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Pgs: 16 REC: \$86.00 DOC: \$0.00

Commissioner TRULIM moved adoption of the following Resolution:

BOARD OF COUNTY COMMISSIONERS, COUNTY OF EAGLE, STATE OF COLORADO

RESOLUTION NO. 2012- W &

A RESOLUTION APPROVING THE FIRST AMENDMENT TO SERVICE PLAN FOR CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT, COUNTY OF EAGLE, STATE OF COLORADO

WHEREAS, Resolution No. 2002-109 of the Board of County Commissioners, County of Eagle, State of Colorado, authorized the approval of the Service Plan for the Cordillera Valley Club Metropolitan District on the 13th day of August 2002, and the District was organized by Order of the District Court on November 14, 2002, Case No. 2002CV530; and

WHEREAS, pursuant to the terms of the original Service Plan, and Section 32-1-207, C.R.S., material modifications are subject to approval by Eagle County, and upon proper and adequate notice the Board of County Commissioners held a public meeting on the First Amendment to Service Plan on November 13, 2012; and

WHEREAS, notice of the hearing was published on October 18, 2012, in <u>The Eagle Valley Enterprise</u>, a newspaper of general circulation within Eagle County, as required by law. On October 15, 2012, notice of said public hearing was sent to the governing body of each municipality and special district located within a radius of three miles of the boundaries of the district included in the Service Plan, and which have levied an ad valorem tax within the next preceding year; and

WHEREAS, the Board of County Commissioners has considered the First Amendment to Service Plan and all other testimony and evidence presented at the hearing; and

WHEREAS, the Board of County Commissioners finds that the First Amendment to Service Plan should be approved unconditionally.

NOW THEREFORE BE IT RESOLVED, by the Board of County Commissioners of the County of Eagle, State of Colorado:

THAT the above and foregoing recitals are incorporated herein by reference and are adopted as findings and determinations of the Board of County Commissioners.

THAT the Board of County Commissioners further finds and determines that all of the requirements of part 2, article 1, title 32, Colorado Revised Statutes, relating to the filing of the First Amendment to Service Plan have been fulfilled and that notice of the public hearing before the Board of County Commissioners was given in the time and manner required by the laws of the State of Colorado.

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THAT the Board of County Commissioners further finds and determines as follows:

- (a) There is sufficient existing and projected need for the District to extend and improve park and recreational facilities and to increase taxes for operation of the facilities in the area served by the District;
- (b) The existing service in the area to be served by the District is not adequate for present and projected needs;
- (c) The District obtained additional voter authorization on November 2, 2010 for park and recreation facilities, improvements and programs and to increase taxes for operation of the facilities;
- (d) The services to be furnished by the District will not duplicate or interfere with those furnished by Western Eagle County Metropolitan Recreation District or Edwards Metropolitan District.
- THAT if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

THAT this Resolution shall be in full force and effect upon its passage and approval.

THAT the Board hereby finds, determines and declares that this Resolution is necessary for the health, safety and welfare of the citizens of Eagle County.

[rest of page intentionally left blank]

MOVED, READ AND ADOPTED by the Board of County Commissioners of the County of Eagle, State of Colorado, at its regular meeting held the Zo day of November, 2012.

COUNTY OF EAGLE, STATE OF COLORADO, By and Through Its

	GIF	BOARD OF COUNTY COMMIS	SIONERS
Teak J. Simonton Clerk to the Board of County Commissioners Wu.	COLORHO By	Peter F. Runyon Chairman Jon Stavney Commissioner Sara J. Fisher Commissioner	
Commissioner LSLu having been called, the vote		d adoption of the foregoing resolution.	The roll
Commissioner Runyon Commissioner Stavney Commissioner Fisher	Ann.		3
This resolution magned by	310	visto of the Poord of County Commissi	042 040

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

Eagle County, Colorado

FIRST AMENDMENT TO SERVICE PLAN

1. INTRODUCTION

The service plan for Cordillera Valley Club Metropolitan District ("District") was approved by the Eagle County Board of County Commissioners on August 13, 2002, and the District was organized by Order of the District Court in and for Eagle County on November 14, 2002. The main purpose of the District is to finance public improvements for the benefit of the taxpayers of the District:

FIRST AMENDMENT

The Board of Directors of the District has determined it to be in the best interests of the District to amend its service plan in order to increase the District's authority to spend up to \$4,000,000 on park and recreational facilities, including the acquisition and construction of golf courses and related facilities. The amendment is stated as follows:

"II. DESCRIPTION OF PROPOSED METROPOLITAN DISTRICT SERVICES.

* * *

B. Statutory Service Authority.

* * *

4. Parks and Recreation.

As a supplement to, but not in duplication of the services and facilities now provided by WECMRD or Edwards Metropolitan District, the design, acquisition, installation, construction, operation, and maintenance of public park and recreation facilities or programs including, but not limited to, golf courses, swimming pools and spas, tennis courts, exercise facilities, bike paths, hiking trails, snowshoe trails, pedestrian trails, pedestrian bridges, pedestrian malls, public fountains and sculpture art, and botanical gardens, equestrian trails and centers, picnic areas, skating areas and facilities, ski-ways, common areas landscaping and weed control, outdoor lighting of all types, community events, and other facilities and services, together with all necessary, incidental and appurtenant facilities, land and easements, water rights and water sources and all necessary extension of and improvement to said facilities and systems.

IV. GENERAL DESCRIPTION OF FACILITIES TO BE CONSTRUCTED AND PRELIMINARY ENGINEERING AND ARCHITECTURAL SURVEYS.

B. <u>Description of Facilities and Improvements.</u>

* * *

Public Parks and Recreation Facilities.

It is expected that much of Cordillera Valley Club Metropolitan District will be open space, though some organized recreation facilities, as set forth in Section II.B.4 above, may be provided. Estimated capital improvement costs are summarized in Exhibit C.

Park and recreation facilities are currently planned to include active and passive park and recreation facilities and services within the Community, including passive open space. The District anticipates the acquisition and operation of *golf courses and swimming and tennis facilities and related water rights and sources*. The improvements will be designed to meet the demands and desires of the residents of the Community. Availability of the park and recreation improvements will help ensure that levels of activity in the Community during the spring, summer and fall are high and will help support property values and assessed valuations.

The District shall have the right to increase or alter the extent and type of public park and recreational amenities in the Community as future needs warrant, so long as such amenities do not duplicate those already provided by WECMRD or Edwards Metropolitan District.

* * *

VIII. FINANCIAL PLAN SHOWING HOW THE PROPOSED FACILITIES ARE TO BE FINANCED.

A. General.

The estimated costs of the facilities and improvements to be acquired, constructed and installed by the District, including the costs of engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts and other major expenses related to the facilities and improvements to be constructed and installed are set forth in Exhibit C of this Service Plan, which now includes the cost of acquiring and operating a golf course and associated swim and tennis facilities (the "Golf Facilities"). The estimated costs of the organization and initial operation of the District, including legal, engineering, administrative and financial services, are referenced in Exhibit C. These costs will be paid by the District out of its initial revenue sources.

It is anticipated that the acquisition, construction, installation, repair and replacement of facilities and improvements for the District will be financed by the issuance of general obligation bonds in accordance with the Special District Act. An initial bond issue in an amount up to \$1,000,000 was completed in 2003 to finance street improvements. Pursuant to the voted

authorization at the November 5, 2002 organizational election, the District is authorized to issue up to \$3,000,000 to finance street improvements.

An initial bond issue in the amount of up to \$1,000,000 for the purpose of park and recreation facilities, improvements, and programs was authorized upon formation of the District. An additional authorization of \$1,950,000 for park and recreation facilities, improvements, and programs was authorized by the registered electors of the District at the November 2, 2010 election. The District anticipates issuing bonds for such purposes and in such amounts, but the timing and exact size of such issue will depend on numerous factors.

The terms of any future indebtedness will depend upon market conditions at the time of issuance, but the proposed maximum voted interest rate for such issue is 12%, and the proposed maximum underwriting discount will be 5%. It is estimated that the general obligation bonds, when issued, will mature not more than forty (40) years from the date of issuance, as permitted by statute, though the term is expected to be much shorter.

The proceeds of the bond issues will be used to capitalize interest, pay necessary and customary legal services and issuing expenses. The balance of the funds plus any interest earned thereon will be used to fund capital construction costs and other costs authorized by voters at election.

An ad valorem property tax mill levy is the primary source of revenue to retire the general obligation bond debt. The operating and total levy for tax year 2011 is 25 mills. This mill levy rate will generate approximately \$429,547.00 in annual property taxes in 2012.

According to the revised financial plan attached hereto as Exhibit C, the aggregate mill levy necessary to defray the cost of acquiring, operating and maintaining the Golf Facilities in addition to all other debt service, capital and operations costs will initially be 22.326 mills, consisting of a Recreation Mill Levy of 11.397 and a Golf and Recreation Amenities Acquisition Mill Levy of 10.929. Additional revenue sources such as membership and user fees reflected in Exhibit C will supplement the mill revenue.

At such time as a higher debt or operating levy may be necessary, voter approval may be required by law. Therefore, subject to the above, the total initial mill levy is projected to be 48.620 mills. As set forth in Exhibit C, it is projected that the mill levy plus other revenues available to the District transfers from the operating revenues, and capitalized interest will be sufficient to retire the debt. The elected Board of Directors of the District will have the flexibility to schedule future bond sales and refundings to maintain the lowest tax burden possible.

As set forth in Exhibit C hereof, it is anticipated that approximately \$2,750,000 will be required, in future dollars, to finance the capital costs associated with the acquisition or construction of the public improvements (not including cost recovery). To pay these amounts, and to finance the costs of issuance, cost recovery, and other contingencies, the District will utilize the current authorization of its electors to issue up to \$6,000,000 in general obligation indebtedness for all purposes. Additional authorization may be sought pursuant to the terms of

the Special District Act and the Colorado Constitution, as they may be amended from time to time.

In addition to ad valorem taxes and in order to offset the expenses of the anticipated capital construction and District operations and maintenance, the District may also rely upon various other revenue sources authorized by law and this Service Plan. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended."

5. RATIONALE,

The reason for implementing the amendments reflected above is due to an opportunity for the District to acquire the Golf Facilities and other park and recreation improvements. Such acquisitions are anticipated to strengthen the year-round desirability of the Community. In anticipation of the acquisition of such public improvements, the District desires to clarify its service plan to ensure golf courses are explicitly listed as an allowable park and recreation improvement. In addition, information regarding the issuance of debt by the District has been updated to provide a current depiction of the District's financial situation.

Except as modified herein, the terms and conditions of the service plan, as amended, shall continue in full force and effect.

EXHIBIT C FINANCIAL PLAN

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

Accountant's Compilation Report

August 21, 2012

Board of Directors Cordillera Valley Club Metropolitan District Edwards, Colorado

I have compiled the accompanying forecasted statement of revenues, expenditures and changes in fund balance of Cordillera Valley Club Metropolitan District for 2012 through 2034 in accordance with standards established by the American Institute of Certified Public Accountants.

A-compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for calendar year 2011 is presented for comparative purposes only. Such information is taken from the financial statements for the District which have been audited by Chadwick, Steinkirchner, Davis & Co., P.C. and upon which they expressed an unqualified opinion in their report dated April 9, 2012.

I am not independent from and accounting and auditing perspective with respect to Cordillera Valley Club Metropolitan District because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.

Kenneth J. Marchetti, CPA, President

Printed 08/21/12 Assumed Property Tax Inflation Rate 25%

General Fund	Audited	2012 Forecast	Prelim	2014	2015		7102							2024	2025								2033	2034
	17/15/21	Total	2013	Forecast	Forecast	Forecast		Forecast	Forecast	Forecast	Forecast	Forecast P	Forecast		-	Forecast	Forecast	Forecast	Forecast	Forecast	Fotocast	Forecast	Forecast	Forecast
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Supplies and Setall Equipment	1,340						2,403	2,525	2,588	2,653	2,718	2,787	2,857	2.028	2,002		3,153	2,232	2,313	3,300	3,481		3,657	3,746
Uniforms	0						2,3/8	2,737	2,400	2,500	2,043	2,030	2,73	2,942	2,007		177	7.17	2,100	3,278	3,360		3,330	3,016
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LONG RANGE FINANCIAL PLAN PAGE 1

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Cordillers Valley Club Metro District Statement of Revenues and Expendit Modified Accrual Basis Acciust, Budget and Forecast for the Parieds Indicated

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Cordillers Valley Club Metro District Statement of Revenues and Expanditures Actual; Budget and Forecast for the Periods Indic

Printed 06/21/12

0 2448/14 2,515.946 2,515.946 2,516.17 2,515.949 2,555.27 2,777.751 2,813.89 2,407.741 2,507.740 3,077.740 3,077.740 3,077.740 3,504.740 3,477.740 3,504.740 3,477.740 3,504.740 3,477.740 3,516.740 3,477.740 3,516.740 3,477.740 92,362 101,648 4,002,533 4,104,896 187,000 2,384,788 718,393 239,788 (150,845) 470,505 (158,865) 185,000 187,000 187,000 2032 Forecast 3,903,013 42.180 47,915 54,094 80,736 67,861 75,493 83,652 3.606,260 2,315,309 701,846 233,949 (155,806) 407,808 (155,866) 185,000 187,000 187,000 187,000 187,000 187,000 187,000 187,000 Forecast 2,247,873 084,728 228,243 (152,102) 450,465 (152,102) 195,000 187,000 22.20.63.04 24.09.00.04.2 0.09.00.09.2 0.09. 3,620,745 2029 Forecast 2,118,030 051,734 217,245 (144,630) 434,480 (144,630) 195,000 167,000 3,445,394 3,531,834 Forecast Forecast 2,057,122 635,838 211,848 (141,207) 423,802 (141,207) 105,000 167,000 187,000 Forecast 3,361,354 21,411,609 21,411,609 2 6% 0% 8,107 8,107 8,734 8,734 17,841 17,841 201,733 805,200 201,733 (134,489) 403,467 (134,489) 195,000 187,000 187,000 187,000 3,279,647 2025 Forecast 1,682,556 590,439 190,813 (131,209) 195,000 187,000 17,190 2024 Forecast 1,827,726 576,038 102,013 (128,008) 364,025 (128,000) 105,000 187,000 0% 0% 0.654 0.258 18.812 19,494 23,291 27,441 2023 Forecast 187,000 187,000 10,056,256,20,190,631 074 064 10,233 0,054 0,813 8,258 20,046 18,012 2021 2022 Forecast Forecast 1,722,607 548,281 182,760 (121,040) 365,521 (121,840) 195,000 187,000 2,974,879 187,000 16,035 19,056,256 0% 10,233 0,813 20,046 1,0,22,01 52,0,02 52,0,02 52,003 50,7,0 600,7,0 600,21 78,00 78,00 78,00 78,00 78,00 78,00 78,00 78,00 17,077,500 0% 10,847 10,402 21,240 Forecast Forecast 7,034,667 576,613 506,134 106,711 (113,141) 25,000 187,000 17,977,600 674 10,847 10,402 21,249 187,000 10,067 2,767,788 187,000 1,530,802 490,710 185,572 (110,381) 331,144 (110,381) 185,000 187,000 16,860,000 076 11,400 11,020 22,524 7,530 16,000,000 16,000,000 10,000,000 12,188 11,498 11,020 23,874 22,524 187,000 5,273 Forecast 2,639,122 187,000 Forecast 195,000 187,000 16,000,000 -0% 12,188 11,886 23,876 1,400,000 481,250 153,750 (102,500) 307,500 (102,500) 195,000 1,544 500,000 225,000 285,714 47,143 57,143 77,143 200,000 187,000 111 2012 Prelim Forecast Budget Total 2013 17,161,880 17,110,000 2,750,000 (2,607,500) (82,500) 0000 AGII Levy 0,000 Other Financing Sources and Users Proceeds from Issuance of Bonds Acquisulen of Golf Course Bond Cost of Jesuance Golf and Recreational Amenities Fun od & Beverage Cost of Goods So so Beverage Cost of Goods So porty Taxes - Recreation sperity Taxes - Debt Service racins Dynnytally Tuyes Golf Revenues Over (Under) Exp. reation Mil Lovy and Rec Amenités Acquisite Shop Shop Cost of Goods Sold Total Mill Lavy - Golf Fund Debt Service Annual Debt Service Membership Dues Operating Expense Total Expenditures Total Debt Sorvice

167,000

469,278 544,771 628,422 720,784 628,422 720,764 822,432

401,410

348,661

159,624 196,492 238,671 250,586

100.223 127,664

76,933

57,439 76,933

41,404

26,507

10,909 18,439

5,636

2,355 5,636

110

Beginning Fund Balanco

Ending Fund Bafance

10,509

2,355

119

159,624

127,664

100,223

196,492 236,671 286,586 340,681 401,416 469,276 544,771

2,530,001 755,812 251,037 (107,958) 503,875 (107,958) 195,000 187,000

2034 Forecast

LONG RANGE FINANCIAL PLAN PAGE 4

18,439 28,507 41,404 ST,439

MEMORANDUM

To: CVC Metro District Board of Directors

From: Ken Marchetti

Date: August 21, 2012

Subject: Long Range Financial Plan Assumptions

Key assumptions used in the long range financial plan are:

1. Assessed Value:

 For the 2013 budget has been assumed to decrease from \$17,181,880 to \$17,110,000 as the result of recent valuation protests.

- b. For the 2013 reassessment which will impact the District's 2014 budget, the assessed value of vacant lots has been assumed to decrease by approximately 30% and the assessed value of homes in the District has been assumed to remain constant resulting in an overall reduction in the assessed value of \$1,000,000.
- c. For even numbered budget years after 2014 it has been assumed that property values will increase by 6% and no increase has been assumed for odd numbered budget years, resulting in an average increase of 3% per year.
- d. No increase in assessed valuation has been assumed for any new construction in the District.

2. Mill Levy Rates:

- The operating mill levy rate for the District's current operations has been assumed to continue at 25 mills.
- b. The debt service mill levy rate for the District's current outstanding debt has been assumed to be approximately 1.3 mills through 2015 at which time that debt will be paid off and that mill levy will sunset.
- c. A recreation mill levy has been assumed in an amount sufficient to raise \$195,000 per year pursuant to 2010 ballot initiative 5A. This mill levy will be approximately 12 mills but will fluctuate as the assessed value changes.
- d. A golf acquisition mill levy has been assumed in an amount to pay the debt service on \$2,750,000 of acquisition indebtedness to acquire the golf course, water rights and recreational amenities.
- Specific Ownership taxes (on automobile registrations in Eagle County) typically run about 4.5% of property taxes.
- 4. The Real Estate Transfer Assessments (RETA) from CVC Property Owners Association for 2013 are based on one assumed building site sale in the amount of \$330,000 and two home sales at an average price of \$1,500,000. For 2014 two building site sales were assumed plus three home sales. After 2014 these amounts were increased with inflation for all future years.

- Administrative Expenses, Public Safety and Community Operations have basically been assumed to increase with inflation.
- Debt Service includes the payment of the 2003 bonds issued in the original amount of \$200,000 which will be fully repaid in 2015.
- 7. Capital Projects have been assumed as follows:

Year 2013 2014 2015 2016 2017 2018	Roads 100,000	Auto	Lighting	Signs	Gatehouse	Other 25,000 25,000 25,000 25,000 25,000 25,000	Total 125,000 25,000 25,000 25,000 25,000
2019	. 004.044					25,000	25,000
2020	624,044	07.000				25,000	649,044
2021	514,261	27,088				25,000	566,349
2022						25,000	25,000
2023			50,000			25,000 25,000	25,000
2024			75,000			25,000	75,000 100,000
2026			75,000	75,000		25,000	100,000
2027				75,000		25,000	100,000
2028		ly.		10,000	100,000	25,000	125,000
2029					100,000	125,000	125,000
2030						125,000	125,000
2031		8				125,000	125,000
2032						125,000	125,000
2033						125,000	125,000
2034						125,000	125,000
2035						125,000	125,000
2036				+:		125,000	125,000
2037				*		125,000	125,000
2038						125,000	125,000
2039						125,000	125,000
2040						125,000	125,000
2041			i i			125,000	125,000
Total	1,238,305	27,088	125,000	150,000	100,000	2,025,000	3,665,393

- Additional funding of \$400,000 from CVC Property Owners Association has been assumed in both 2020 and 2021 to help defray the cost of the road overlays.
- 9. An accounting Golf and Recreational Amenities Fund has been established to account for the acquisition and operation of the golf course and recreational amenities. The financial plan for the golf course and recreational amenities operations has primarily been established from a workbook entitled The New Cordillera Club Budget 3 6-6-12. Major assumptions in

Memo to CVC MD Board August 21, 2012 Page 3

that budget are:

- a. Membership dues in an initial amount of \$1,360,000 will be necessary to balance this budget.
- b. Golf, Pro Shop and Food and Beverage revenues are based on The New Cordillera Club_Budget_3_6-6-12 and then are escalated with inflation
- c. Property taxes as approved by the voters in the District in 2010 have been assumed for recreation in the amount of \$195,000 and for debt service in the amount of \$1870,000.
- d. Golf Operations, Golf Course Maintenance and Food and Beverage Expenses are based on *The New Cordillera Club_Budget_3_6-6-12*.
- e. General and Administrative, Information Technology, Human Resources and Engineering were initially derived from
 The New Cordillera Club Budget 3 6-6-12 but then were prorated for one course since The New Club Budget covered 3.5 golf courses.
- f. A Capital Maintenance and Replacement Allowance in an initial amount of \$200,000 has been provided for things like replacement of irrigation systems, building roofs, major equipment, etc.
- 10. Annual debt service on the acquisition bonds has been assumed to be \$187,000 per year.
- 11. The issuance of bonds in the amount of \$2,750,000 has been assumed and the proceeds used to cover the cost of acquiring the golf course and recreational amenities and cost of issuance of the bonds.