

E-470 Potomac Metropolitan District
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February 2018

Information Regarding Upcoming Mill Levy Changes

In November 1998, the E-470 Potomac Metropolitan District (the District) entered into a Facilities Construction and Service Agreement with Compark Business Campus Metropolitan District (CBC) to assist in payment for the infrastructure needed to begin construction of the U.S. Homes projects and allow the District to become what it is today. The infrastructure built under the Facilities Construction and Service Agreement included water, sanitation, street, safety, and park and recreation facilities serving the Dove Ridge development.

Per the agreement, the District has been repaying CBC for the costs of its infrastructure through the debt service mill levy paid on the annual property tax bills of District homeowners.

Residents currently pay a total of 50.564 mills to the District, with 44.027 mills dedicated to debt service. This coming year, 2018, will be the last in which the District is obligated to pay CBC. In 2019, the District will remove the debt service mill levy.

What happens after the debt is paid off?

The Board is considering two options for the future of the District after the debt is paid off in 2018:

1. Keep a small mill levy to pay for operations and maintenance and accept Conservation Trust Fund money
2. Dissolve the District and end the mill levy entirely

Reduced Mill Levy

If the Board elects to pay for operations and maintenance only, property taxes that are paid to the District will be used for the District's administrative viability such as legal, management, accounting, insurance and other administrative expenditures. In 2018, 6.537 mills are dedicated to operations and maintenance.

One factor in this decision is that the District also receives money annually from the State of Colorado Department of Local Affairs' Conservation Trust Fund (CTF). Money from CTF is distributed on a quarterly basis and can be used for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site. The funds received from the CTF go towards HOA projects in public right of way or easement areas (the Dove Ridge Park, etc.) upon request by the HOA. The District generally receives about \$3,850 from CTF annually. If the District dissolves, the District will no longer receive these funds.

Dissolution

If the Board decides to ask the voters in the District or if conditions allow for dissolution of the District without an election, after the debt is paid off, and the dissolution is completed, then property owners will no longer see a line item for E-470 Potomac MD on their property tax bills.

Next Steps

The Board will discuss the District's future at the next Board Meeting, scheduled for 12:00 p.m. on May 22, 2018 at CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, CO 80111.

Please contact District Manager Bob Blodgett at bob.blodgett@claconnect.com or Assistant District Manager Pat Shannon at patrick.shannon@claconnect.com with any questions.