



MEMO

To: Kristin Hoffmann, Town of Parker
From: Kim Crawford, Butler Snow
Date: August 1, 2023
Re: Kime Ranch Metropolitan District
(the "District")

The following is our report on the proposed Service Plan for the above-mentioned District. This report summarizes key information about the District and the Service Plan.

Kime Ranch Metropolitan District

Developer: Century Land Holdings, LLC

Attorney: McGeady Becher P.C. (Elisabeth Cortese)

Finance: D.A. Davidson & Co.

Engineer: JR Engineering, LLC

Bond Counsel: TBD

Location: Approximately 43 acres located generally located north of Mainstreet and approximately between Longs Peak Lane and Parker Vista Circle in Parker, Douglas County, Colorado.

Area/Land Use: The District will include 148 residential units.

Build Out Schedule: Build out estimated to be completed by the end of 2025.

Projected Assessed: \$6,782,710 projected total assessed valuation (AV) for all residential development at completion of project build out, anticipated for 2026 completion year (per consolidated Financial Plan, with 2-year lag for AV realization).

Powers: Water, streets, traffic and safety control, sanitation, storm sewers and drainage, and parks and recreation improvements. Transportation, television relay and translation, mosquito and pest control, security services,

covenant enforcement, design review only if authorized in IGA (and these powers are not authorized in the current version of the IGA).

Regional Infrastructure: In accordance with the Intergovernmental Agreement to be approved and executed between the District and the Town (the “IGA”), the District will NOT impose an Infrastructure Capital Mill Levy for Regional Infrastructure.

Town Infrastructure: In accordance with the IGA, the Town is authorized to utilize the revenues generated from the Town Infrastructure associated with the impacts from development within the District to be identified and finalized in the IGA after the approval of the Service Plan.

Operation and Maintenance: In accordance with the IGA, the District is required to dedicate the Public Improvements to the Town or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan, Development Agreement and other rules and regulations of the Town and applicable provisions of the Town Code. The District is authorized to impose up to 5 mills for District administrative and operating expenses.

Improvement Costs: \$11,310,000, consisting of local improvements for the Kime Ranch development. Improvements to be constructed are detailed above.

Debt Limit: The District shall not issue Debt in excess of \$15,668,750 total aggregate principal amount, provided that such limitation shall not be applicable to refunding Bonds issued by the District to refund outstanding Debt. The foregoing figure is the product of: (a) the bonding capacity of the District, which was derived using the following assumptions: (i) the interest rate is not less than 150 basis points more than the 30 Year AAA MMD Index (as of the date of the submission of the Service Plan); (ii) inflation on completed structures does not exceed a 4% biennial growth rate; (iii) the bonds amortize over a period of 40 years; and (iv) debt service coverage is no less than 100%; and (v) the levying by each of the District of 57 mills for the Maximum Debt Mill Levy, 5 mills for the Infrastructure Capital Mill Levy, and 5 mills for the Town Capital and Maintenance Mill Levy; and (b) 125%.

Mill Levy: The mill levy the District will impose is 70.813 mills, which takes into account the Mill Levy Adjustment from January 1, 2019. The 70.813 mills is comprised of:

- 60.243 mills for the Maximum Debt Mill Levy;

- 5.285 mills for the Operation and Maintenance Mill Levy, to be used for the costs of ongoing administrative, accounting and legal services of the District; and
- 5.285 mills for the Town Capital and Maintenance Mill Levy, to be used for construction and maintenance of infrastructure the Town determines is necessary or desirable in connection with the impacts of development in the District.

Proposed Debt

Issuance:

The Financial Plan for the District indicates that the District will issue bonds in the amount of \$12,220,000 in 2024.

Service Plan:

The Service Plan for the Kime Ranch Metropolitan District substantially comply with the model service plan.