

RESOLUTION NO.145-21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING A FIRST SERVICE PLAN AMENDMENT FOR THE REAGAN RANCH METROPOLITAN DISTRICTS NO. 1 THROUGH 3 TO MODIFY THE DISTRICT STRUCTURE AND MODIFY THE MAXIMUM AUTHORIZED DEBT LIMITS FOR EACH DISTRICT IN AN AREA LOCATED NORTHEAST OF THE COLORADO SPRINGS AIRPORT

WHEREAS, by Resolution 9-06, the City Council approved the Special District Policy on January 24, 2006, a City Financial Policy Regarding the Use of Districts (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, Section 32-1-207, C.R.S., provides that no special district may materially modify its service plan except upon petition to the governing body of the municipality within which the special district lies and adoption of resolution of approval by such governing body; and

WHEREAS, pursuant to the provisions of Title 32, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, the City Council held a public hearing and approved the original formation and the Consolidated Service Plan (the "Original Service Plan") for the Reagan Ranch Metropolitan Districts Nos. 1-3 (the "Districts") by Resolution No. 70-20 adopted on August 25, 2020; and

WHEREAS, the "Districts have petitioned the City to approve a First Amendment to Service Plan ("First Amendment of the Service Plan") to authorize a change in district structure and to modify the maximum authorized debt limits for each of the Districts; and

WHEREAS, the Policy contains requirements for the content and limitations associated with new or amended service plans; and

WHEREAS, the Districts submitted for review and City Council reviewed this First Amendment of the Service Plan for the Districts; and

WHEREAS, City Council considered the First Amended Service Plan, as well as all other testimony and evidence presented at the October 26, 2021 City Council meeting to determine whether the Districts' proposed Service Plan Amendment satisfies the requirements of the Policy.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The above and foregoing recitals are incorporated herein by reference and are adopted as findings and determinations of the City Council.

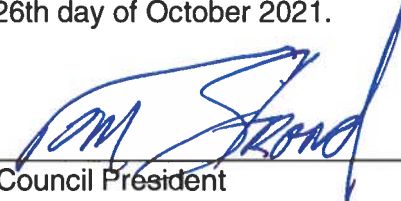
Section 2. Council hereby finds that approval of the Service Plan Amendment complies with the Policy and provisions of the Model Service Plans and remains consistent with the findings made as part of the original Service Plan approval.

Section 3. The First Amendment of the Service Plan as attached in Exhibit 1 is hereby approved.

Section 4. With the exception of those modifications specifically addressed in this First Amendment of the Service Plan, the Original Service Plan shall remain in full force and effect.

Section 5. This Resolution shall be effective upon its approval by City Council.

DATED at Colorado Springs, Colorado, this 26th day of October 2021.



Council President

ATTEST:


Sarah B. Johnson, City Clerk


**REAGAN RANCH METROPOLITAN DISTRICT NOS. 1-3
IN THE CITY OF COLORADO SPRINGS, COLORADO
FIRST AMENDMENT TO SERVICE PLAN**

1. INTRODUCTION

The City Council of the City of Colorado Springs, Colorado (“City Council”) approved the service plan for the Reagan Ranch Metropolitan District Nos. 1-3 (collectively, the “Districts”) on August 25, 2020 (“Service Plan”). The Districts were organized by Orders of the District Court in and for El Paso County on November 30, 2020. The Districts were organized to finance public improvements for the benefit of the taxpayers, property owners, and residents of the Districts. This First Amendment to the Service Plan (“First Amendment”) is intended to be read in conjunction with the Service Plan.

2. PURPOSE OF AMENDMENT

Since the Districts’ formation, the development plan has changed for the property located within the Districts’ Service Area. As a result, the anticipated development of the property within the Districts’ boundaries have changed and the boundaries of each District have significantly changed, including the inclusion of property identified as the property in the Inclusion Area Boundaries in the Service Plan into the Districts’ boundaries and an anticipated inclusion of property into District No. 2 upon its annexation into the City.¹ The public improvements now anticipated to serve the property within each District’s boundaries have therefore changed, necessitating a reconsideration of the Districts’ total debt issuance limitations to align with the new proposed development. As such the Boards of Directors of the Districts have determined that it is in the best interests of their current and future residents, property owners, and taxpayers to amend the Service Plan to reflect the updated development plan.

The purpose of this First Amendment is to achieve the following objectives: (1) Reagan Ranch Metropolitan District No. 1 (“District No. 1”) will contain all of the residential property for the project; (2) Reagan Ranch Metropolitan District No. 2 (“District No. 2”) will contain nonresidential property along with Reagan Ranch Metropolitan District No. 3 (“District No. 3”); (3) additional property will be included as part of the Inclusion Area Boundaries to allow for such property to be included into the boundaries of District No. 2 upon the annexation of the property into the City of Colorado Springs; and (4) the Districts’ total debt issuance limitation amounts will be updated to reflect the development now expected to occur within each District’s boundaries. The changes described in numbers 2, 3, and 4 are material modifications to the Service Plan and therefore require an amendment to the Service Plan.

To achieve the modification mentioned above in number 4, the total debt issuance limitation amounts for each District described in the Service Plan need to be amended. Pursuant to the Service Plan, the total debt issuance limitation is \$51,000,000 for District No. 1; the total debt issuance limitation for District No. 2 is \$36,000,000, however, upon the inclusion of the

¹ This property will be identified as the Inclusion Area Boundaries in Exhibit C-2.1 to the Service Plan.

Inclusion Area Boundaries identified for District No. 2 in the Service Plan, the total debt issuance limitation for District No. 2 increases to \$57,000,000; and the total debt issuance limitation for District No. 3 is \$15,000,000, however, upon the inclusion of the Inclusion Area Boundaries identified for District No. 3 in the Service Plan, the total debt issuance limitation for District No. 3 increases to \$28,000,000. The Districts request to modify each District's total debt issuance limitation to align with the public improvements the Districts are anticipated to finance and construct. Therefore, the Districts request the following modifications to their total debt issuance limitation amounts: District No. 1 shall have a total debt issuance limitation of \$65,000,000, District No. 2 shall have a total debt issuance limitation of \$36,000,000, and District No. 3 shall have a total debt issuance limitation of \$20,000,000.

3. AMENDMENT

A. The definition of "Commercial Districts" in Article II shall be replaced in its entirety with the following language:

Commercial Districts: District Nos. 2 and 3, inclusive, containing property classified for assessment as nonresidential.

B. The definition of "Residential Districts" in Article II shall be replaced in its entirety with the following language:

Residential Districts: District No. 1, containing property classified for assessment as residential.

C. **Exhibit C-2**, the Inclusion Area Boundaries map, shall be replaced in its entirety with **Exhibit C-2.1** as attached hereto and incorporated herein.

D. The first sentence of Article IV shall be replaced in its entirety with the following language:

The Service Area consists of approximately 226 acres of residential, industrial, and commercial land.

E. Section V.A.10 shall be replaced in its entirety with the following language:

Total Debt Issuance Limitation. The issuance of all bonds or other debt instruments of the Districts 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. District No. 1 shall not issue Debt in an aggregate principal amount in excess of \$65,000,000, District No. 2 shall not issue Debt in an aggregate principal amount in excess of \$36,000,000, and District No. 3 shall not issue Debt in an aggregate principal amount in excess of \$20,000,000, provided that the foregoing shall not include the principal amount of Debt issued for the purpose of refunding or refinancing

lawfully issued Debt.

F. **Exhibit E**, the Notice of Special District Disclosure, shall be replaced in its entirety with **Exhibit E.1** as attached hereto and incorporated herein.

4. **EFFECT OF FIRST AMENDMENT.**

Except as specifically amended as set forth above, all other provisions of the Service Plan shall remain in full force and effect. To the extent there are any inconsistencies between this First Amendment and the Service Plan, this First Amendment shall control.

EXHIBIT C-2.1

Reagan Ranch Metropolitan District Nos. 1-3



Space Village Ave

Inclusion Area
Boundary

Mark Sheffield Rd

Mark Sheffield Rd

Jimmy Campbell

EXHIBIT E.1

NOTICE OF SPECIAL DISTRICT DISCLOSURE

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

Name of Districts:	Reagan Ranch Metropolitan District Nos. 1-3
Contact Information for Districts:	c/o Spencer Fane LLP 1700 Lincoln Street, Suite 2000 Denver, CO 80203
Type of Districts: (i.e. if dual or three districts concept - insert language regarding limited rights of property owners)	Metropolitan districts organized pursuant to C.R.S. § 32-1-101, et seq. The Districts will provide operating and maintenance of certain Public Improvements within the Project.
Identify Districts Improvements Financed by Proposed Bonds (List by major categories, i.e. Roads – Powers Blvd):	Any and all improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, and financed as generally described in the Special District Act.
Identify Services/Facilities Operated/Maintained by Districts:	Operation and maintenance services related to landscaping, monumentation, stormwater facilities, and/or other improvements owned by the Districts; Operation and maintenance of parks and open space within the Districts; Operation and maintenance of community center and swimming pool facilities; Covenant Enforcement; Public Art Amenities; Sidewalk and Public Space Maintenance and Amenities; Streetscaping; Mosquito control; Operation and maintenance of lift stations

<p>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></p>	<p>Maximum Debt Mill Levy for Residential Districts: 30 mills Maximum Debt Mill Levy for Commercial District: 50 mills Maximum Operations and Maintenance Mill Levy: 10 mills If there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitations set forth above may be increased or decreased to reflect such changes 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.</p>
<p>Authorized Debt of the District(s) per Operating or Service Plan:</p>	<p>District No. 1: \$65,000,000 District No. 2: \$36,000,000 District No. 3: \$20,000,000</p>
<p>Voter Authorized Debt per Election:</p>	<p>\$1,105,000,000</p>
<p>District Boundaries:</p>	<p>See attached map</p>

<p><u>Sample Calculation of Mill Levy Cap for a Residential Property</u></p> <p>Assumptions: Market value is \$450,000 Mill levy cap is 40 mills</p> <p>Calculation: \$450,000 x .0796 = \$35,820 (Assessed Valuation) \$35,820 x .040 mills = \$1,432.80 per year in taxes owed solely to the Special District</p>	<p><u>Sample Calculation of Mill Levy Cap for a Commercial, Office or Industrial Property</u></p> <p>Assumptions: Market value is \$750,000 Mill levy cap is 60 mills</p> <p>Calculation: \$750,000 x .29 = \$217,500 (Assessed Valuation) \$217,500 x .060 mills = \$13,050 per year in taxes owed solely to the Special District</p>
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