

FIRST AMENDMENT TO

SERVICE PLAN FOR

40 NORTH METROPOLITAN DISTRICT

CITY OF LAFAYETTE, COLORADO

Prepared by:



2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122

Approval Date: April 4, 2023

I. INTRODUCTION

The Service Plan for 40 North Metropolitan District (the “**District**”) was approved by the City Council of the City of Lafayette (the “**City**”) on September 4, 2018, as set forth in Resolution No. 2018-19 (the “**Service Plan**”). The purpose of the District is to provide certain public improvements, as further described in the Service Plan, for the benefit of the residents and taxpayers of the District.

The purpose of this First Amendment to the Service Plan (the “**First Amendment**”) is to increase the total debt issuance limitation set forth in the Service Plan. Pursuant to Section V.A.14 and Section VI.A of the Service Plan, the District shall not issue Debt in excess of \$6,500,000, but that Debt that is issued for the purpose of refunding outstanding District Debt shall not be counted against such \$6,500,000 debt limitation.

Per Section V.B of the Service Plan, the Capital Plan estimates the cost of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, operated, maintained, or financed by the District to be approximately \$23,995,000, which includes costs for streets, park and recreation improvements, and water and sanitary sewer improvements. Although not included as an estimated cost of the Public Improvements, the developer of the Project has certain raw water costs associated with the project that may include those related to acquiring water rights for dedication to the City and/or paying cash-in-lieu of satisfying dedication requirements. Subsequent to the approval of the Service Plan for the City, the amount of such raw water costs as cash-in-lieu payments to the City as increased by approximately 400%, causing an increase in costs for the developer of approximately \$13,000,000.

In order to offset the increase in costs of water fees to be borne by the developer and to allow for other costs related to Public Improvements to be financed by the District, the District is seeking to amend the Service Plan to increase the existing total debt issuance limitation currently set forth in the Service Plan from \$6,500,000 to \$12,500,000 and to clarify that certain costs associated with the acquisition of raw water to serve the Project may be reimbursed to the developer by the District.

II. AMENDMENTS

A. The term “Maximum Debt Mill Levy Imposition Term” set forth in Section II is hereby amended and replaced in its entirety with the following:

Maximum Debt Mill Levy Imposition Term: means the maximum period of time, commencing upon the date of initial imposition of a Debt mill levy to pay any Debt, in which the District’s Debt mill levy may be imposed on a particular property.

B. Section VI.D of the Service Plan is hereby amended and replaced in its entirety with the following:

D. Maximum Debt Mill Levy Imposition Term,

The Maximum Debt Mill Levy Imposition Term shall not exceed forty (40) years from the date of the initial imposition of such Debt mill levy to pay any Debt. Upon expiration of the Maximum Debt Mill Levy Imposition Term, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property within its Service Area, unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq. Any Debt, issued with a mill levy pledge or which results in a mill levy pledge, that exceeds the Maximum Debt Mill Levy Imposition Term shall be deemed a material modification of this Service Plan and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City by a service plan amendment.

C. The following is hereby added to the end of the Section V.B of the Service Plan:

In addition to the Public Improvements set forth in Exhibit D, the District shall have the ability to finance the purchase of certain costs associated with the purchase of the raw water necessary to serve the Project.

D. Section V.A.14 of the Service Plan is hereby amended and replaced in its entirety with the following:

14. Total Debt Issuance Limitation. The District shall not issue Debt in excess of Twelve Million, Five Hundred Thousand Dollars (\$12,500,000) (“Total Debt Limit”). Debt that is issued for the purpose of refunding or refinancing outstanding District Debt shall not be counted against such \$12,500,000 debt limitation. At no time during its existence shall the District have Debt outstanding in excess of the Total Debt Limit.

E. Section V.A. of the Service Plan is hereby amended by the addition of a new subsection (23), to read as follows:

23. Water Rights/Resources Limitation. The District shall not acquire, own, manage, adjudicate or develop potable water rights or resources except for the sole purpose of transferring such water rights to the City or to another governmental entity at the direction of the City.

F. Section VI.A of the Service Plan is hereby amended and replaced in its entirety with the following:

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 revenues 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 within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Fees and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed Twelve Million, Five Hundred Thousand Dollars (\$12,500,000) and shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. Debt that is issued for the purpose of refunding or refinancing outstanding District Debt shall not be counted against such \$12,500,000 debt limitation. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general *ad valorem* taxes and Fees to be imposed upon all Taxable Property within the District. The District may also rely upon various other revenue sources authorized by law. Specifically, these revenue sources may include specific ownership taxes, interest income, developer operating advances, and advances for infrastructure.

III. EXHIBIT

Based on the clarified need of the District and evolved development assumptions of the Project, Exhibit D of the Service Plan is hereby amended and replaced in its entirety by **Exhibit D** of this First Amendment, attached hereto and incorporated herein by this reference, to include in the description of public improvements the water costs for the Project.

IV. EFFECT OF FIRST AMENDMENT; EFFECTIVE DATE

Except as specifically amended as set forth above, all other provisions of the Service Plan shall remain in full force and effect. Unless otherwise defined herein, capitalized terms shall have the meanings set forth in the Service Plan. To the extent there are any inconsistencies between this First Amendment and the Service Plan, this First Amendment shall control. This First Amendment shall be effective on the date of the effective date of the City Council Resolution approving this First Amendment.

EXHIBIT D

40 North Metro District Capital Plan Proforma

Ridgeline Development Corporation

Land Development- Project Cash Flow

	Totals	Phase								
		2022	1		2		3		4	
			2023	2023	2025	2025	2027	2027	2028	2028
Development Hard Costs										
Insurance	\$	(46,000)	\$	(11,500)	\$	(11,500)	\$	(11,500)	\$	(11,500)
Site Prep	\$	(34,500)	\$	(8,625)	\$	(8,625)	\$	(8,625)	\$	(8,625)
Survey	\$	(138,000)	\$	(34,500)	\$	(34,500)	\$	(34,500)	\$	(34,500)
Storm Water Management	\$	(161,000)	\$	(40,250)	\$	(40,250)	\$	(40,250)	\$	(40,250)
Overlotting/Demolition	\$	(2,875,000)	\$	(1,150,000)	\$	(718,750)	\$	(575,000)	\$	(431,250)
Density Tests	\$	(287,500)	\$	(71,875)	\$	(71,875)	\$	(71,875)	\$	(71,875)
Sanitary Sewer	\$	(3,335,000)	\$	(1,334,000)	\$	(833,750)	\$	(667,000)	\$	(500,250)
Storm Sewer	\$	(1,725,000)	\$	(690,000)	\$	(431,250)	\$	(345,000)	\$	(258,750)
Water Lines	\$	(1,380,000)	\$	(552,000)	\$	(345,000)	\$	(276,000)	\$	(207,000)
Concrete Flatwork	\$	(1,495,000)	\$	(598,000)	\$	(373,750)	\$	(299,000)	\$	(224,250)
Street Paving	\$	(1,322,500)	\$	(529,000)	\$	(330,625)	\$	(264,500)	\$	(198,375)
Landscape-Plan	\$	(138,000)	\$	(34,500)	\$	(34,500)	\$	(34,500)	\$	(34,500)
Landscape-Install	\$	(4,255,000)	\$	(1,702,000)	\$	(1,063,750)	\$	(851,000)	\$	(638,250)
Community Facilities	\$	(1,610,000)	\$	(644,000)	\$	(402,500)	\$	(322,000)	\$	(241,500)
Irrigation Meter/Tap	\$	(632,500)	\$	(158,125)	\$	(158,125)	\$	(158,125)	\$	(158,125)
Irrigation Ditch Work	\$	(920,000)	\$	(920,000)						
Offsite Storm Lateral	\$	(862,500)	\$	(862,500)						
Repairs / Backup Work	\$	(40,250)	\$	(10,063)	\$	(10,063)	\$	(10,063)	\$	(10,063)
Bridge Work	\$	350,000	\$	350,000						
Street Signs/Entry Monument	\$	(402,500)	\$	(281,750)	\$	(40,250)	\$	(40,250)	\$	(40,250)
Utility Traffic Light	\$	(230,000)	\$	(230,000)						
Utility Sleeves	\$	(9,200)	\$	(2,300)	\$	(2,300)	\$	(2,300)	\$	(2,300)
Utility-Electric	\$	(287,500)	\$	(71,875)	\$	(71,875)	\$	(71,875)	\$	(71,875)
Utility-Gas	\$	(201,250)	\$	(50,313)	\$	(50,313)	\$	(50,313)	\$	(50,313)
Utility-Phone/Cable	\$	(63,250)	\$	(15,813)	\$	(15,813)	\$	(15,813)	\$	(15,813)
Homestead Reconstruction	\$	(690,000)	\$	(690,000)						
General Conditions	\$	(402,500)	\$	(100,625)	\$	(100,625)	\$	(100,625)	\$	(100,625)
Labor-General	\$	(36,800)	\$	(9,200)	\$	(9,200)	\$	(9,200)	\$	(9,200)
Contingency	\$	(2,990,000)	\$	(747,500)	\$	(747,500)	\$	(747,500)	\$	(747,500)
Subtotal Development Hard Costs	\$	(26,220,750)	\$	-	\$	(11,200,313)	\$	-	\$	(5,906,688)
Land Development Soft Costs										
Development Soft Costs (Service Plan, Elections, Etc.)	\$	(140,000)	\$	(140,000)						
Subtotal Development Soft Costs	\$	(140,000)	\$	(140,000)						
Raw Water Costs										
Raw Water Costs	\$	(20,010,000)	\$	(8,047,500)	\$	(5,872,500)	\$	(3,625,000)	\$	(2,465,000)
Subtotal Raw Water Costs	\$	(20,010,000)	\$	-	\$	(8,047,500)	\$	-	\$	(3,625,000)
Total Development Costs	\$	(46,370,750)	\$	(140,000)	\$	(19,247,813)	\$	-	\$	(11,779,188)
										\$
										(6,571,938)