

THIRD AMENDMENT
TO THE
SERVICE PLAN
OF THE
BUFFALO RIDGE METROPOLITAN DISTRICT

in the
City of Commerce City,
State of Colorado

COMMERCE CITY PLANNING DIVISION

Approved by: City Council *RC*

Date: 9/19/2017

September 29, 2017

Including:

- Exhibit A - Legal Description
- Exhibit B - District Boundary Map
- Exhibit C - Vicinity Map
- Exhibit D - District₁ Activities IGA

1776187.1

THIRD AMENDMENT TO SERVICE PLAN
OF THE
BUFFALO RIDGE METROPOLITAN DISTRICT

I. INTRODUCTION

This Third Amendment to Service Plan ("Third Amendment") sets forth a proposal to enlarge the existing powers of the District to provide more public infrastructure needed for development of the Buffalo Ridge Metropolitan District.

A. General Overview and Motivation.

The Service Plan for the Buffalo Ridge Metropolitan District was approved by the City Council of the City of Commerce City on August 19, 1996 by Resolution No. 96-23 ("Original Service Plan"). The organization of the District was approved by the eligible electors at the election held on November 5, 1996 and the District was organized by Order of the District Court in and for Adams County on November 19, 1996. The First Amendment to the Service Plan was approved by the City Council of the City of Commerce City on June 3, 2002 by Resolution No. 2002-24 and the Second Amendment to the Service Plan was approved by the City Council on July 19, 2004 by Resolution No. 2004-25 (the Original Service Plan and the First Amendment and Second Amendment are collectively referred to herein as the "Service Plan").

The Board of Directors of the District has determined that it is in the best interests of the District to increase the debt authorization that may be used for public improvements.

The procedure for amending a service plan is given in § 32-1-207(2), C.R.S. that, in summary, states that modifications to the service plan as originally approved may be made by the governing body of the special district only by a petition to and approval by the governing body of the municipality that has adopted a resolution of approval in

substantially the same manner as is provided for the approval of an original service plan as in §32-1-204.5, C.R.S. The City is to receive the information and to use the criteria shown in § 32-1-202(2) and 32-1-203(2), C.R.S. This document constitutes the petition required by the statute.

B. Technical Overview

This Third Amendment is submitted in accordance with the requirements of the Special District Act. The major purpose of the Third Amendment is to produce satisfactory evidence that the requirements of Section 32-1-203, C.R.S., as amended, have been met. (The requirements are listed in the Conclusion of this Third Amendment).

II. DESCRIPTION OF PROPOSED FACILITIES, SERVICES, AND PROGRAMS.

The District will maintain the powers and authority to provide facilities, services, and programs as listed in the Service Plan, the collector road and park improvements previously approved by the City, and the types of improvements listed in Section V hereof.

III. SUMMARY OF ESTIMATED COSTS AND EXPENSES

No change in the estimated costs and expenses as listed in the Service Plan is intended by this Amendment except for the additions shown in Part V, which supersedes and replaces the description of improvements in the Service Plan. All improvements shall be constructed in accordance with plans approved by the City.

IV. PROPOSED AND EXISTING AGREEMENTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS

This Amendment does not change any District plan for intergovernmental agreements as listed in the Service Plan; however, the District has and may enter into additional agreements with the City and others as approved by the parties. The District is within the South Adams County Water and Sanitation District and the City's Northern Infrastructure General Improvement District and may enter into additional agreements with either district for the provision of facilities, services, and programs lawfully authorized to each as allowed by the Colorado Constitution and statutes.

V. PROPOSED FINANCIAL PLAN REVISIONS

The Original Service Plan (approved in 1996) contained debt authorization of \$12 million and service plan authorization of \$9.9 million before inflation and other costs. The First Amendment to the Service Plan (approved in 2002) increased the service plan debt authorization to \$16 million. The Second Amendment to the Service Plan (approved in 2004) further increased the service plan debt authorization to \$25 million.

Since the date of the Second Amendment, the costs of construction have continued to increase. Further, the District must expand its scope to construct additional public improvements which were not contemplated in the Service Plan, but have since been required by the City or the needs of the development. Homebuilders and commercial developers have shown strong interest in the property within the District, which continues to improve the revenue outlook of the District.

The housing market in northern Commerce City has greatly improved, giving added impetus for additional construction of public improvements and amenities. As development has proceeded, the need for major and expensive regional roadway and storm drainage improvements has become apparent. Storm drainage facilities for the development and to handle flows from (and avoid flows to) the Buffalo Run Golf Course have substantially increased costs beyond original expectations. In addition, erosion

control costs have increased due to higher standards for silt control and increased EPA enforcement activity.

Street improvement construction costs have increased significantly from 2004. In addition, the desire to construct the southern side of 120th Avenue is a significant additional cost that was not contemplated in the 2004 amendment. The District's construction of Buckley Road (now High Plains Parkway) was also not contemplated in 2004. The District is seeking additional funding for public infrastructure to support commercial development, possible traffic signals, and increased landscaping. Dry utility feeder costs have experienced substantial cost increases since 2004. Warranty costs for maintenance have increased due to stringent standards requiring infrared patching and deflectometer testing of the pavement.

The emphasis on water conservation and reuse has generated the need to construct a dual pipe water system, including a separate nonpotable irrigation system not contemplated at the time of the original service plan.

The success of the development is largely due to the quality of the homes, and also a result of neighborhood appearance and amenities such as District-constructed entry monumentation and landscaping such as at the entrance to Laredo Street and the Golf Course at 120th, 118th and High Plains Parkway. Similar improvements will be needed to attract quality retail development planned at 120th and High Plains Parkway and 120th and Chambers.

The six year economic slowdown and residential construction that started in 2006 delayed the build out of many projects including the lands within the Buffalo Ridge district. With the return of the market attendant our project was met with material increased construction costs due to inflation in construction industry prices. Steel, concrete, and oil prices have been increasing rapidly, increasing costs of pipe and paving.

As a result, the District desires to amend the Financial Plan to increase its service plan debt authorization to \$43 million in principal amount. After City approval of the Third Amendment, if the District needs to issue additional debt over \$43 million, the District must obtain the City Council's approval of another service plan amendment. Revenue bonds with no pledge of tax revenues for their repayment do not constitute debt. The total of \$43 million of debt authorization may be allocated to categories of improvements as follows, but in the event that the needs for infrastructure change, the District may shift authorization from one category to another within the voted limits of the District:

	Service Plan Authorization	Previously Issued	Remaining Service Plan Authorization (After this Amendment)
Streets	\$ 21,300,000	\$ 10,732,914	\$ 10,567,086
Water	\$ 9,250,000	\$ 5,389,093	\$ 3,860,907
Sanitation	\$ 5,250,000	\$ 4,249,384	\$ 1,000,616
Safety	\$ 500,000	\$ -	\$ 500,000
Park and Recreation	\$ 3,200,000	\$ 2,377,378	\$ 822,622
TV Relay and Translation	\$ 500,000	\$ -	\$ 500,000
Transportation	\$ 1,000,000	\$ -	\$ 1,000,000
"O&M"	\$ 2,000,000	\$ -	\$ 2,000,000
TOTAL**	\$ 43,000,000	\$ 22,748,769	\$ 20,251,231

***In addition, the District has \$36,700,000 of Refunding Bond authorization, of which \$9,998,223 has been used, leaving remaining refunding authorization of \$26,701,777. This authorization has not been included in the table above to avoid double-counting.*

The financial proforma prepared by D.A. Davidson & Co. and attached hereto as Exhibit A is hereby included in the financial plan of the District. It shows the anticipated financial effect of increased debt and projected growth in assessed valuation on the District and shows the anticipated sources of revenue for operational costs and debt service payments. Note that the number of mills levied by the District is not projected to increase over the current rate, even with the 2017 change in the residential assessment ratio from 7.96% to 7.20% and even with the additional debt of the District, due to actual growth and strong projected growth.

VI. CONCLUSIONS.

It is submitted that this Third Amendment, with the Service Plan as previously amended, meets the requirements of Section 32-1-201, et seq., C.R.S., as amended. It is further submitted that, based on the above information and the criteria stated in §32-1-203, C.R.S., the following conclusions can be made with regard to the Amendment:

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 boundaries.

4. The area in the District will have the financial ability to discharge the proposed indebtedness on a reasonable basis.

5. Adequate service is not, or will not be, available to the area through the 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, and each municipality which is an interested party under Section 32-1-204(1), C.R.S.

7. The Amendment is in substantial compliance with any master plan adopted pursuant to section 30-28-106, C.R.S.

8. The Amendment is in compliance with any duly adopted city, county, regional, or state long-range water quality management plan for the area.

9. The Amendment will be in the best interest of the area served.

Therefore, the District requests that the City Council of the City of Commerce City, Colorado, which has jurisdiction to approve the Amended Service Plan by virtue of Section 32-1-204.5, C.R.S., as amended, adopt a resolution which approves this Third Amendment to the Service Plan for the Buffalo Ridge Metropolitan District as submitted.

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The West 1/2 and Northeast 1/4 of Section 5, Township 2 South, Range 66 West of the 6th P.M., County of Adams, State of Colorado.

Also including a portion of the East 1/2 of Section 6, Township 2 South, Range 66 West of the 6th P.M., County of Adams, State of Colorado, being more particularly described as follows:

Commencing at the Northeast corner of said Section 6; thence South $00^{\circ} 27' 42''$ W along the East line of the Northeast, of Section 6 a distance of 30.00 feet to the true point of beginning; thence South $89^{\circ} 22' 19''$ W 30.00 feet South and parallel with the North line of said Northeast, a distance of 1433.91 feet to a point on the easterly right-of-way line of the O'Brian Canal; thence along said easterly right-of-way the following nine (9) courses:

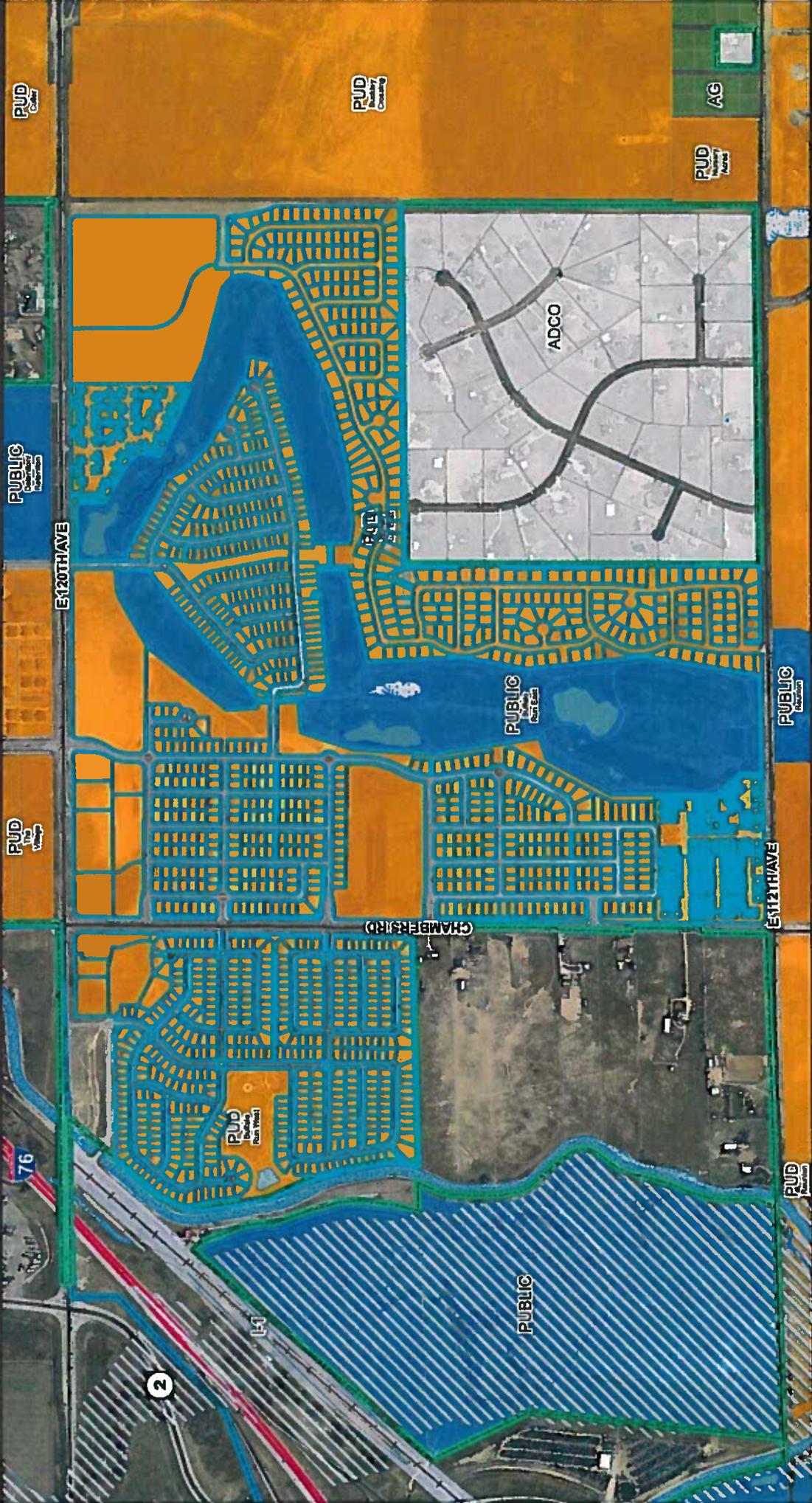
Thence South $40^{\circ} 35' 47''$ West, a distance of 849.39 feet; thence South $27^{\circ} 20' 59''$ West, a distance of 216.34 feet; thence South $02^{\circ} 30' 50''$ West, a distance of 150.70 feet; thence South $09^{\circ} 20' 54''$ East, a distance of 487.78 feet; thence South $24^{\circ} 34' 02''$ East, a distance of 190.80 feet; thence South $24^{\circ} 17' 20''$ East, a distance of 133.66 feet; thence South $16^{\circ} 33' 27''$ East, a distance of 297.97 feet; thence South $09^{\circ} 53' 34''$ East, a distance of 321.68 feet; thence South $09^{\circ} 13' 45''$ West, a distance of 201.96 feet; thence leaving said easterly right-of-way line at a bearing of North $88^{\circ} 32' 45''$ East, a distance of 1751.64 feet to a point on the East line of the Southeast, of said Section 6; thence North $00^{\circ} 30' 43''$ West, along said East line, a distance of 18.94 feet to the Southeast corner of the Northeast, of said Section 6; thence North $00^{\circ} 27' 42''$ East, along the east line of the Northeast 1/4, a distance of 2518.58 feet to the true point of beginning, except for rights-of-way held by others, and, except for that property conveyed to the Golf Enterprise Fund by Agreement dated August 24, 1994.

County of Adams
State of Colorado



Vicinity Map

Case: MD-106-17



- Zoning District**
- AG - Agricultural District
 - PUD - Planned Unit Development District
 - PUBLIC - Public District
 - ADCO - Unincorporated Adams County / Agricultural Development Community Overlay
- City Limits Boundary**
- IGA Aerialist Growth Boundary

Commerce City Planning Division
 Prepared by: [Name]
 Date Saved: [Date]
 Document Path: [Path]