

2022 Progress Report from the Board of Directors of Great Western Park Metropolitan District No. 2

In a nutshell:

We kept the District's mill levies for 2023 the same as they were for 2022:
30.75 mils for Debt Service and 2.0 for the General Fund.

We conducted an election for Board members that resulted in the first-ever five-member Board of Directors composed entirely of Skyestone homeowners.

In that election, Skyestone homeowners also approved a Board proposal that prohibits the District from borrowing more money without a vote of the homeowners.

We negotiated an agreement in principle to settle a claim by Skyestone HOA that the District has a duty to maintain certain common use areas that are owned by the HOA.

The details:

The primary use of metropolitan districts today in Colorado is to shift the burden of the costs of infrastructure construction for new housing developments from private developers to the eventual owners of homes in those developments. A developer puts in the roads, water lines, sewers and other utilities using money raised by the district via municipal bonds; The new homeowners pay off those bonds over many decades via property taxes.

Great Western Park Metropolitan District No. 2 ("the District") was created in December of 2008 for the purpose of financing the infrastructure of Skyestone. Initially controlled by the owners of the land that Skyestone was built on, the District came under the control of a board of directors made up primarily of Skyestone homeowners in May of 2020. Since that time, the primary goal of the District Board has been to manage the municipal bond debt previously incurred by the District in a manner that best serves the interests of the homeowners who live and pay property taxes in Skyestone.

The District held an election in 2022. The only people eligible to vote in District elections are those whose voter registration address lies within the physical boundaries of Skyestone. Those voters elected two new Directors to the Board, Jerry Hart and Russel Heinen, both Skyestone homeowners. They join three existing Board members, James Einolf, Michael Clay, and Phil Johnson, who are also Skyestone homeowners. The voters also approved, by an overwhelming margin, a ballot issue entirely eliminating the District's ability to borrow additional money without a vote of Skyestone residents.

When the Board refinanced the District's debt in 2021 and lowered the District-related property taxes of Skyestone property owners by nearly forty percent, it was the Board's intent to keep taxes that low for at least three years. Colorado senate bill SB21-293, passed in 2022, lowered property tax assessment rates for all taxing agencies from 7.15 to 6.95. This lowering of overall

assessment rates may affect our future ability to keep our mill levies as low as they are today. For 2023, however, the District was able to keep the mill levies the same as they were for 2022, at 30.75 mils for the Debt Service Fund and 2.0 for the General Fund.

The other major goal of the Board has been to find ways to further reduce our operational expenses. A major impediment to progress toward that goal has been a claim of the Skyestone Community Association, Inc. (“the HOA”) that the District was somehow liable for maintenance of certain tracts within Skyestone that are owned by the HOA and have always been maintained by the HOA in the past.

The District incurred considerable legal expenses during 2022 attempting to settle this misunderstanding, which we believe has no basis in law or fact. Having failed to convince the HOA Board and HOA legal counsel that any legal dispute between the HOA and the District, effectively pitting the homeowners of Skyestone in a legal fight with themselves, is an egregious waste of Skyestone homeowners’ money, the District Board voted at its November 9, 2022 regular public meeting to approve a written Settlement Offer that would include a payment from the District to the HOA of \$10,000. While this payment is largely symbolic, effectively taking money out of one pocket of Skyestone homeowners and putting it in the other in order to allow the HOA Directors and their attorney to save face, the Board felt that this was necessary in order to avoid further wasted time and money. As of the date of this report, the HOA Board had not yet agreed to the terms of the Settlement Agreement, but the District Board is hopeful that a final agreement will be reached in early 2023.

The terms of three members of the District’s Board of Directors will be up in May of 2023, and there will be an election at that time if there are more than three candidates. Public notices inviting candidates will be posted in February of 2023.

For more information:

Following are links to your District’s web site and the Broomfield Assessment Overview web site. Your District’s site contains information such as the service plan, notices, election information, budgets, quarterly financials, audits, agendas and meeting minutes.

Great Western Park Metropolitan District No. 2 website:
<https://greatwesternparkmd2.colorado.gov>

Broomfield Assessment Overview page:
<https://www.broomfield.org/1815/Assessment-Overview>