

**SERVICE PLAN  
FOR  
MOUNTAIN VISTA METROPOLITAN DISTRICT NO. 2  
IN THE CITY OF COLORADO SPRINGS, COLORADO**

Prepared

by

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## **LIST OF EXHIBITS**

<b>EXHIBIT A</b>	Legal Descriptions
<b>EXHIBIT B</b>	Colorado Springs Vicinity Map
<b>EXHIBIT C-1</b>	Initial District Boundary Map
<b>EXHIBIT C-2</b>	Inclusion Area Boundary Map
<b>EXHIBIT D</b>	Description of Permitted Services to be Provided by the District
<b>EXHIBIT E</b>	Form of Disclosure to Purchasers of Property within the District

## I. INTRODUCTION

### A. Purpose and Intent

The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than those specifically set forth in Exhibit D to this Service Plan.

### B. Need for the District

There are currently no other governmental entities, including the City, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

### C. Objective of the City Regarding District Service Plan

The City's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation, and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy for commercial and residential properties, and/or repaid by Fees, as long as such Fees are not imposed upon or collected from Taxable Property owned or occupied by an End User for the purpose of creating a capital cost payment obligation as further described in Section V.A.11. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities are allowed but only as specified in Exhibit D to this Service Plan.

It is the intent of the District to 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 if any District has authorized operating functions under an intergovernmental

agreement with the City, to retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenue collected from a mill levy which shall not exceed the Maximum Debt Mill Levy in any District and which shall not exceed the Maximum Debt Mill Levy Imposition Term in Residential Districts. It is the intent of this Service Plan to assure to the extent possible that no property in any District bears an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount, and that no property in a Residential District bears an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

## **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: a Master Plan and other more detailed land use approvals established by the City for identifying, among other things, Public Improvements necessary for facilitating the development of property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

Board: the board of directors of one District.

Bond, Bonds or Debt: bonds or other obligations for the payment of which any District has promised to impose an *ad valorem* property tax mill levy.

City: the City of Colorado Springs, Colorado.

City Code: the City Code of the City of Colorado Springs, Colorado.

City Council: the City Council of the City of Colorado Springs, Colorado.

Commercial District: a District containing property classified for assessment as nonresidential. (NOTE: all districts which include or are expected to include any residential property must be defined as a Residential District and not a Commercial District).

Debt: any bond, note debenture, contract or other multiple-year financial obligation of a District which is payable in whole or in part from, or which constitutes a lien or encumbrance on the proceeds of ad valorem property tax imposed by a District.

Debt to Actual Market Value Ratio: the ratio derived by dividing the then-outstanding principal amount of all Debt of the District by the actual market valuation of the taxable

property of the District, as such actual market valuation is certified from time to time by the appropriate county assessor.

District: the Mountain Vista Metropolitan District No. 2.

End User: means any owner, or tenant of any owner, of any taxable improvement within the District, who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: a consultant that (1) 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; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (3) is not an officer of the District.

Fees: means any fee imposed by the District for services, programs or facilities provided by the District, as described in Section V.A.11. below.

Financial Plan: the Financial Plan described in Section VI which describes (a) how the Public Improvements are to be financed; (b) how the Debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: the map attached hereto as Exhibit C-2, describing the property proposed for inclusion within the District.

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

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

Maximum Debt Mill Levy: the maximum mill levy of the District is permitted to impose for payment of Debt as set forth in Section VI.E below.

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

Maximum Operating Mill Levy: the maximum mill levy of the District is permitted to impose for payment of operating and maintenance expenses as set forth in Section VI.J below.

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

Public Improvements: a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Residential District: a District containing property classified for assessment as residential. (NOTE: all districts which include or are expected to include any residential property must be defined as Residential Districts and not Commercial Districts).

Service Area: the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

Service Plan: the service plan for the District approved by City Council.

Service Plan Amendment: an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable State law.

Special District Act: Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: the State of Colorado.

### **III. BOUNDARIES**

The area of the Initial District Boundaries includes approximately 138.255 acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately 32.5 acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as Exhibit A. A map of the Initial District Boundaries is attached hereto as Exhibit C-1, and a map of the Inclusion Area Boundaries is attached hereto as Exhibit C-2. A vicinity map is attached hereto as Exhibit B. It is anticipated that the District's Boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., CRS, and Section 32-1-501, et seq., CRS, subject to the limitations set forth in Article V below.

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

The Service Area consists of approximately 170.75 acres of undeveloped and vacant land. The current assessed valuation of the Service Area is \$119,780 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 District at build-out is estimated to be approximately 2,115 people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or



the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

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

A. Powers of the District and Service Plan Amendment

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

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop, and finance the Public Improvements. The District shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The District shall not be authorized to operate and maintain any part or all of the Public Improvements after such dedication, including park and recreation improvements, unless the provision of such ongoing operation and maintenance is specifically identified in Exhibit D attached hereto. In the City's sole discretion, an IGA between the City and the District may be required in order to better describe the conditions under which these permitted services will be provided by the District. If the District is authorized to operate and maintain certain park and recreation improvements set forth in Exhibit D, any fee imposed by the District for access to such park and recreation improvements shall not result in non-District Colorado Springs residents paying a user fee that is greater than, or otherwise disproportionate to, similar Fees and taxes paid by residents of the District. However, the District shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with non-District Colorado Springs residents to ensure that such costs are not the responsibility of the District residents. All such Fees shall be based upon the determination of the District imposing such fee that such fee does not exceed a reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails shall be open to the general public including non-District Colorado Springs residents free of charge.

2. City Charter Limitations. In accordance with Article 7-100 of the City Charter, the District shall not issue any Debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development.

As further set forth in Article 7-100 of the City Charter, the total Debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.

3. Use of Bond Proceeds and Other Revenue of the District Limitation. Proceeds from the sale of debt instruments and other revenue of the District may not be used to pay landowners within the District for any real property required to be dedicated for public use by annexation agreements or land use codes. Examples of ineligible reimbursements include,

but are not limited to: the acquisition of rights of way, easements, water rights, land for prudent line drainage, parkland, or open space, unless consent from the City Council is given. Proceeds from the sale of debt instruments and other revenue of the District also may not be used to pay for the construction of any utility infrastructure except for those categories of utility infrastructure covered by utility tariffs, rules, and regulations. Additionally, if the landowner/developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive the report of an independent engineer or accountant confirming that the amount of the reimbursement is reasonable.

4. Recovery Agreement Limitation. Should the District construct infrastructure subject to a recovery agreement with the City or other entity, the District retain all benefits under the recovery agreement. Any subsequent reimbursement for public improvements installed or financed by the District will remain the property of the District to be applied toward repayment of their Debt, if any. Any reimbursement revenue not necessary to repay the District Debt may be utilized by the District to construct additional public improvements permitted under the approved Service Plan.

5. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt for capital related costs, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), CRS) 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 District.

7. Inclusion Limitation. The District shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City Council.

8. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will

overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

9. Initial Debt Limitation. On or before the date on which there is an Approved Development Plan, the District 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 Fees used for the purpose of repayment of Debt.

10. Total Debt Issuance Limitation. The issuance of all bonds or other debt instruments of District shall be subject to the approval of the City Council. City Council's review of the bonds or other debt instruments of the Districts shall be conducted to ensure compliance with the Service Plan and all applicable laws. The District shall not issue Debt in an aggregate principal amount in excess of \$26,000,000, provided that the foregoing shall not include the principal amount of Debt issued for the purpose of refunding or refinancing lawfully issued Debt.

11. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the District.

12. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or nonprofit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

13. Consolidation Limitation. The District shall not file a request with any court to consolidate with another Title 32 district without the prior written consent of the City.

14. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, CRS. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; 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).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy or, for Residential Districts, the Maximum Debt Mill Levy Imposition Term, shall be deemed a material departure from this Service Plan pursuant to Section 32-1-207, CRS and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

15. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of an Approved Development Plan for the property within the District, the cost estimates and Financing Plan are sufficiently flexible to enable the District to provide necessary services and facilities without the need to amend this Service Plan as development plans change. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then-current Approved Development Plans for the property. Actions of the District which violate the limitations set forth in V.A.1-12 above or in VI.B-F. shall be deemed to be material departures from this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

16. Eminent Domain Powers Limitation. Currently, the District does not expect to use the power of eminent domain. The District shall not exercise the power of eminent domain except upon the prior written consent of the City.

17. Concealed Carry. The District shall not adopt or enact an ordinance, resolution, rule or ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying a concealed handgun in a building or specific area under the direct control or management of the District as provided in C.R.S. § 18-12-214.

B. Preliminary Engineering Survey

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the Approved Development Plan on the property in the Service Area and is approximately \$17,044,126.

The District shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in their discretion.

All of the Public Improvements described herein will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All descriptions of the Public Improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the City's requirements, and construction scheduling may require. Upon approval of this Service Plan, the District will continue to develop and refine cost estimates contained herein and prepare for issuance of Debt. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates assume construction to applicable local, State or Federal requirements.

## **VI. FINANCIAL PLAN**

### **A. General**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenue and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay from revenue derived from the Maximum Debt Mill Levy and other legally available revenue, within the Maximum Debt Mill Levy Term for Residential Districts. The total Debt that the District shall be permitted to issue shall not exceed the total Debt issuance limitation set forth in Section V.A.10 hereof, and shall be permitted to be issued on a schedule and in such year or years as the District determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenue of the District, including general ad valorem taxes and Fees to be imposed upon all taxable property of the District. The District will 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 the Special District Act or other State statutes. No District will be allowed to impose a sales tax.

### **B. Maximum Voted Interest Rate and Maximum Underwriting Discount**

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The proposed maximum interest rate on any Debt is not expected to exceed 12%. The proposed maximum underwriting discount will be 5%. Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

### **C. No-Default Provisions**

Debt issued by a District shall be structured so that failure to pay debt service when due shall not of itself constitute an event of default or result in the exercise of remedies. The foregoing shall not be construed to prohibit events of default and remedies for other occurrences including, without limitation, (1) failure to impose or collect the Maximum Debt Mill Levy or such portion thereof as may be pledged thereto, or to apply the same in accordance with the terms of the Debt, (2) failure to impose or collect other revenue sources lawfully

pledged to the payment thereof or to apply the same in accordance with the terms of the Debt, (3) failure to abide by other covenants made in connection with such Debt, or (4) filing by a District as a debtor under any bankruptcy or other applicable insolvency laws. Notwithstanding the foregoing, Debt will not be structured with a remedy which requires the District to increase the Maximum Debt Mill Levy in any District or, in Residential Districts, the Maximum Debt Mill Levy Imposition Term.

D. Eligible Bondholders

All District bonds or other debt instrument, 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) of property within the District.

E. Maximum Debt Mill Levy

The “Maximum Debt Mill Levy” shall be the maximum mill levy a District is permitted to impose upon the taxable property of the District for payment of Debt, and shall be determined as follows:

1. For Residential District the Maximum Debt Mill Levy shall be calculated as follows:

(a) The Maximum Debt Mill Levy shall be 30 mills; provided that if, on or after January 1, 2006, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of the issuing District in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, 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.

(b) At such time as the Debt to Actual Market Value Ratio within the District is equal to or less than three percent (3%), the Board may request City Council approval for the right to pledge such mill levy as is necessary to pay the Debt service on such Debt, without limitation of rate. At the time of such request, a majority of the members of the Board must consist of homeowners owning property within the District. Once Debt has been determined to meet the above criterion, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, such District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in such District's Debt to Actual Market Value Ratio.

2. For Commercial Districts the Maximum Debt Mill Levy shall be calculated as follows:

(a) The Maximum Debt Mill Levy shall be 30 mills; provided that if, on or after January 1, 2006, there are changes in the method of calculating assessed valuation or any

constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of the issuing District in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, 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.

To the extent that the District is composed of or subsequently organized into one or more sub districts as permitted under Section 32-1-1101, CRS, the term “District” as used in this Section VI.E. shall be deemed to refer to the District and to each such sub district separately, so that each of the sub districts shall be treated as a separate, independent district for purposes of the application of this Section VI.E.

F. Maximum Debt Mill Levy Imposition Term

Residential Districts shall not impose a Debt Service mill levy which exceeds 40 years after the year of the initial imposition of such Debt Service mill levy unless (1) a majority of the Board of Directors of the District imposing the mill levy are residents of such District, and (2) such Board has voted in favor of issuing Debt with a term which requires or contemplates the imposition of a Debt service mill levy for a longer period of time than the limitation contained herein. There shall be no Maximum Debt Mill Levy Imposition Term in Commercial Districts.

G. Debt Repayment Sources

Each District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District’s discretion, these may include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), CRS, as amended from time to time. In no event shall the debt service mill levy in any District exceed the Maximum Debt Mill Levy or, for a Residential District, the Maximum Debt Mill Levy Imposition Term.

H. Debt Instrument Disclosure Requirement

In the text of each Bond and any other instrument representing and constituting Debt, the District 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 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, a developer of property within the boundaries of the District.

I. Security for Debt

No Debt or other financial obligation of any District will constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of any Debt or other financial obligation of any District. This will be clearly stated on all offering circulars, prospectuses, or disclosure statements associated with any securities issued by any District. The District shall not utilize the City of Colorado Springs' name in the name of the District.

J. Maximum Operating Mill Levy

In addition to the capital costs of the Public Improvements, the District 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 \$26,500 which is anticipated to be derived from property taxes and other revenue.

The Maximum Operating Mill Levy for the payment of the District operating and maintenance expenses shall be 15 mills; provided that if, on or after January 1, 2006, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such operating and maintenance expenses may be increased or decreased to reflect such changes, such increases or 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 revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, 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.

K. Developer Financial Assurances

The mere existence of the District will not be considered a substitute for financial assurances required under applicable City land use ordinances and regulations.

**VII. ANNUAL REPORT**

A. General

Each District shall be responsible for submitting an annual report to the Director of the City's Budget Department no later than August 1 of each year following the year in which the Order and Decree creating the District has been issued. The District may cooperate in the creation and submittal of the report, provided the presentation of information in the report clearly identifies the applicable information pertaining to each District.

B. Reporting of Significant Events

The annual report shall include information as to any of the following:



1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.
4. A summary of any litigation which involves the any District's Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District financial statements for the year ending December 31 of the previous year prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of noncompliance by the District under any Debt instrument, which continue beyond a 90-day period.
11. Any inability of the District to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a 90-day period.
12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

## **VIII. DISSOLUTION**

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

## **IX. DISCLOSURE TO PURCHASERS**

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District

regarding the Maximum Debt Mill Levy, as well as a general description of the District' authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be substantially in the form of Exhibit E hereto; provided that such form may be modified by the District so long as a new form is submitted to the City prior to modification. Within 90 days of District formation, the District will record the approved Disclosure form with the El Paso County Clerk and Recorder against all property included in the District and provide a copy to the City Clerk's Office.

**X. CONCLUSION**

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), CRS, and Section 122-35 of the City Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District 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 City 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 District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), CRS
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.
8. The proposal is in compliance with any duly adopted City, regional or State long-range water quality management plan for the area.
9. The creation of the District is in the best interests of the area proposed to be served.

**EXHIBIT A**

Legal Descriptions



212 N. Wahsatch Ave., Suite 305  
Colorado Springs, CO 80903  
Mail to: PO Box 1360  
Colorado Springs, CO 80901  
719.955.5485

**EXHIBIT A  
ENCLAVES AT MOUNTAIN VISTA RANCH  
EXCLUSION PARCELS  
LEGAL DESCRIPTIONS**

**EXCLUSION AREA 1**

A PARCEL OF LAND IN THE SOUTH HALF OF THE SOUTHEAST QUARTER (S 1/2 SE 1/4) OF SECTION 21 AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (SW 1/4, SW 1/4) OF SECTION 22 OF SECTION 28, T13S, R65W, OF THE SIXTH P.M., CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTH HALF OF THE NORTHEAST QUARTER (N 1/2, NE 1/4) OF SECTION 28;

THENCE S89°48'20"W A DISTANCE OF 1,503.49 FEET TO THE NORTHERLY LINE OF THAT PARCEL DESCRIBED BY SPECIAL WARRANTY DEED UNDER RECEPTION NO. 215057837 OF THE RECORDS OF EL PASO COUNTY, COLORADO, AND THE POINT OF BEGINNING;

THENCE ALONG SAID NORTHERLY LINE THE FOLLOWING THREE (3) COURSES:

1. THENCE N88°58'26"W A DISTANCE OF 633.36 FEET TO A POINT OF CURVE;
2. THENCE 593.77 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 1,395.00 FEET, A CENTRAL ANGLE OF 24°23'14", THE CHORD OF 589.29 FEET WHICH BEARS N76°46'11"W TO A POINT OF TANGENT;
3. THENCE N64°35'06"W A DISTANCE OF 977.19 FEET TO THE CENTERLINE OF THAT UTILITY EASEMENT DESCRIBED BY PERMANENT EASEMENT AGREEMENT UNDER RECEPTION NO. 206178643 IN THE RECORDS OF EL PASO COUNTY, COLORADO;

THENCE N04°47'26"W ALONG SAID CENTERLINE, 658.07 FEET TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER (N 1/2 SE 1/4) OF SECTION 21;

THENCE N89°46'42"E ALONG SAID SOUTH LINE, 1,083.15 FEET;

THENCE 964.61 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 1,121.00 FEET, A CENTRAL ANGLE OF 49°18'09", THE CHORD OF 935.12 FEET WHICH BEARS S46°06'56"E TO A POINT OF REVERSE CURVE;

THENCE 88.49 FEET ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 979.00 FEET, A CENTRAL ANGLE OF 5°10'44", THE CHORD OF 88.46 FEET WHICH BEARS S24°03'13"E;

THENCE S89°59'27"E, NON-TANGENT TO THE PREVIOUS COURSE, A DISTANCE OF 432.25 FEET TO THE WESTERLY LINE OF THAT PARCEL DESCRIBED BY SPECIAL WARRANTY DEED UNDER RECEPTION NO. 215057837 IN THE RECORDS OF EL PASO COUNTY, COLORADO;

THENCE ALONG SAID WESTERLY LINE THE FOLLOWING TWO (2) COURSES:

1. THENCE 255.88 FEET ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 442.00 FEET, A CENTRAL ANGLE OF 35°10'10", THE CHORD OF 252.32 FEET WHICH BEARS S17°37'14"W TO A POINT OF TANGENT;
2. THENCE S01°01'15"W A DISTANCE OF 256.03 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 1,798,906 SQUARE FEET (41.297 ACRES, MORE OR LESS).

**EXCLUSION AREA 2**

A PARCEL OF LAND IN THE SOUTH HALF OF THE SOUTHEAST QUARTER (S 1/2 SE 1/4) OF SECTION 21, THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER (NW 1/4, NW 1/4) OF SECTION 27, AND THE NORTH HALF OF THE NORTHEAST QUARTER (N 1/2, NE 1/4) OF SECTION 28, T13S, R65W, OF THE SIXTH P.M., CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF SAID NORTH HALF OF THE NORTHEAST QUARTER (N 1/2, NE 1/4) OF SECTION 28;

THENCE S89°48'20"W ALONG THE SOUTH LINE THEREOF, 1,737.61 FEET TO THE CENTERLINE OF THAT UTILITY EASEMENT DESCRIBED BY PERMANENT EASEMENT AGREEMENT UNDER RECEPTION NO. 206178643 IN THE RECORDS OF EL PASO COUNTY, COLORADO;

THENCE ALONG SAID CENTERLINE THE FOLLOWING THREE (3) COURSES:

1. THENCE N01°11'12"W A DISTANCE OF 128.71 FEET;
2. THENCE N07°52'47"E A DISTANCE OF 1,362.39 FEET;
3. THENCE N04°47'26"W A DISTANCE OF 272.48 FEET THE SOUTHWESTERLY LINE OF THAT PARCEL DESCRIBED BY SPECIAL WARRANTY DEED UNDER RECEPTION NO. 215057837 OF THE RECORDS OF EL PASO COUNTY, COLORADO;

THENCE ALONG SAID SOUTHWESTERLY LINE THE FOLLOWING SIX (6) COURSES:

1. THENCE S64°35'00"E A DISTANCE OF 855.01 FEET TO A POINT OF CURVE;
2. THENCE 683.09 FEET ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 1,605.00 FEET, A CENTRAL ANGLE OF 24°23'07", THE CHORD OF 677.95 FEET WHICH BEARS S76°46'33"E TO A POINT OF TANGENT;
3. THENCE S88°58'07"E A DISTANCE OF 375.31 FEET;
4. THENCE S69°27'56"E A DISTANCE OF 338.62 FEET TO A POINT OF CURVE;
5. THENCE 1,119.27 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 920.00 FEET, A CENTRAL ANGLE OF 69°42'21", THE CHORD OF 1,051.51 FEET WHICH BEARS S34°36'46"E TO A POINT OF TANGENT;
6. THENCE S00°14'25"W A DISTANCE OF 247.60 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (SW 1/4, NW 1/4) OF SECTION 27;

THENCE N89°09'42"W ALONG THE NORTH LINE THEREOF, 1,144.70 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 3,510,851 SQUARE FEET (80.598 ACRES, MORE OR LESS).

BOTH PARCELS CONTAINING A COMBINED AREA OF 5,309,757 SQUARE FEET (121.895 ACRES, MORE OR LESS).

**BASIS OF BEARINGS:** THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER (N 1/2, NE 1/4) OF SECTION 28, TOWNSHIP 13 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO. THE SOUTHWEST CORNER OF SAID NORTH HALF OF THE NORTHEAST QUARTER (N 1/2, NE 1/4) BEING MONUMENTED WITH A 1-1/2" ALUMINUM COLLAR STAMPED "LS 17664", FROM WHICH THE SOUTHEAST CORNER, BEING MONUMENTED WITH A 1-1/2" ALUMINUM COLLAR STAMPED "LS 17664", BEARS N89°48'20"E, A DISTANCE OF 2,654.14 FEET.

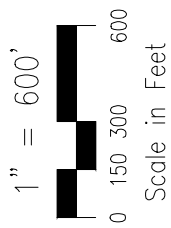
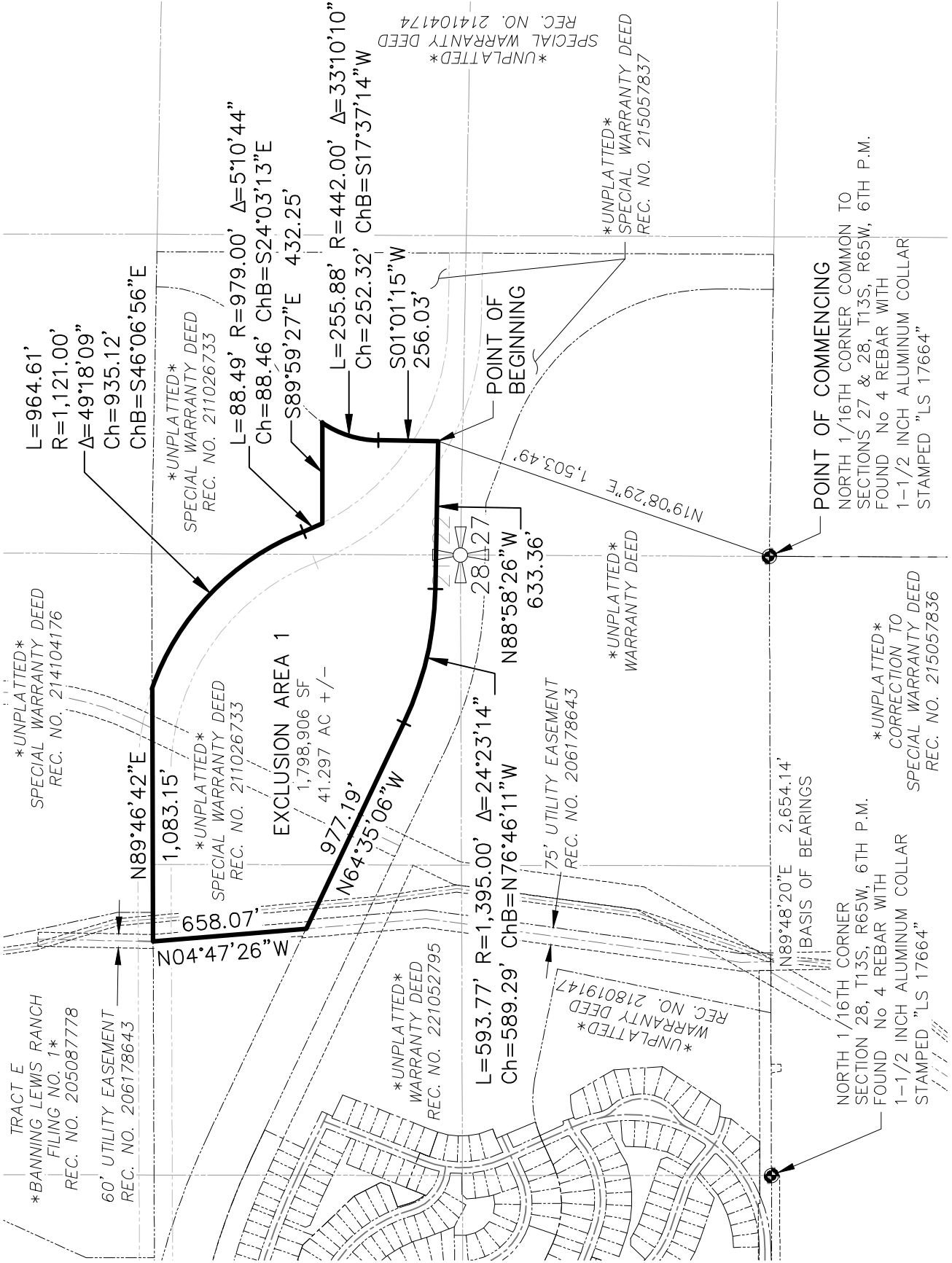
PREPARED BY:

Vernon P. Taylor  
VERNON P. TAYLOR, COLORADO PLS NO. 25966  
FOR AND ON BEHALF OF M&S CIVIL CONSULTANTS, INC

10/8/2021  
DATE



# ENCLAVES AT MOUNTAIN VISTA RANCH EXCLUSION PARCELS EXHIBIT "B"

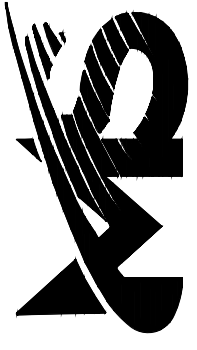


**NOTES:**

THIS SKETCH IS INTENDED FOR LEGAL DESCRIPTION ONLY. THIS SKETCH IS NOT INTENDED TO REPRESENT A LAND SURVEY PLAT NOR AN IMPROVEMENT LOCATION SURVEY PLAT.

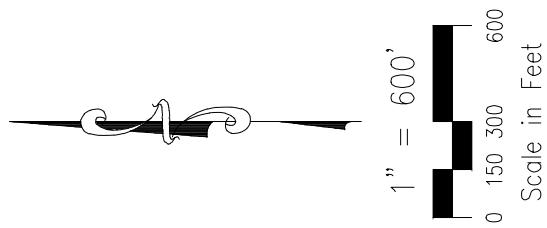
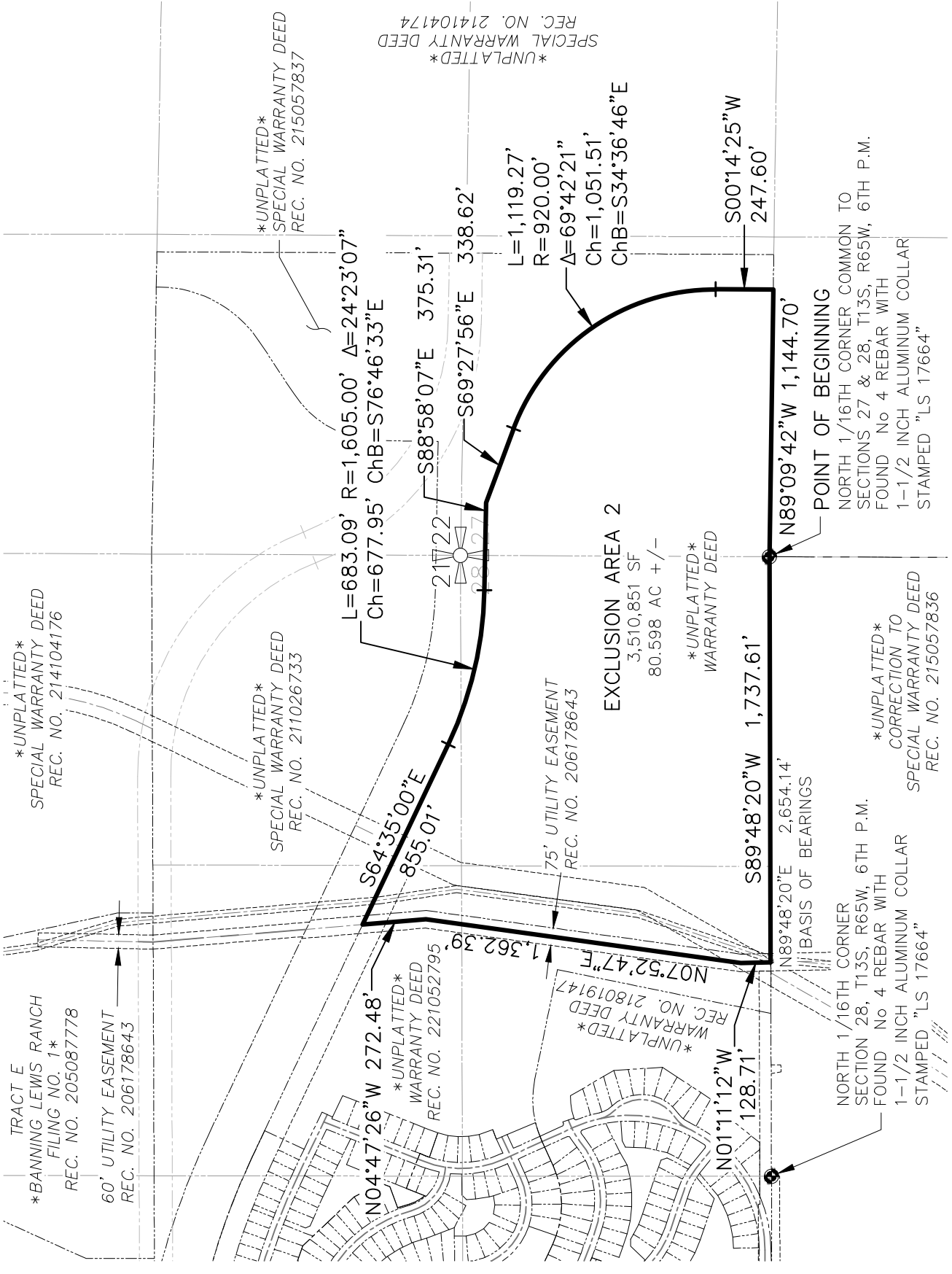
ENCLAVES AT MOUNTAIN VISTA RANCH  
EXCLUSION PARCELS  
EXHIBIT "B"

JOB NO. 29-008  
DATE PREPARED: 10/08/2021  
DATE REVISED:



212 N. WAHSATCH AVE., STE 305  
COLORADO SPRINGS, CO 80903  
PHONE: 719.955.5485

# ENCLAVES AT MOUNTAIN VISTA RANCH EXCLUSION PARCELS EXHIBIT "B"



**NOTES:**

THIS SKETCH IS INTENDED FOR  
LEGAL DESCRIPTION ONLY.  
THIS SKETCH IS NOT INTENDED  
TO REPRESENT A LAND SURVEY  
PLAT NOR AN IMPROVEMENT  
LOCATION SURVEY PLAT.

ENCLAVES AT MOUNTAIN VISTA RANCH  
EXCLUSION PARCELS  
EXHIBIT "B"

JOB NO. 29-008  
DATE PREPARED: 10/08/2021  
DATE REVISED:



212 N. WAHSATCH AVE., STE 305  
COLORADO SPRINGS, CO 80903  
PHONE: 719.955.5485

CIVIL CONSULTANTS, INC.

## Legal Description

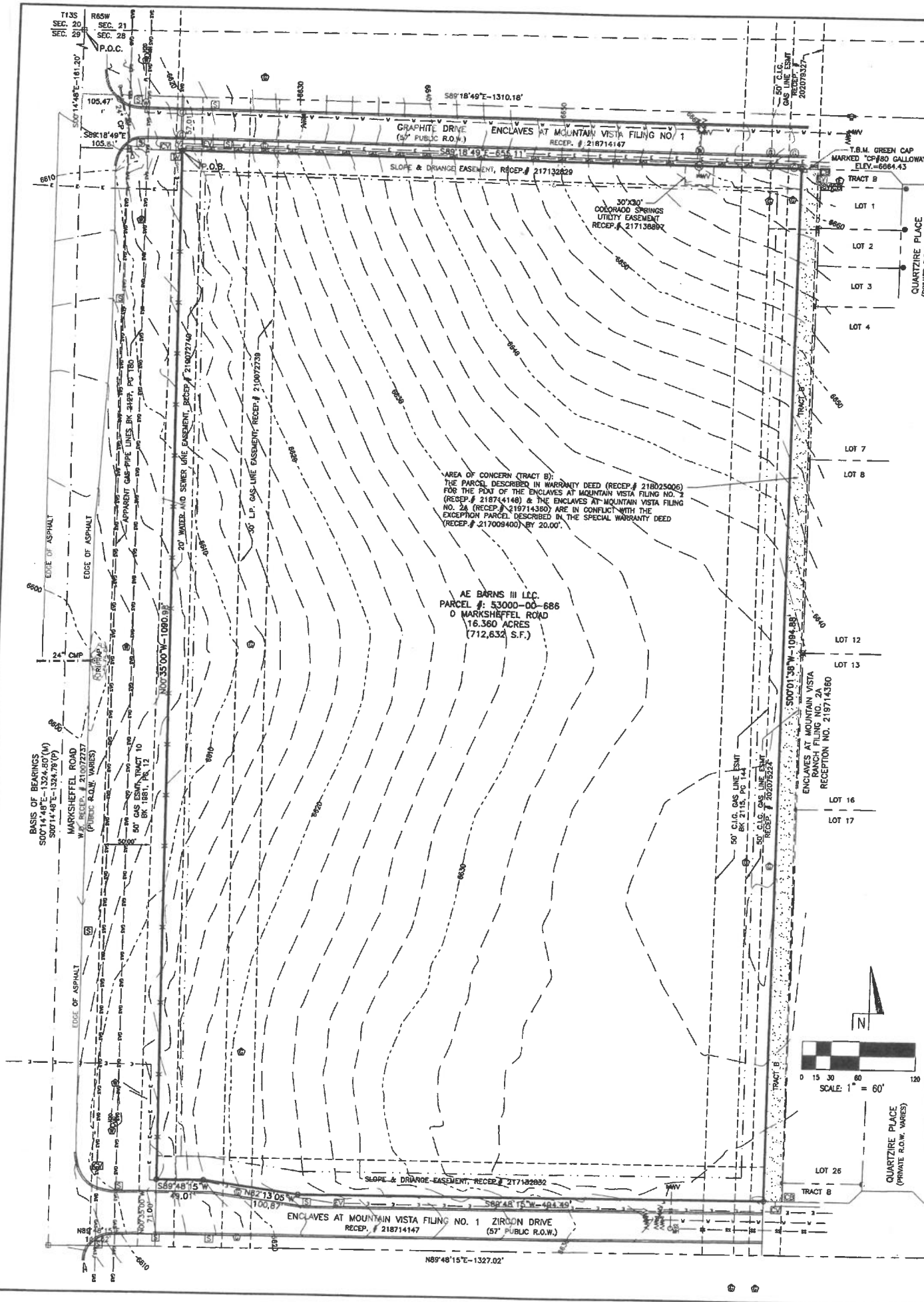
A tract of land located in the Northwest One-quarter (NW1/4) of the Northwest One-quarter (NW1/4) of Section 28, Township 13 South (T13S), Range 65 West (R65W) of the 6<sup>TH</sup> P.M., County of El Paso, State of Colorado, being more particularly described as follows:

Commencing at the Northwest corner of said Section 28; Thence S00°14'48"E along the West line of said Section 28, a distance of 161.20 feet; Thence S89°18'49"E, a distance of 105.81 feet to South Right-of-Way line of Graphite Drive as described in the Enclaves at Mountain Vista Ranch Filing No. 1, recorded under Reception No. 218714147 in the records of the Clerk and Recorder's Office of said County and the Point of Beginning of the Tract herein described;

Thence continuing S89°18'49"E along said South Right-of-Way line, a distance of 655.11 feet to the Northwest corner of Tract B as described in the Enclaves at Mountain Vista Ranch Filing No. 2A as recorded under Reception No. 219714360 in the records of the Clerk and Recorder's Office of said County; Thence S00°01'38"W along West line of said Tract B, a distance of 1094.88 feet to the Southwest corner of said Tract B and a point on the North Right-of-Way line of Zircon Drive as described in said Enclaves at Mountain Vista Ranch Filing No. 1; Thence along the North Right-of-Way line of said Zircon Drive, the following three (3) courses: 1.) S89°48'15"W, a distance of 494.49 feet; 2.) Thence N82°13'05"W, a distance of 100.87 feet; 3.) Thence S89°18'15"W, a distance of 49.01 feet to a point on the Easterly Right-of-Way line of Marksheffel Road as described in Warranty Deed, recorded under Reception No. 210072737 in the records of the Clerk and Recorder's Office of said County; Thence N00°35'00"W along said Easterly Right-of-Way line, a distance of 1090.98 feet to the Point of Beginning.

Said tract contains 16.360 acres (712,632 S.F.) more or less.



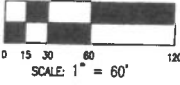


BASIS OF BEARINGS  
 S00°14'45"E-1324.50'(M)  
 S00°14'45"E-1244.78'(P)  
 MARKSHEFFEL ROAD  
 W.A. RECEP. # 21007237  
 (PUBLIC R.O.W. VARIES)

20" WATER AND SEWER LINE EASEMENT, RECEP. # 21007240  
 30" L.P. GAS LINE EASEMENT, RECEP. # 21007239  
 30" L.P. GAS LINE EASEMENT, RECEP. # 21007238

AE FARMS III LLC  
 PARCEL # 53000-00-686  
 0 MARKSHEFFEL ROAD  
 16.360 ACRES  
 (712,632 S.F.)

\*AREA OF CONCERN (TRACT B)  
 THE PARCEL DESCRIBED IN WARRANTY DEED (RECEP. # 218025006)  
 FOR THE PDAT OF THE ENCLAVES AT MOUNTAIN VISTA FILING NO. 2  
 (RECEP. # 21874148) & THE ENCLAVES AT MOUNTAIN VISTA FILING  
 NO. 24 (RECEP. # 218714380) ARE IN CONFLICT WITH THE  
 EXCEPTION PARCEL DESCRIBED IN THE SPECIAL WARRANTY DEED  
 (RECEP. # 217009400) BY 20.00'.



QUARTZIRE PLACE  
 (PRIVATE R.O.W. VARIES)

T.B.M. GREEN CAP  
 MARKED "CP#80 GALLOWAY"  
 ELEV. = 6884.43

TRACT B  
 LOT 1  
 LOT 2  
 LOT 3  
 LOT 4

LOT 7  
 LOT 8

LOT 12  
 LOT 13

LOT 16  
 LOT 17

TRACT B  
 LOT 26

N89°48'15"E-1327.02'

ENCLAVES AT MOUNTAIN VISTA  
 RECEP. # 218714147

SLOPE & DRAINAGE EASEMENT, RECEP. # 217182892

ENCLAVES AT MOUNTAIN VISTA  
 RANGH FILING NO. 24  
 RECEP. NO. 218714380

S00°01'30"W-1094.88'

50' C.I.G. GAS LINE EASMT BK 2115' P.C. RECEP. # 202075227

50' C.I.G. GAS LINE EASMT BK 2115' P.C. RECEP. # 202075227

50' C.I.G. GAS RECEP. # 202075227

50' C.I.G. GAS RECEP. # 202075227

ENCLAVES AT MOUNTAIN VISTA FILING NO. 1  
 RECEP. # 218714147

SLOPE & DRAINAGE EASEMENT, RECEP. # 217132829

30"x30"  
 COLORADO SPRINGS  
 UTILITY EASEMENT  
 RECEP. # 217138887

T13S  
 SEC. 20  
 SEC. 21  
 SEC. 28

R65W  
 SEC. 21  
 SEC. 28

P.O.C.

S00°14'45"E-161.20'

S89°18'49"E-105.8'

P.O.P.

8610

EDGE OF ASPHALT

EDGE OF ASPHALT

APPROXIMATE GAS PIPE LINES BK 4827, PG 780

71.01'

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**EXHIBIT B**

Colorado Springs Vicinity Map

**EXHIBIT B**  
**VICINITY MAP**  
**MOUNTAIN VISTA METROPOLITAN DISTRICT NO. 2**



**EXHIBIT C-1**

Initial District Boundary Map

MOUNTAIN VISTA METROPOLITAN DISTRICT NO. 2

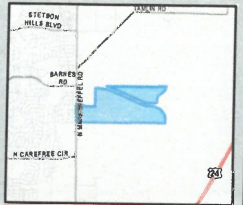


Tax Boundary

1 inch = 416.39 feet

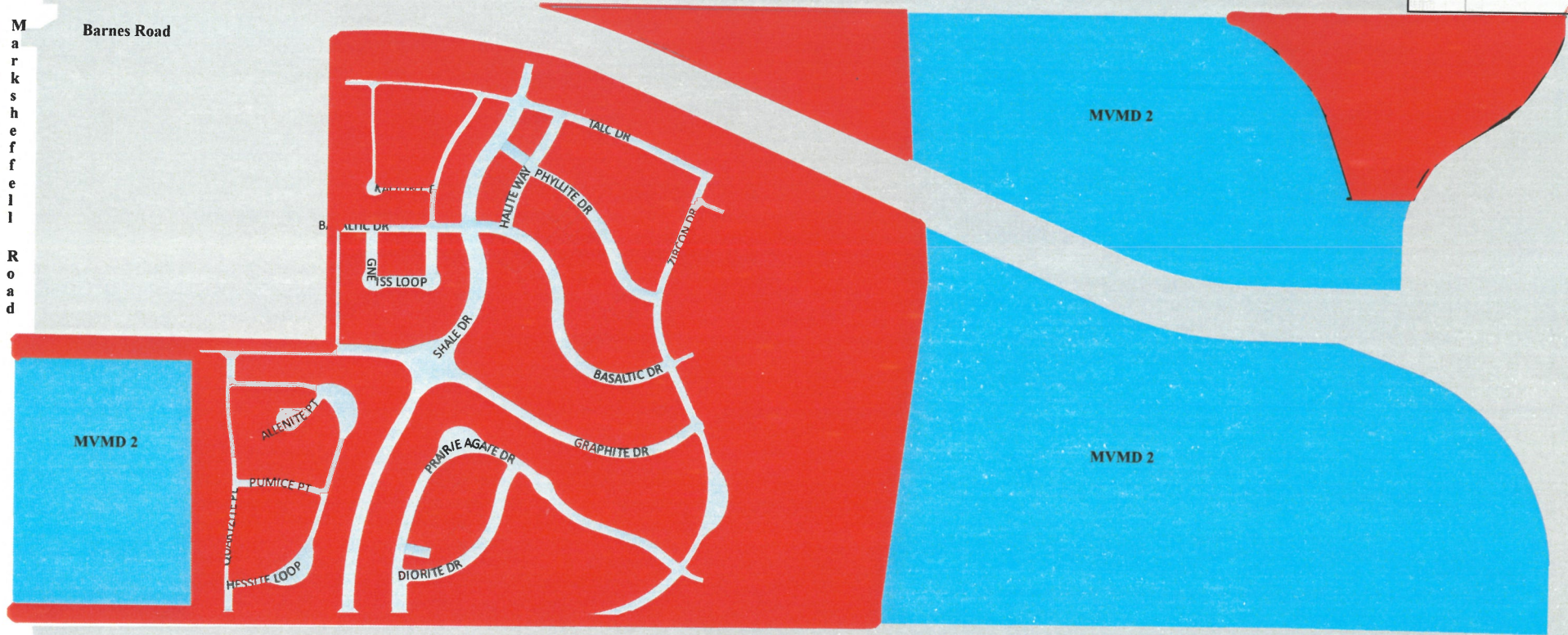
08/24/2021 EPC Assessor's Office  
NAD\_1983\_StatePlane\_Colorado\_Central\_FIPS\_0502\_Feet  
Projection: Lambert\_Conformal\_Conic

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Barnes Road



MVMD 2

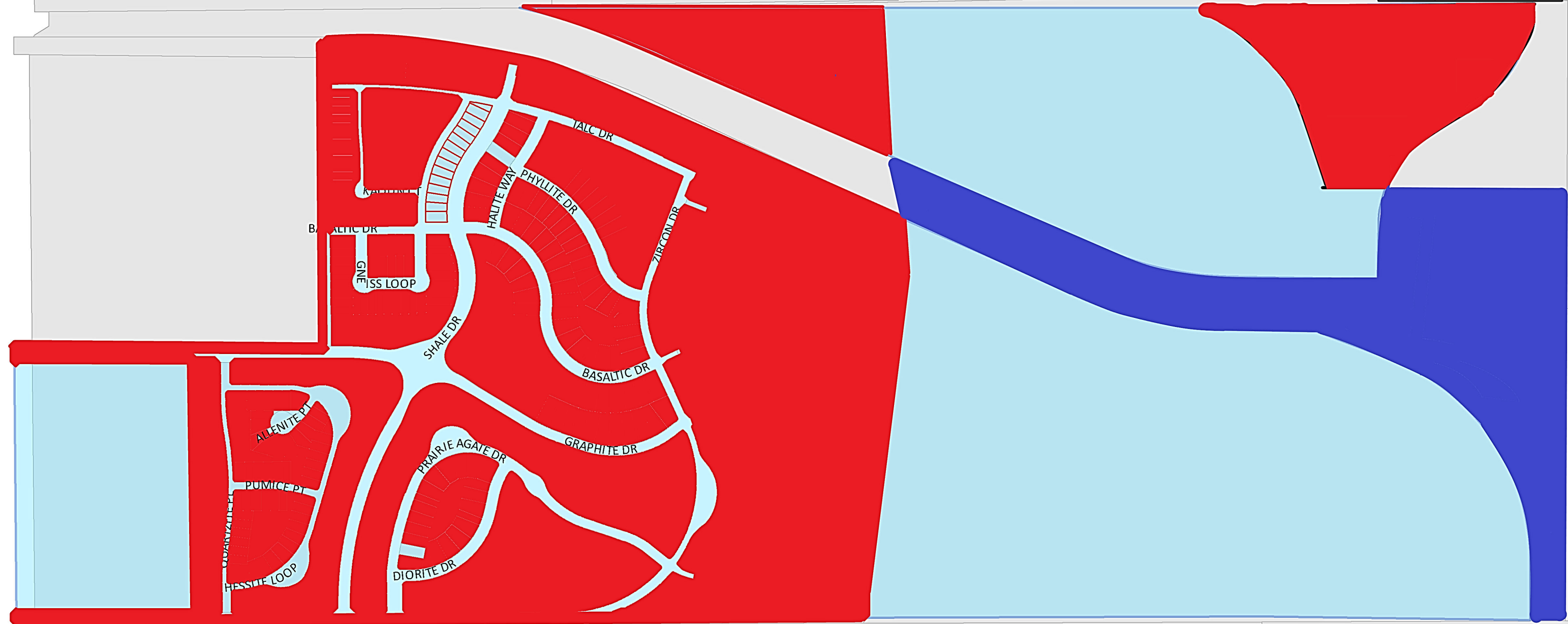
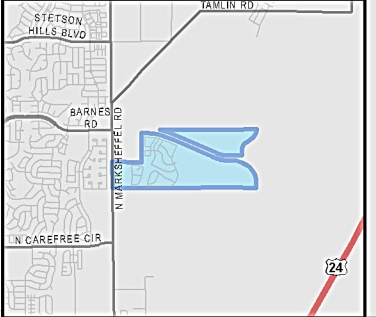
MVMD 2

MVMD 2

SHALE DR  
BASALTIC DR  
GRAPHITE DR  
PRIMITE DR  
DIORITE DR  
HAUTE WY  
PHYLLITE DR  
TALC DR  
ZEPHYR DR  
GNESS LOOP  
ALLENITE DR  
PRIMITE DR  
MISSITE LOOP

**EXHIBIT C-2**

Inclusion Area Boundary Map



**EXHIBIT D**

Description of Permitted Services to be Provided by the District

<u>Description of Services</u>	<u>IGA Required (Yes or No)</u>
Financing, ownership and maintenance of streets, curb and gutter, sidewalks, detention and stormwater facilities, parks and trails and other recreational facilities, public landscaping, entrance signage and features, signage for community information	Yes for shared services with adjacent District
Covenant enforcement	Yes for shared services with adjacent District
Trash Service	Yes for shared services with adjacent District



**EXHIBIT E**

**NOTICE OF SPECIAL DISTRICT DISCLOSURE**

**(to be provided to every purchaser of real property within the boundaries of the District)**

Name of District(s):	<b>Mountain Vista Metropolitan District No. 2</b>
Contact Information for District:	<b>Walker Schooler District Managers, LLC 614 N. Tejon St. Colorado Springs, CO 80903 (719) 447-1777</b>
Type of District(s): (i.e. if dual or three districts concept - insert language regarding limited rights of property owners)	<b>Title 32 Metropolitan District</b>
Identify District(s) Improvements Financed by Proposed Bonds (List by major categories, i.e. Roads – Powers Blvd):	<b>Roads – Barnes Road, Banning Lewis Parkway, Marksheffel, Collector Streets Park and landscape facilities Stormwater conveyance and detention facilities Water and Wastewater Facilities</b>
Identify Services/Facilities Operated/Maintained by District(s):	<b>Parks and landscaping, stormwater conveyance and detention/treatment</b>
Mill Levy Cap: (Describe Procedure for any Adjustments to Mill Levy Cap) <i>(Note: This District may or may not be certifying a mill levy at the time of your purchase. Please verify by contacting the District.)</i>	<b>30 Mills for debt service 15 Mills for Operations, maintenance and covenant enforcement</b>
Authorized Debt of the District(s) per Operating or Service Plan:	<b>\$26,000,000</b>
Voter Authorized Debt per Election:	<b>\$26,000,000</b>
District Boundaries:	See attached map

<p><u>Sample Calculation of Mill Levy Cap for a Residential Property</u></p> <p><b>Assumptions:</b> Market value is \$350,000 Mill levy cap is 40 mills</p> <p><b>Calculation:</b> \$350,000 x .0715 = \$25,025(Assessed Valuation) \$25,025 x .040 mills = <b>\$1,001 per year in taxes owed solely to the Special District</b></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 40 mills</p> <p><b>Calculation:</b> \$750,000 x .29 = \$217,500(Assessed Valuation) \$217,500 x .040 mills = <b>\$8,700 per year in taxes owed solely to the Special District</b></p>
--	---