

**CONSOLIDATED SERVICE PLAN**  
**FOR**  
**WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3**  
**CITY OF COLORADO SPRINGS, COLORADO**

Prepared

by

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**JULY 29, 2004**

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## I. INTRODUCTION

A. General Overview. This consolidated service plan ("Service Plan") for Woodmen Heights Metropolitan District Nos. 1, 2 and 3 (hereinafter collectively known as the "Districts") constitutes a service plan for three special districts proposed to be organized to serve the needs of a development area known as the Woodmen Heights. The proposed Districts are generally located in the City of Colorado Springs, north of Woodmen Road, east of Black Forrest Road, and west of Mustang Road.

The primary purpose of the proposed Districts is to construct, finance, acquire, install and otherwise provide public improvements described herein to be dedicated to the City of Colorado Springs, ("City") or to be retained by the District for the use and benefit of the Districts' property owners, inhabitants and taxpayers as appropriate. The planned improvements generally are public infrastructure such as streets including Vollmer Road widening and realignment at Black Forest Road, and an extension of Marksheffel Road heading north from Woodmen Road to the northern boundary of the property, including a bridge at Sand Creek. Other improvements include water, wastewater, drainage, creek and detention improvements, park and recreation facilities and other public improvements needed for the area. The Service Plan also addresses how the Districts will work together to provide funding for the necessary public improvements. The terms "improvements" and "facilities" are used interchangeably.

### 1. Multiple District Structure.

This Service Plan is submitted in accordance with Part 2 of the Special District Act (§32-1-201, et seq., C.R.S.), and as stated in Exhibit E. It defines the powers and authorities of, as well as the limitations and restrictions on the Districts. This Service Plan further sets forth the general parameters for the working relationship between Woodmen Heights Metropolitan District No. 1, Woodmen Heights Metropolitan District No. 2 and Woodmen Heights Metropolitan District No. 3. Woodmen Heights Metropolitan District No. 1 shall be referred to as the "Operating District," and Woodmen Heights Metropolitan District Nos. 2 and 3 shall be referred to collectively as the "Financing District." The Operating District and the Financing District may be collectively referred to as the "Districts." The Operating District will be responsible for managing the construction and operation of facilities and improvements planned for Woodmen Heights. The Financing District will be responsible for providing the funding and tax base needed for capital improvements and for operation, maintenance and administrative costs. District No. 2 will contain residential development, and District No. 3 will contain non-residential development. The "Financing Plan" discussed throughout this Service Plan refers to a consolidated financial plan for the Districts, which sets forth the manner in which the public improvements for Woodmen Heights are anticipated to be financed. Due to the interrelationship between the Districts, agreements are expected to be executed describing the respective responsibilities and the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and facilities resulting in a community that is desirable and economic asset to the City and Districts.

2. Benefits of Multiple District Structure.

The establishment of Woodmen Heights Metropolitan District No. 1 as the Operating District which will acquire, construct and cause the construction of the improvements as well as own and operate the public improvements that are not conveyed to the City, and the establishment of Woodmen Heights Metropolitan District Nos. 2 and 3 as the Financing District, which will generate the tax revenue sufficient to pay the costs of the capital improvements and operation, maintenance and administrative costs, will create several benefits for the Districts' inhabitants and property owners. In general, those benefits are: (a) coordinated administration of construction and operation of public improvements, and delivery of those improvements in a timely manner; (b) improvements and services will be financed in a timely and cost effective manner; and (c) there will be a capped mill levy and reasonable tax burden as a result of managed financing and coordinated completion of infrastructure.

a. Coordinated Services. As presently planned, development of Woodmen Heights will proceed in phases, each of which will require the extension of public services and facilities. The multiple district structure will assure that the construction and operation of each phase of public facilities will be administered consistent with a long-term construction and operations program. Use of the Operating District as the entity responsible for construction of each phase of improvements and for management of operation and administrative needs will facilitate a well-planned financing effort through all phases of construction, which will assist in assuring coordinated extension of services.

b. Debt Allocation. Allocation of the responsibility for paying debt for capital improvements will be managed through development of a unified financing plan for those improvements and through development of an integrated operating plan for long-term operations and maintenance for those improvements retained by the Districts. Use of the Operating District to manage these functions will help assure that no area within Woodmen Heights becomes obligated for more than its share of the costs of capital improvements and operations.

c. Bond Interest Rates. The use of the Districts to issue bonds to provide for the cost of infrastructure in Woodmen Heights will promote the issuance of bonds at competitive interest rates because the use of a multiple district structure allows the Operating District to coordinate with the Financing District the timing and issuance of bonds. The combination of appropriate management and control of the timing of financing, and the ability of the Districts to obtain attractive interest rates, will benefit residents and property owners.

B. Contents of Service Plan. This Service Plan consists of a financial analysis and engineering information showing how the facilities and services of the District can be provided and financed. Numerous items are addressed in this Service Plan in order to satisfy the requirements of law (see Exhibit E).

C. Modification of Service Plan. This Service Plan has been designed with sufficient flexibility to enable the Districts to provide services and facilities for Woodmen Heights under evolving circumstances without the need for numerous amendments. While the assumptions upon

which this Service Plan are generally based are reflective of current zoning for the property within Woodmen Heights, the cost estimates and Financing Plan are designed with a degree of flexibility to enable the Districts to provide necessary services and facilities with minimal need to amend this Service Plan. Any and all material modifications, as defined herein, or pursuant to Colorado law shall be submitted to the City for approval at a public hearing before City Council.

## II. PURPOSE OF AND NEED FOR THE DISTRICT

A. Purpose and Intent. It is intended that the Districts will provide certain essential public purpose facilities for the use and benefit of the residents and taxpayers within the boundaries of the Districts. The primary purpose of the Districts will be to construct, install, acquire, finance and otherwise provide streets such as Vollmer Road widening and realignment at Black Forest Road, and an extension of Marksheffel Road heading north from Woodmen Road, and a bridge at Sand Creek. Other improvements include water, sanitary sewer/wastewater, drainage, creek, channel and detention improvements, park and recreation facilities and other public improvements needed for the area as described herein. It is not the intent of the Districts to provide ongoing services other than for those improvements not conveyed to and accepted by the City. Should the purposes of the Districts change from what is stated herein, it shall be considered to be a material modification of this Service Plan.

B. Need for Districts. There are currently no other entities in existence that have the ability and/or desire to undertake the design, financing and construction of improvements needed for the project. The City does not consider it feasible or practicable for it to provide the necessary services and facilities for the project. Formation of the Districts is necessary for the provision of public improvements required for the project.

C. General Powers. The Districts will have power and authority to provide the services and facilities described in this Service Plan both within and outside their boundaries. For out-of-District areas, the Districts anticipate constructing, acquiring, financing and otherwise providing water, sanitation, drainage and street/transportation improvements and related services as needed. The powers and authorities of the Operating District and the Financing District will be allocated and further refined in a Master Intergovernmental Agreement between the Districts (the "Master IGA"), which will be voted upon and approved by their respective electorates. The Master IGA constitutes a binding agreement between the Districts regarding implementation of the powers contained in this Service Plan. The Districts shall have power and authority to provide the services and facilities generally described in this Service Plan.

1. Powers Regarding Services and Facilities. The Districts shall have authority to finance, construct and otherwise provide the facilities generally described below. The following activities shall be permitted:

a. Water. The design, acquisition, installation and construction of a complete water system, including but not limited to transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper facilities, equipment and appurtenances incident thereto which may include, but shall not be limited to,

transmission lines, distribution mains and laterals, together with extensions of and improvements to said systems, but excluding private on-site development.

b. Streets. The design, acquisition, installation and construction of improvements to existing roadways as well as new roadway improvements, including but not limited to curbs, sidewalks, bridges, underpasses, emergency access streets, paving, lighting, sleeving, grading, landscaping, and other street improvements, together with all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said facilities.

c. Traffic and Safety Controls. The design, acquisition, installation and construction of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, environmental monitoring, as well as other facilities and improvements including but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said facilities.

d. Parks and Recreation. The design, acquisition, installation, construction and operation and maintenance of public park and recreation facilities including, but not limited to, bike paths, hiking trails, pedestrian trails, pedestrian bridges, picnic areas, play structures, pavilions, landscaping and irrigation, weed control, outdoor lighting, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems.

e. Drainage. The design, acquisition, installation and construction of drainage improvement including, but not limited to, storm sewers, flood and surface drainage, gutters, culverts, storm sewers and other drainage facilities such as channel and creek improvements, detention ponds, retaining walls, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems.

f. Sanitary Sewer (Wastewater) Facilities. The design, acquisition, installation and construction of wastewater mains and wastewater drainage collection facilities and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems, but excluding private on-site development.

g. Mosquito and Pest Control. Provide for the eradication and control of pests and mosquitoes, including but not limited to elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for pest control.

2. Miscellaneous Powers. The Districts shall have the following miscellaneous powers with respect to activities to be conducted pursuant to this Service Plan.



a. Legal Powers. The powers of the Districts will be exercised by their board of directors to provide the services contemplated in this Service Plan. The foregoing improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes and this Service Plan, as any or all of the same may be amended from time to time.

b. Other. In addition to the powers enumerated above, the boards of directors of the Districts shall also have the following authority:

i. To request from the City an amendment to the Service Plan as needed, subject to applicable state and local laws contained in Title 32, C.R.S. and the Code of the City of Colorado Springs of 1980, as amended, or as subsequently amended (the "City Code"); and

ii. To forego, reschedule, or restructure the payment and construction of certain improvements and facilities in order to better accommodate the pace of growth, resource availability and potential inclusions of property within the Districts; and

### III. BOUNDARIES

A. General. Legal descriptions are provided on Exhibit B. A Map showing the boundaries of the Districts is provided in Exhibit C. The estimated assessed valuation are depicted in the Financing Plan. At build-out, the population is expected to be approximately 6,200. The area permitted to be served by the Districts will consist of the entire area of the Woodmen Heights community, which is the property within the Operating District, the Financing District, and areas outside of the Districts ("offsite areas") as necessary.

B. Changes in Boundaries. It is anticipated that additional property may be included within the Districts after formation. A map depicting potential future inclusions is provided in Exhibit D. So long as property petitioned for inclusion into the Districts is identified on Exhibit D no further City approval is required for inclusion of the same into the Districts. Furthermore, the Districts shall be permitted to consider internal boundary adjustments of property located within the Districts so long as all of the property undergoing a boundary change remains located within the Districts. Otherwise, the Districts shall obtain prior approval of the City Council prior to seeking any other boundary changes.

### IV. DESCRIPTION OF FACILITIES

The following section describes the facilities and improvements expected to be provided by the Districts both within and without their boundaries. The description set forth in this section is preliminary only and will be subject to revision as engineering plans, financial factors, and construction scheduling and costs are refined and finalized for Woodmen Heights.

The total estimated cost of the facilities and improvements are inclusive of contingencies and engineering and other soft costs such as construction management, but exclusive of formation costs and all costs associated with the issuance of debt. Cost estimates may be reallocated between the capital categories as needed, and are shown on Exhibit G. Diagrams showing the proposed general layout of the anticipated facilities and improvements are attached hereto as Exhibit F.

Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for bond issues. Updated information if any, shall be provided to the City in the annual report referred to herein. All cost estimates will be inflated to then-current dollars at the time of bond issuance and construction. All construction cost estimates assume construction to applicable local, state or federal requirements.

All public improvements financed through the Districts will be designed and constructed in accordance with the standards and specifications set forth by the City and in accordance with all provisions of the City Code. The Districts shall dedicate, at no cost to the City, all public improvements accepted by the City upon completion of construction and installation. The Districts shall obtain all necessary local, state and federal permits for the construction and installation of the public improvements authorized herein.

A. Water System.

1. Overall Plan. The in-District and out-of-District water system may consist of a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the Districts' boundaries, but also includes relocation, removal, upsizing and replacement of existing water mains and infrastructure required to provide service within the Districts. A future pump station is planned to serve the Woodmen Heights subdivision and surrounding development within the Briargate Service Level, and participation and equitable funding for the facility is expected. The Districts shall transfer ownership of all water system improvements to the City or other entity as directed by the City after construction, inspection and acceptance thereof in accordance with the Colorado Springs Utilities Water Extension and Service Standards.

2. Design Criteria. Water system components will be installed in accordance with the applicable City and Colorado Spring Utilities standards and tariffs. The water system will also be designed based on the City fire protection requirements.

3. Water Demand. The individual water system components will be sized based upon the projected potable and fire flow requirements of Woodmen Heights and other criteria specified by the City and Colorado Springs Utilities.

4. Water Distribution System. The water distribution system will be owned by the City or other entity as directed by the City. The system is expected to include main distribution and transmission lines and related appurtenances.

B. Street Improvements. The in-District and out-of-District street system may consist of streets, bridges, curbs, gutters, culverts, drainage ditches, sidewalks, box culverts, paving, lighting, landscaping and other road, street and drainage facility improvements which the project will require, as well as necessary traffic and safety protection devices and controls.

1. Roadway Infrastructure. All public streets within the Districts will be maintained by the City upon the City's acceptance of the same, including all roadway infrastructure as it is completed and accepted by the City.

C. Drainage Facilities. The in-District and out-of-District drainage improvements may consist of culverts, drainage ditches, channel improvements, detention ponds, and other necessary drainage improvements. The drainage improvements will be owned, operated and maintained by the City after dedication to and acceptance by the City, except for detention ponds which are expected to be owned, operated and maintained by the Districts to the standards acceptable to the City

D. Park and Recreation Improvements; Landscaping.

1. Parks. The park improvements may include common area landscaping, an irrigation system, play features, monumentation and trails and open space. Landscaping improvements may consist of irrigated turf, walkways, shrubs, mulch beds, and various amenity features. Park improvements are to be retained by the Districts for continued operations and maintenance, unless dedicated to and accepted by the City.

2. Street Landscaping. The major streets are anticipated to have landscaping along curbing/sidewalk areas and along any medians. This landscaping may consist of required fencing, identification markers, landscape buffers, shrub and flower beds, mulch beds, irrigated and non-irrigated turf and native grasses, subdivision identification markers, trees, and other landscape features commonly associated with streetscape design.

E. Sanitary Sewer (Wastewater) Collection System.

1. Overall Plan. The in-District and out-of-District sanitary sewer collection system will be owned by the City or other entity as directed by the City. The sanitary sewer collection system is expected to include buried sewer mains, manholes and related appurtenances, and may include relocation, removal, upsizing or replacement of existing wastewater collection facilities required to provide service within the Districts. Upon construction, inspection, and acceptance thereof, all wastewater facilities will be owned, operated and maintained by the City or other entity as directed by the City.

2. Design Criteria. The proposed sanitary sewer collection system is expected to include sewer mains designed to collect sewage from the development areas within and adjacent to Woodmen Heights. The sewer system components will be designed and installed in accordance with the applicable standards of the City and Colorado Springs Utilities. A

wastewater master facility report shall be completed by the Districts and accepted by Colorado Springs Utilities prior to the approval of any wastewater construction plans.

F. Construction Standards. The Districts shall ensure that any proposed improvements set forth in this Section IV will be designed and constructed solely in accordance with the standards and specifications set forth by the City or Colorado Springs Utilities, as applicable. The Districts will obtain approval of civil engineering plans for public works improvements and a permit for construction and installation of improvements from the City Engineer as required by Sections 19-5-102 and 19-6-102 of the City Code.

G. Dedication of Improvements to the City. Other than as set forth within this Service Plan, the Districts shall dedicate or cause all of the public water, wastewater, street, traffic and safety controls and public drainage facilities to be conveyed to the City or other entities as directed by the City, as appropriate, upon completion of construction, installation and inspection without charge thereto. Failure to comply with the dedication of improvements set forth in this Section shall be deemed to be a material modification of this Service Plan.

H. Ownership/Operation of Facilities by Districts. With the exception of certain park improvements and detention ponds, the Districts shall not be authorized to own or operate facilities to be provided pursuant to this Service Plan on a perpetual basis. The park and recreation facilities shall be open to non-District residents. All other public improvements will be dedicated to the City or other entity as directed by the City as appropriate, for ownership, operation and maintenance in accordance with applicable requirements and specifications. The Districts may operate and maintain the park improvements dedicated to the City. Estimated costs for operating functions are presented in the Financing Plan.

## V. FINANCING PLAN

A. General Plan of Finance. The combined new money limited tax general obligation bond and revenue debt limit ("Debt Limit") for the Districts will be \$60,000,000, including organizational costs and bond issuance costs, capitalized interest, debt service reserve funds, inflation, and other similar costs. The Debt Limit amount is intended to allow the Districts to issue debt in par amounts which are sufficient to fully finance and construct all facilities contemplated herein and fully implement the Service Plan without the need to seek approval of any modification of this Service Plan. The maximum voted interest rate for bonds will be 18%. The proposed maximum underwriting discount will be 5%. The maximum term of bonds issued by the Districts shall be forty (40) years. Increases in debt necessary to accomplish a refunding or restructuring of debt shall not count against the Debt Limit.

The maximum debt service mill levy for the Districts shall be thirty (30) mills, and the aggregate mill levy for both debt service and operations shall be thirty-five (35) mills provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitations described herein may be increased or decreased to reflect such changes as indicated in the

following examples which are meant only to illustrate how to calculate the Gallagher adjustment for the purposes of this Service Plan. For example purposes only, and for District No. 2 (the residential development), if the Gallagher adjustment or constitutional amendment reduces the residential assessment ratio from 7.9% to 6.9%, which results in a 12.66% reduction, the debt service mill levy cap of thirty (30) mills would increase by 12.66% to 33.880 mills, and the 35 aggregate mill levy cap would be increased to 39.43 mills. For example purposes only, and for District No. 3 (the commercial and non-residential development), if the Gallagher adjustment or constitutional amendment reduces the assessment ratio from 29% to 25%, which results in a 13.79% reduction, the debt service mill levy cap of thirty (30) mills would be increased by 13.79% to 34.14 mills, and the aggregate 35 mill levy cap would be increased to 39.83 mills

Except as otherwise specifically permitted herein, the Debt Limit and the mill levy limitations shall not be increased unless approved by the City Council. Should, after approval of this Service Plan, the City's policy change with regard to mill levy limitations, the Districts shall have the opportunity to seek an amendment hereto and request an amendment to the mill levy limitations.

B. Debt Issuance. The Operating District anticipates issuing revenue bonds and/or borrowing, subject to reimbursement with simple interest, the operating and capital project funds from advances made by the developer(s) or other private entities. The Financing District may issue limited tax general obligation debt or otherwise impose mill levies to generate revenue to pay any debt service, repay revenue bonds, repay advances, finance the acquisition, construction and completion of improvements and to finance the costs of issuance of the bonds. The timing of issuance of the bonds will be adjusted from time to time at the Districts' discretion to meet development requirements and as necessary to coincide with financial market considerations. The issuance of all bonds, including subordinate and/or developer held bonds or other debt instruments, except as provided herein, shall be subject to the approval of City Council.

Prior City Council approval is not required for the issuance of promissory notes and related agreements concerning the repayment of advances and cost incurred relative to Districts' operation, maintenance and administrative costs, and the maximum allowed interest rate payable shall be eight percent (8%), and shall not compound.

The Districts may, without City Council approval, enter into intent to reimburse agreements in which the Districts promise to repay such advances with bond proceeds. The maximum allowed interest rate shall be eight percent (8%), and shall not compound. Additionally, the Districts may, subject to City Council approval, issue subordinate bonds or other indebtedness for the repayment of capital costs advanced and incurred on the Districts' behalf.

The bonds may be credit enhanced as appropriate, and cannot default as long as the required maximum allowed debt service mill levy is being imposed.

All limited tax general obligation bonds, if not rated as investment grade, must be issued in minimum denominations of \$100,000 and sold only to either accredited investors as defined in

rule 501(a) promulgated under the Securities Act of 1933 or to the developer(s). The remarketing of any non-rated general obligation bonds is restricted until the Districts' assessed value is such that the debt service mill levy limit defined herein is sufficient to pay the maximum annual debt service on such bonds.

Bond proceeds and other revenues may not be used to pay landowners with the Districts for acquisition of rights-of-way, easements, water rights, land for prudent line drainage, parkland or open space.

C. Identification of District Revenue. All bonds issued by the Districts may be payable from any and all legally available revenues of the Districts, including general *ad valorem* taxes to be imposed upon all taxable property within the Districts for debt service. The revenues received by the Districts from any reimbursement and recovery agreements that the Districts may enter into with the City and other governmental entities shall remain property of the Districts. Reimbursement revenue must be used to repay bonded debt, but to the extent it is not necessary to repay bonded debt service, it may be utilized for operations and to construct, install, acquire and otherwise provide the public improvements contemplated herein. Additionally, as contemplated in the Financing Plan, the Districts expect to receive revenue from the Woodmen Valley Chapel through a contractual arrangement whereby the church makes payment in lieu of property taxes. The Districts may also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in § 32-1-1001(1), C.R.S., as amended. The Districts are permitted to impose fees based upon the improvements and services provided. The anticipated and authorized fees include a one-time development/facility fee that is expected to be due at building permit, and shall not exceed \$4,000/single-family unit; \$2,500/multi-family unit; and \$4.00 square foot for non-residential without City approval. Prior City approval is required before imposing other fees and charges.

D. Security for Debt. The Districts shall not pledge any revenue, faith or credit or property of the City as security for the indebtedness. The debt of any District will not constitute a debt or obligation of the City in any manner. The same shall be stated in all bond offering circulars, prospectus or disclosure statements.

E. Authorized and Unissued Debt. Any authorized but unissued debt of a District shall be eliminated after ten (10) years following the date of the election authorizing such debt if the City determines that that the District is not progressing with reasonable diligence towards implementation of the Service Plan and the purposes of the Districts.

F. Financial Analysis. The proposed Financing Plan is attached hereto as Exhibit G. The Financing Plan demonstrates the current method expected to be used by the Districts to finance the cost of facilities, however, it is possible that alternative financing plans may be created and utilized without additional approval so long as such plans are within the parameters and limits contained herein, and do not otherwise constitute a material modification hereof. The Financing Plan includes the proposed operating revenue derived from *ad valorem* property taxes for each applicable year. The Master IGA will provide that the obligation of the Financing District to pay the Operating District for capital and general operating expenses of the Districts

shall constitute "contractual debt" of the Financing Districts, but shall not count against any general obligation debt limit nor require further City Council approval. Accordingly, mill levies certified to make necessary payments to the Operating District may be characterized as debt service mill levies notwithstanding that they are imposed in part to pay contractual obligations for operations and maintenance services provided by the Operating District.

G. Risk Disclosure. The ability of the Districts to meet the projections upon which the Financial Plan is premised is subject to various risks and uncertainties, including but not necessarily limited to, actual development that occurs within the Districts' boundaries. Development will be impacted by many factors including governmental policies regarding land development, the availability of utilities, construction costs, interest rates, competition from other developments and other political, legal and economic conditions.

## VI. INTERGOVERNMENTAL AGREEMENT AND OTHER AGREEMENTS

A. Master IGA. As noted in this Service Plan, the relationship between the Operating District and the Financing District, including the means for approving, financing, constructing, and operating the public services and improvements needed to serve the project will be established by means of a Master IGA to be executed by the Districts after organization. The obligation of the Districts set forth in the Master IGA shall not count against any bonded debt limit or restriction of the Districts. The Master IGA will establish procedures and standards for the payment of the capital costs of the improvements, the payment of operation and maintenance expenses, the payment of the administrative expenses and the construction, acquisition, operation and maintenance of the improvements and the administration of the affairs of the Districts. Attached hereto as Exhibit I is a form Master IGA, and is approved so long as the executed version does not materially depart therefrom.

B. City IGA/City Recovery Agreements. The Districts and City may enter into an intergovernmental agreement relative to certain matters including, but not necessarily limited to the City's Recovery Agreements and payment to the Districts regarding City annexations of properties that are not included into the Districts, but do benefit from and should pay a share of the costs of regional improvements undertaken by the Districts.

C. Other Agreements. The District may enter into additional intergovernmental and private agreements when it is in the best interest of the District to better ensure long-term provision of improvements, services and effective management

## VII. GENERAL MATTERS

A. Elections. All elections will be conducted as provided in the Special District Act, Uniform Election Code of 1992 (as substantially amended by House Bill 93-1255) and the TABOR Amendment. Election questions may include organization of the Districts, election of directors, and TABOR ballot issues and questions. Future elections may be held as determined by the Districts, however, future ballot questions, other than May even year director election/re-election questions, are subject to City review and approval.

B. Annual Report

The Districts shall be responsible for submitting an annual report to the City no later than April 1 of each year. The annual report shall include information as to any of the following events that occurred during the preceding calendar year:

- a. Boundary changes made or proposed.
- b. Intergovernmental Agreements with other governmental entities entered into or proposed.
- c. Changes or proposed changes in the Districts' policies.
- d. Changes or proposed changes in the Districts' operations.
- e. Any changes in the financial status of the Districts including revenue projections, or operating costs.
- f. A summary of any litigation that involves the Districts.
- g. Proposed plans for the year immediately following the year summarized in the annual report.
- h. Status of Public Improvement Construction Schedule.
- i. Summary of current assessed valuation in the Districts.
- j. Budgets for the reporting year.

C. Conservation Trust Fund

The Districts shall claim no entitlement to funds from the Conservation Trust Fund that is derived from lottery proceeds. The Districts shall, within sixty (60) days, remit to the City any and all conservation trust funds, which they receive.

D. Consolidation/Dissolution

The Districts shall not file a request with the district court to consolidate/dissolve without the prior written approval of the City. The Districts shall commence with dissolution proceedings if no debt has been issued within three (3) years of formation, or if the Districts have no debt outstanding and are deemed to be inactive as defined in Section 32-1-710, C.R.S. Developer and other private entity repayment agreements shall constitute debt for the purpose of this Section D.

E. Modification of Service Plan

Material modifications include, but are not limited to, a significant change in the purpose, services and revenue types described herein, a change in the debt limit and mill levy limits, failure to comply with the improvement dedication requirements, and as otherwise provided herein and by law. All material modifications shall be subject to the City Council's approval.

F. Failure to Comply With Service Plan



In the event that a District takes any action which constitutes a material modification from the Service Plan without approval from the City, or fails to comply with the Service Plan, in addition to other remedies available to the City or Colorado Springs Utilities, the City or Colorado Springs Utilities may utilize the remedies set forth in the statutes to seek to enjoin the actions of the District.

G. Resolution of Approval

The proposed Districts agree to incorporate the City Council's Resolution of Approval, including any conditions on such approval, into the Service Plan presented to the appropriate District Court. Such Resolution shall be attached as Exhibit A.

H. Disclosure

The petitioners and the Districts will use best efforts to assure that all developers of the property located within the Districts provide written notice in a form acceptable to the City to all purchasers of property in the Districts regarding the existence of, and the additional taxes, charges, or assessments that may be imposed by, the District. Such disclosure shall include, but not necessarily be limited to the following matters:

- a. The authorized debt limit;
- b. The facilities to be operated and maintained by the Districts;
- c. The maximum mill levy and the procedure for any adjustment thereto;
- d. An estimate of the annual *ad valorem* property tax to be paid by a representative property owner;
- e. Any applicable District fees and a statement that such fees are separate from any applicable homeowners' association fees; and
- f. Description of the multi-district structure and intergovernmental agreement.

Subsequent to the Districts' organization, the disclosure shall be recorded in the real property records of the County of El Paso, State of Colorado.

I. Eminent Domain

The Districts shall not exercise eminent domain and dominate eminent domain powers without prior City Council approval.

VIII. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2), C.R.S., has established 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; and

d. 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.

Respectfully submitted,

WHITE, BEAR AND ANKELE  
Professional Corporation

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

  
K. Sean Allen, Esq.

Counsel to Petitioners for the Districts

**EXHIBIT A**  
City Council Resolution of Approval

**EXHIBIT B**  
Legal Descriptions



6385 Corporate Drive (719)785-0790  
Colorado Springs, Colorado 80919 (719)785-0799)Fax)  
JOB NO. 2077.00-21  
JUNE 16, 2004

**LEGAL DESCRIPTION: WOODMEN HEIGHTS METRO DISTRICT 1**

A PARCEL OF LAND LOCATED IN THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 13 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BASIS OF BEARINGS:** THE SOUTH LINE OF SECTION 5, TOWNSHIP 13 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO BEING MONUMENTED AT THE EAST END BY A 3 1/4" ALUMINUM CAP STAMPED "PLS 17496" AND AT THE WEST END BY A 3 1/4" ALUMINUM CAP STAMPED "PLS 17496", ASSUMED TO BEAR S89°23'04"W, A DISTANCE OF 5221.44 FEET.

COMMENCING AT THE CENTER QUARTER CORNER OF SECTION 5, TOWNSHIP 13 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO;

THENCE N00°32'11"E, ON THE WESTERLY BOUNDARY OF A TRACT OF LAND DESCRIBED IN A DOCUMENT RECORDED UNDER RECEPTION NO. 9810781, RECORDS OF EL PASO COUNTY, COLORADO, A DISTANCE OF 1149.44 FEET TO THE POINT OF BEGINNING;

THENCE N89°27'49"W, A DISTANCE OF 74.83 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF VOLLMER ROAD.

THENCE N38°57'08"E, ON SAID SOUTHEASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 71.70 FEET TO THE MOST WESTERLY CORNER OF SAID TRACT OF LAND DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 98107811;

THENCE ON THE BOUNDARY OF SAID TRACT, THE FOLLOWING TWO (2) COURSES:

1. N88°48'02"E, A DISTANCE OF 30.29 FEET;
2. S00°32'11"W, A DISTANCE OF 57.10 FEET TO THE POINT OF BEGINNING;

CONTAINING A CALCULATED AREA OF 0.068 ACRES.