



Potomac Farms Metropolitan District

Board Members
Angelo Celeste, President
Dale Jones, Secretary
David Evenden,
Treasurer

12210 Brighton Rd #8 Henderson, CO 80640

(720) 541-7725

April 13, 2017

Brian McBroom, City Manager
City of Commerce City
7887 E. 60th Avenue
Commerce City, Colorado 80022

Re: Potomac Farms Metropolitan District – Amended and Restated Service Plan

Dear Mr. McBroom:

Included with this letter is the Potomac Farms Metropolitan District's application and proposal to amend and restate its service plan. The primary purpose for this request is to eliminate the debt mill levy limitation in the District's existing service plan.

The District is fully built out (406 single family home neighborhood) and, with the exception of two open spaces that will be landscaped by the District this year, the District has no further obligations to finance and install public improvements within the District's service area. (The District does have an obligation to maintain the parks, open spaces and right-of-way landscaping throughout the District's service area.)

Because the District's obligations to construct public infrastructure is complete (with the exception noted above) and current interest rates available in the market are significantly lower than the effective interest rate on the District's debt (approximately 7.4%), the District desires to refinance its bonds (totaling \$5,370,000 at December 31, 2016) this year and lower the annual interest cost on its debt load – the saving from which will be passed on to the homeowners. The District's goal is to obtain the best credit rating possible which will result in obtaining the lowest interest rate possible under current market conditions. One significant factor that negatively affects a District's credit rating is the existence of a debt mill levy cap in the service plan.

Please note the District is not requesting to eliminate the borrowing limitations placed on the District in the original service plan.

Amended and Restated Service Plan Certification

The proposed amended and restated service plan is an exact copy of the appropriate Commerce City model service plan and any and all changes from the model are clearly identified on the red-line version provided with the District's application.



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Proposed Inter-governmental Agreement (IGA) with the City

Please note that we added one condition to the City's model IGA recognizing the District's authority to provide covenant enforcement and design review services to District residents.

The District's service area is a covenant-controlled community and, as of January 1, 2017, the District assumed all of the obligations and responsibilities of the Potomac Farms Homeowners Association, Inc. The primary purpose for consolidating services was to reduce the administrative costs of running two homeowner-controlled organizations servicing the Potomac Farms neighborhood.

Please contact me if you have any questions.

Sincerely,

Charles Wolfersberger
District Manager