



August 29, 2019

VIA EMAIL AND U.S. MAIL

City of Commerce City, City Council
c/o Robert Sheesley
City Attorney of Commerce City
7887 E. 60th Ave.
Commerce City, Colorado 80022

Re: Fronterra Village Metropolitan District No. 2

Honorable Council Members and Mr. Sheesley:

On behalf of the Board of Directors of Fronterra Village Metropolitan District No. 2 (the "**District**"), please find enclosed a notice pursuant to Section 32-1-207(3)(b), C.R.S. This notice will publish in *The Commerce City Sentinel Express* and be filed with the Adams County District Court on September 3, 2019 (the "**Notice**"). Additionally, please accept this correspondence as the District's request for acknowledgment and consent to the District's issuance of additional general obligation bonds necessary to refund the District's currently outstanding general obligation bonds (as discussed below) in accordance with the Notice.

As background, the District was organized on December 5, 2002 and currently operates in accordance with the Service Plan for Fronterra Village Metropolitan District No. 2, as approved by the City of Commerce City (the "**City**") on August 19, 2002, and amended by the First Amendment to Service Plan for Fronterra Village Metropolitan District No. 2, as approved by the City on September 17, 2007 (collectively, the "**Service Plan**").

The District has operated since organization to install, finance and dedicate all public infrastructure to the City necessary for the Fronterra Village development (the "**Development**") in the City. The District previously issued its General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Bonds, Series 2007 in the original principal amount of \$7,560,000 and \$300,000 (Maturity Amount) Supplement "B" Interest Registered Coupons (collectively, the "**Series 2007 Bonds**") and its Subordinate Limited Tax Bonds, Series 2015 in the original principal amount of \$825,000 (the "**Series 2015 Bonds**" and with the 2007 Bonds, the "**Outstanding Bonds**"). The Series 2007 Bonds enabled the District to advance refund the District's previously outstanding bonds in their entirety and to provide funds to finance, construct and reimburse for capital infrastructure to serve the District. The Series 2015 Bonds enabled the District to reimburse amounts advanced to the District pursuant to that certain Advance Agreement, as amended, between the District, JF Companies LLC (formerly known as Gateway American Properties, LLC), and MDR, LLC for the construction and maintenance of certain public infrastructure which benefited the District and its constituents.

The Development is fully built, no longer requires any additional improvements, and the Board of Directors for the District (the “**Board**”) is completely comprised of homeowners residing within the boundaries of the District. At this time, the Board desires to refund the Outstanding Bonds to take advantage of lower interest rates, which would result in a net present value savings to the District and its constituents. No new money debt will be issued by the District. The bonds are purely for the purpose of refunding the Outstanding Bonds.

Article V.(a) of the Service Plan (as amended by Article IV of the First Amendment to Service Plan) addresses the amount of debt the District is authorized to issue. The “Debt Limitation” is described in this section of the Service Plan (as amended), but, unfortunately, is not entirely clear relative to its intent with respect to future refunding of outstanding debt. Notwithstanding, the District intends to issue the refunding bonds even though such refunding bonds may exceed the aforementioned Debt Limitation of the Service Plan.

Pursuant to Section 32-1-207(3)(b), C.R.S., the District will publish a “Notice of Intent to Undertake Certain Actions” in *The Commerce City Sentinel Express* on Tuesday, September 3, 2019 (as also defined above, the “**Notice**”). This Notice states the District’s intent to issue general obligation debt for the purpose of refunding the District’s Outstanding Bonds. Any action to enjoin the activities described in the Notice as a material departure from the Service Plan must be commenced within forty-five (45) days from the date of publication of the Notice. Accordingly, the City has until October 18, 2019 to object to such actions described in the Notice to the extent it deems appropriate. Notwithstanding, we respectfully request that you have the appropriate person sign and return a copy of the attached Acknowledgement and Consent stating that the City Council to the City acknowledges and consents to the District issuing general obligation debt for the purpose of refunding the District’s Outstanding Bonds. I have enclosed the Notice for your reference.

Please do not hesitate to contact the undersigned with any questions or should you require any further information.

Very truly yours,

MCGEADY BECHER P.C.



Megan Becher

Enclosure

NOTICE OF INTENT TO UNDERTAKE CERTAIN ACTIONS

FRONTERRA VILLAGE METROPOLITAN DISTRICT NO. 2 IN THE CITY OF COMMERCE CITY, ADAMS COUNTY, COLORADO

NOTICE IS HEREBY GIVEN pursuant to Section 32-1-207(3)(b), C.R.S., that Fronterra Village Metropolitan District No. 2 (the “**District**”) intends to undertake certain actions described herein:

The District currently has outstanding its General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Bonds, Series 2007 in the original principal amount of \$7,560,000 and \$300,000 (Maturity Amount) Supplement “B” Interest Registered Coupons (collectively, the “**Series 2007 Bonds**”) and its Subordinate Limited Tax Bonds, Series 2015 in the original principal amount of \$825,000 (the “**Series 2015 Bonds**” and with the Series 2007 Bonds, the “**Outstanding Bonds**”).

The District intends to refund the Outstanding Bonds as currently outstanding with the issuance of general obligation debt at a lower interest rate, resulting in a net present value savings to the District and its constituents.

The Service Plan for Fronterra Village Metropolitan District No. 2, as approved by the City of Commerce City, Colorado (“**City**”) on August 19, 2002, and amended by that First Amendment to Service Plan for Fronterra Village Metropolitan District No. 2, as approved September 17, 2007 (collectively, the “**Service Plan**”), provides the following: “The District Service Plan provides that the total general obligation debt of the District shall not be increased further unless the District receives the prior approval of the City. Refunding bonds may be issued by the District to defease original issue bonds in compliance with applicable law. In addition to bonds, the District may also issue notes, certificates, debentures or other evidences of indebtedness. The sum of all indebtedness shall not exceed the Debt Limitation.” It is unclear in the Service Plan whether the issuance of general obligation debt necessary to accomplish a refunding of the current Outstanding Debt is counted within the meaning of the Debt Limitation (as defined in the Service Plan), but it is the District’s interpretation that the foregoing Debt Limitation should not apply to the issuance of general obligation debt necessary to refund debt originally issued within the limits of the Service Plan. Accordingly, the District intends to issue general obligation debt in an amount sufficient to refund all of the Outstanding Bonds.

The District believes that the foregoing refunding of the Outstanding Bonds is in the best interest of the District and its residents and taxpayers. The District intends to act in accordance with the foregoing notwithstanding that the foregoing may constitute a departure from the terms of the Service Plan.

The District has determined to provide this notice pursuant to Section 32-1-207(3)(b), C.R.S. Pursuant to Colorado law, any action to enjoin the above-described activities as a material departure from the Service Plan must be commenced within forty-five (45) days from the date of publication of this notice.

**FRONTERRA VILLAGE
METROPOLITAN DISTRICT NO. 2**

By: /S/ MEGAN BECHER
Attorney for the District

Published in: *The Commerce City Sentinel Express*
Published on: September 3, 2019

ACKNOWLEDGEMENT AND CONSENT

By execution hereof, the City of Commerce City hereby acknowledges receipt of Fronterra Village Metropolitan District No. 2's "Notice of Intent to Undertake Certain Actions" pursuant to Section 32-1-207(3)(b), C.R.S., relative to the issuance of additional general obligation debt for the purpose of refunding the District's currently outstanding bonds, as the same will be published in *The Commerce City Sentinel Express* on September 3, 2019. By execution hereof, the City of Commerce City hereby acknowledges and consents to the District's issuance of general obligation debt to refund the District's currently outstanding bonds as set forth in the Notice of Intent to Undertake Certain Actions.

ACKNOWLEDGED AND CONSENTED:

**CITY OF COMMERCE CITY,
COLORADO**

By: _____
Title: _____
Date: _____