

(Text of Ed Houle E-mail 4/27/21)

Sorry for the confusion this morning. I'm not sure what happened but somehow I got muted and I couldn't unmute with my cell phone controls. I logged off and logged back on to re-enter the conversation.

Here's the background on Ellston Park.

- Our initial plan called for all infrastructure designed/built to City standards. Our assumption was the City would assume responsibility for maintenance of the development's infrastructure (streets, curb/gutter, sidewalks, street lights, signage, stormwater system/detention ponds) after the 2-year warranty period expired. The home builder buying the project after infrastructure development/construction (Richmond American Homes) intended to use an HOA to maintain the common/open space areas that the City would not accept. **WE DID NOT ASK FOR OR ANTICIPATE THAT THE DEVELOPMENT INFRASTRUCTURE WOULD REMAIN PRIVATE; WE ASSUMED THE CITY WOULD TAKE OVER THE INFRASTRUCTURE AFTER THE 2-YEAR WARRANTY PERIOD.**
- At the August 7, 2019 Land Development Technical Committee (LDTC) meeting the City informed us that the development's entire infrastructure (streets, curb/gutter, sidewalks, street lights, signage and stormwater system) must remain privately owned and privately maintained on a permanent basis. The City would NOT accept the infrastructure after the 2-year warranty period. N.E.S. (project designer), JR Engineering (civil engineer), Fillmore Heights, LLC (developer) and Richmond American Homes (home builder) [all who attended the August 2019 LDTC meeting] understood this direction and moved forward with project planning based on the direction from the City. **I HAVE NO IDEA WHY THE CITY DETERMINED THAT IT WOULD NOT ACCEPT THE INFRASTRUCTURE AFTER THE 2-YEAR WARRANTY PERIOD; THIS SURPRISED US BUT WE SIMPLY ACCEPTED THAT DIRECTION AND MOVED FORWARD WITH PLANNING.** Up to that point all planning was based on meeting City code for design/construction of all infrastructure.
- Fillmore Heights, LLC met with Richmond American Homes to determine the best structure to own/manage/maintain the development infrastructure. We determined the metro district was the best option for 3 primary reasons. (1) A property tax offered the metro district a more reliable source of revenue to maintain the infrastructure (homeowners can sometimes fail to pay HOA dues on time). (2) The property tax mill levy is deductible on the homeowner's federal income taxes. (3) The metro district option also allowed the developer to use bond funds to for a portion of the public improvements.
- During subsequent project planning the civil engineer may not have used City code for the street planning (right-of-way). I'm pretty sure the other items, especially the stormwater management/detention ponds) are designed to City code. The City Stormwater Enterprise has already approved/accepted the project Drainage Plan.

We didn't adopt the metro district model until the City mandated the development infrastructure remain private. If the City reverses that decision we can significantly reduce the mill levy or even abandon the metro district and move to an HOA to only cover the cost for maintaining the common/open space. But if the City determines that the infrastructure must remain private on a permanent basis the City should approve a funding source for that private maintenance operation. An annual HOA fee likely will not provide the required funding. We feel the metro district with a 34 mill levy for O&M offers the best option.

I'm available to discuss further as required.