

I. MILL LEVY ADJUSTMENT

Proposed amendments to the Ordinance Enacting Chapter 13 - Metropolitan Districts of the Commerce City Revised Municipal Code (words added are underlined; words deleted are ~~stricken through~~):

Section 13-2100(a)(2)(xii)

(xii) a limitation of the total mill levy authorization to fifty (50) mills, subject to adjustment as provided in subsection (xiii) below, for both debt service and operations and maintenance, with no more than ten (10) mills, subject to adjustment as provided in subsection (xiii) below, being used for operations and maintenance even if the debt service mill levy becomes unlimited, provided that the service plan may allow for unlimited mill levy for the payment of debt if the total amount of the district's debt is equal to or less than fifty percent (50%) of the district's assessed valuation;

Section 13-2100(a)(2)(xiii)

(xiii) include a ~~no~~ provision authorizing the adjustment of any mill levy to account for changes in the method of calculating assessed valuation (including any change in the ratio of actual valuation) or any constitutionally mandated tax credit, cut or abatement, so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for such changes, are neither diminished nor enhanced as a result of such changes; provided, however, that any such adjustment is certified by an independent accountant with a copy filed with city staff;

Proposed amendments to Section VI.D. of the Model Service Plan (words added are underlined; words deleted are ~~stricken through~~):

A. Maximum Debt Mill Levy, Operation and Maintenance Mill Levy and Maximum Combined Mill Levy.

1. The Maximum Combined Mill Levy, which includes both the Maximum Debt Mill Levy and the Maximum Operation and Maintenance Mill Levy, shall not exceed fifty (50) mills, subject to Mill Levy Adjustment. The Regional Improvement Mill Levy shall not be counted against the Maximum Combined Mill Levy.

2. The District may impose an ad valorem tax (a mill being equal to 1/10th of 1 cent) upon the Taxable Property within the District for the purpose of paying the debt service requirements on District Debt, subject to the Maximum Combined Mill Levy. The Maximum Debt Mill Levy shall not exceed [_____()] mills, subject to Mill Levy Adjustment, provided that at such time as the total amount of aggregate Debt of the District is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance of any Debt or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy if End Users cast the majority of affirmative votes taken by the District's Board at the meeting authorizing such action, and, as a result, the mill levy may be such amount as is necessary to pay the debt service on such Debt, and the Board may further provide that such Debt

shall remain secured by such increased mill levy, notwithstanding any subsequent change in the District's Debt to assessed value ratio;

3. The District may impose an ad valorem tax (a mill being equal to 1/10th of 1 cent) upon the Taxable Property within the District for the purpose of paying Operation and Maintenance costs, subject to the Maximum Combined Mill Levy. The Maximum Operation and Maintenance Mill Levy shall not exceed ten (10) mills, subject to Mill Levy Adjustment, even if the Maximum Debt Mill Levy does not apply or if the District has no mill levy for the payment of debt service requirements.

4. ~~No mill levy imposed by the District shall be adjusted to account for changes in the method of calculating assessed valuation (including any change in the ratio of actual valuation) or any constitutionally mandated tax credit, cut or abatement, without a Service Plan Amendment.~~ "Mill Levy Adjustment" means if, on or after [year of approval of the Service Plan], there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement, the Maximum Combined Mill Levy, the Maximum Debt Mill Levy, the Maximum Operation and Maintenance Mill Levy, and the Regional Improvement Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith and certified by an independent accountant with a copy provided to City staff (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For the purposes of the foregoing, a change in the ratio of actual valuation and any constitutional or legislative changes in the actual value against which the assessment rate is applied shall be deemed a change in the method of calculating assessed valuation.

Proposed amendments to Section VII. of the Model Service Plan (words added are underlined; words deleted are ~~stricken through~~):

II. REGIONAL IMPROVEMENT MILL LEVY

A. General. The District shall be authorized to provide for the planning, design, acquisition, funding, construction, installation, relocation, redevelopment, administration and overhead costs related to the provision of Regional Improvements, and the Operation and Maintenance thereof.

B. Regional Improvement Mill Levy Authority. The District shall seek the authority to impose an additional Regional Improvement Mill Levy of [*select number based on type of District: five (5) mills, subject to Mill Levy Adjustment, for a residential District; one and one half (1.5) mills, subject to Mill Levy Adjustment, for a commercial District; ten (10) mills, subject to Mill Levy Adjustment, for an industrial District*] as part of the District's initial TABOR election. The District shall also seek from the electorate in that election the authority under TABOR to enter into an intergovernmental agreement with the City obligating the District to pay as a multiple-fiscal year obligation the proceeds from the Regional Improvement Mill Levy to the City or a City Controlled entity.

C. Regional Improvement Mill Levy Imposition.

- 1) **[For a Residential District]** The District shall impose the Regional Improvement Mill Levy at a rate of five (5) mills, subject to Mill Levy Adjustment, for collection beginning in the first year of collection of the District's Debt service mill levy and continuing in each year thereafter through the fortieth (40th) tax collection year after which the Regional Improvement Mill Levy is first imposed.
- 2) **[For a Commercial District]** The District shall impose the Regional Improvement Mill Levy at a rate of (i) one (1) mill, subject to Mill Levy Adjustment, for collection beginning in the first year of collection of the District's Debt service mill levy and continuing in each year thereafter through the twentieth (20th) year; and (ii) one and one-half (1.5) mills, subject to Mill Levy Adjustment, from the twenty-first (21st) year through the fortieth (40th) tax collection year after which the Regional Improvement Mill Levy is first imposed.
- 3) **[For an Industrial District]** The District shall impose the Regional Improvement Mill Levy at a rate of (i) five (5) mills, subject to Mill Levy Adjustment, for collection beginning in the first year of collection of the District's Debt service mill levy and continuing in each year thereafter through the twentieth (20th) year; and (ii) ten (10) mills, subject to Mill Levy Adjustment, from the twenty-first (21st) year through the fortieth (40th) tax collection year after which the Regional Improvement Mill Levy is first imposed.

II. MILL LEVY CAP

Proposed amendment to the Ordinance Enacting Chapter 13 - Metropolitan Districts of the Commerce City Revised Municipal Code (words added are underlined; words deleted are ~~stricken through~~):

Section 13-2100(a)(2)(xii)

(xii) a limitation of the total mill levy authorization to ~~fifty (50)~~ sixty (60) mills for both debt service and operations and maintenance, with no more than ten (10) mills being used for operations and maintenance even if the debt service mill levy becomes unlimited, provided that the service plan may allow for unlimited mill levy for the payment of debt if the total amount of the district's debt is equal to or less than fifty percent (50%) of the district's assessed valuation;

Proposed amendment to Section VI.D. of the Model Service Plan (words added are underlined; words deleted are ~~stricken through~~):

A. Maximum Debt Mill Levy, Operation and Maintenance Mill Levy and Maximum Combined Mill Levy.

1. The Maximum Combined Mill Levy, which includes both the Maximum Debt Mill Levy and the Maximum Operation and Maintenance Mill Levy, shall not exceed ~~fifty (50)~~ sixty (60) mills. The Regional Improvement Mill Levy shall not be counted against the Maximum Combined Mill Levy.

III. IMPOSITION TERM OF DEBT

Proposed amendments to the Ordinance Enacting Chapter 13 - Metropolitan Districts of the Commerce City Revised Municipal Code (words added are underlined; words deleted are ~~stricken through~~):

Section 13-1000(d)(4)

(4) provide for the taxation of property owners for more than ~~thirty five (35)~~ forty (40) years for the purpose of paying costs of public improvements, including any refunding or refinancing of existing debt unless a majority of the district board are end users who vote in favor of a refunding of a part or all of the district's debt that will result in a net present value savings;

Section 13-2100(a)(2)(xiv)

(xiv) a limitation on the term for the repayment of debt to ~~thirty five (35)~~ forty (40) years for residential districts unless a majority of the district board are residents of the district and have voted in favor of a refunding that will result in a net present value savings as set forth in C.R.S. 11-56-101 *et seq.*;

Proposed amendments to the Model Service Plan (words added are underlined; words deleted are ~~stricken through~~):

Section I.

Maximum Debt Mill Levy Imposition Term: a maximum of ~~thirty five (35)~~ forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board are End Users and have voted in favor of a refunding of a part or all of the Debt that will result in a net present value savings as set forth in 11-56-101 *et seq.*, C.R.S. and that has been determined by an External Financial Advisor to be in the best interests of the District;

Section V.F.6.

6. Total Debt Issuance Limitation. The District shall not issue Debt in excess of \$[_____] total principal amount, which is [is less than] the lesser of: (a) 100% of the estimated costs of the Public Improvements; or (b) the anticipated maximum bonding capacity of the District, which was derived from the Financial Plan using the following assumptions: (i) the interest rate is not less than 150 basis points more than the 30 Year AAA MMD Index (as of the date of the submission of the Service Plan); (ii) inflation on completed structures does not exceed a 4% biennial growth rate; (iii) the bonds amortize over a period of ~~35~~ 40 years; and (iv) debt service coverage is no less than 100%; and (v) the levying by the District of [____ (____)] mills. The Total Debt Issuance Limitation shall apply to bonds, loans, notes, or other instruments issued for the purpose of refunding, refinancing, reissuing or restructuring outstanding Debt.

IV. Developer Reimbursement Limits

Proposed amendment to the Ordinance Enacting Chapter 13 - Metropolitan Districts of the Commerce City Revised Municipal Code (words added are underlined; words deleted are ~~stricken through~~):

Section 13-2100(a)(2)(x)

(x) a prohibition on the reimbursement of any developer of property in the district more than ~~eighty one hundred~~ one hundred percent (~~80~~100%) of the actual costs of public improvements, more than \$25,000 of the costs of organizing the district; or any development security expenses;

Proposed amendments to Section V.D.6. of the Model Service Plan (words added are underlined; words deleted are ~~stricken through~~):

6. No Reimbursement Agreement by which the District would reimburse any owner of property or developer of land within the District Boundaries, or any person or entity affiliated with any such owner or developer, shall: (a) allow for the accrual of compound interest; (b) permit the reimbursement of more than ~~80~~100% of the actual costs of the Public Improvements; (c) permit the reimbursement of more than \$25,000 of the costs of organizing the District; or (d) permit the reimbursement of any development security expenses.