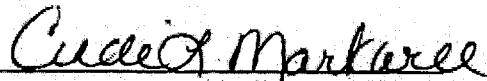
KC Becker  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES



Leroy M. Garcia  
PRESIDENT OF  
THE SENATE



Marilyn Edmons  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES



Cindi L. Markwell  
SECRETARY OF  
THE SENATE

APPROVED March 28, 2019 at 2:35 p.m.  
(Date and Time)



Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO

