

November 1, 2017

Sent via electronic mail

Sheryl Carstens, Director of Finance, scarstens@c3gov.com
Robert Sheesley, City Attorney, rsheesley@c3gov.com
City of Commerce City
7887 E. 60th Avenue
Commerce City, CO 80222

**Re: IGA between Eagle Creek Metropolitan District and Commerce City /
Proposed Amendment**

Dear Ms. Carstens and Mr. Sheesley:

Our firm represents the Eagle Creek Metropolitan District, located in Commerce City, at 96th Avenue and Highway 2. The District was established in 1995.

The District has an agreement with Commerce City, originally entered into in 1997, and amended in 2005, regarding the District's obligation to reimburse the costs of certain public improvements through an annual 6 mill levy dedicated for payment to the City (the "IGA"). The District is requesting an extension to the final payment obligation date of December 31, 2018 set forth in the IGA.

The original amount owed was \$270,015, related to water and wastewater lines installed by the City and serving the Eagle Creek community. The IGA was modified in 2005, to increase the amount by \$92,243, to fund a reimbursement obligation for perimeter fencing on Highway 2, with a 5% interest rate, for an adjusted total principal payment obligation of \$362,258. The maturity date for the obligation is December 31, 2018. The District has been paying down the obligation, and has a current balance of \$176,285.21.

The Eagle Creek Metro District was financially impacted by the drought and the downturn of the economy, lasting many years. Projected development within the District stalled for a long period of time, and was only recently completed by a new homebuilder. The District's buildout was deferred substantially from the original projections. As a result, based on an evaluation of its current and projected assessed valuation, the District will not be able to meet the December 2018 maturity date, but is expected to be able to complete payments in 2021.

The District proposes an amendment to the IGA to extend the maturity date to December 31, 2021. A draft "Second Amendment to Agreement for Reimbursement of Costs" is attached for your review and consideration. I've also attached a schedule prepared by the District's

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accountant, CliftonLarsonAllen, showing the revenues from the District's annual 6 mill payments over the next four years, based on current and projected assessed valuation allowing final payment final payment to be made in 2021.

Please feel free to call me with any questions. I will follow up next week regarding your comments. We are hopeful to have an arrangement in place prior to completion of the 2018 budgeting process, in order to adequately plan for the upcoming fiscal year.

Sincerely,

SETER & VANDER WALL, P.C.



Barbara T. Vander Wall

Attachments:

- 2nd Amendment to Reimbursement Agreement
- Schedule of payments

Cc: Roger Tinklenberg
Board of Directors, Eagle Creek Metro District
Debbie Sedgely, CliftonLarsonAllen, LLP