

Commissioner Straw moved adoption
of the following Resolution:

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

RESOLUTION NO. 2012- 110

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 The Eagle Valley Enterprise, 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.

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.

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MOVED, READ AND ADOPTED by the Board of County Commissioners of the County of Eagle, State of Colorado, at its regular meeting held the 20 day of November, 2012.

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

ATTEST:

Teak J. Simonton
Teak J. Simonton
Clerk to the Board of
County Commissioners



Bill [Signature] DEPUTY

By:

Peter F. Runyon
Peter F. Runyon
Chairman

Jon Stavney
Jon Stavney
Commissioner

Sara J. Fisher
Sara J. Fisher
Commissioner

Commissioner Fisher seconded adoption of the foregoing resolution. The roll having been called, the vote was as follows:

Commissioner Runyon	<u>Run</u>
Commissioner Stavney	<u>Run</u>
Commissioner Fisher	<u>Run</u>

This resolution passed by 3/0 vote of the Board of County Commissioners.

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.

2. 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. Description of Facilities and Improvements.

* * *

4. 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 an 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

Period: 08/21/12

Cardiera Valley Club Water District
 General Fund (Continued)
 Actual, Budget and Forecast for the Periods Indicated

General Fund (Continued)	2012 Forecast Total	2013 Budget	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast	2033 Forecast	2034 Forecast	
																								Actual 12/31/11
Capital Expenditures & Spec Projects																								
CDA Issues & Equipment	0	10,000																						
Security Vehicle	21,181																							
Berm Design - Street & Sols Engr	522																							
Road Survey/Chip Seals	0	100,000																						
Road Overlay - Star Road	0																							
Road Overlay - Star Road	0																							
Lighting - Motorists & Installation	0																							
Springs Upgrade	31,110																							
W Gas Composites & Call Box	0	3,700																						
W Gas Trees	52,821	125,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Other Capital Expenditures	107,897	(37,262)	23,831	18,808	32,812	38,102	45,927	40,863	(566,328)	(496,389)	58,710	52,266	31,689	(11,287)	7,485	(1,285)	(5,844)	(15,718)	3,745	(4,194)	99,102	9,084	34,400	
Rev over Exp After Cap	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Bond/Loan Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Bond Issue Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Additional Mkt of REIA (for Capital)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Other Sources & Uses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Beginning Fund Balance	264,817	374,714	237,332	243,895	305,858	322,725	355,537	393,039	428,897	469,660	499,660	530,334	565,661	605,661	645,661	685,661	725,661	765,661	805,661	845,661	885,661	925,661	965,661	1,005,661
Ending Fund Balance	374,714	337,332	293,895	305,858	322,725	355,537	393,039	428,897	469,660	499,660	530,334	565,661	605,661	645,661	685,661	725,661	765,661	805,661	845,661	885,661	925,661	965,661	1,005,661	

LONG RANGE FINANCIAL PLAN PAGE 3

See accompanying accountant's report.

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:
 - a. 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:
 - a. 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.
3. 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.

5. Administrative Expenses, Public Safety and Community Operations have basically been assumed to increase with inflation.
6. 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	Roads	Auto	Lighting	Signs	Gatehouse	Other	Total
2013	100,000					25,000	125,000
2014						25,000	25,000
2015						25,000	25,000
2016						25,000	25,000
2017						25,000	25,000
2018						25,000	25,000
2019						25,000	25,000
2020	624,044					25,000	649,044
2021	514,261	27,088				25,000	566,349
2022						25,000	25,000
2023						25,000	25,000
2024			50,000			25,000	75,000
2025			75,000			25,000	100,000
2026				75,000		25,000	100,000
2027				75,000		25,000	100,000
2028					100,000	25,000	125,000
2029						125,000	125,000
2030						125,000	125,000
2031						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						125,000	125,000
Total	1,238,305	27,088	125,000	150,000	100,000	2,025,000	3,665,393

8. 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

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.