

Tuscan Foothills Village Metropolitan District

**PUBLIC
INFORMATIONAL
SESSION
MAY 25, 2023**



Agenda – May 25, 2023 - Public Informational Session

- Introductions
 - Board of Directors
 - District Manager
 - District Responsibilities
 - Debt Review
 - Funding Methods
 - Financial Analysis
 - Fees & Payment Options
 - Questions & Comments
-

District Responsibilities:

- State, County, City compliance filings.
- Annual Audit
- Facilitation of City land acceptance and transfer
- Maintenance of District owned Lands
- Issuance and repayment of debt

“The District will use reasonable efforts to assure that all developers of the property located within the District Provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District’s authority to impose and collect rates, Fees, tolls, and charges. The form of notice shall be substantially in the form of Exhibit E... Within 90 days of District formation, the district will record the approved Disclosure form with the El Paso County Clerk and Recorder against all property included in the District and provide a copy to the City Clerks Office.” - SP, Article IX

This disclosure would be found on your Purchase Contract, prior to purchase or in the printed disclosure from your Title Company at closing.



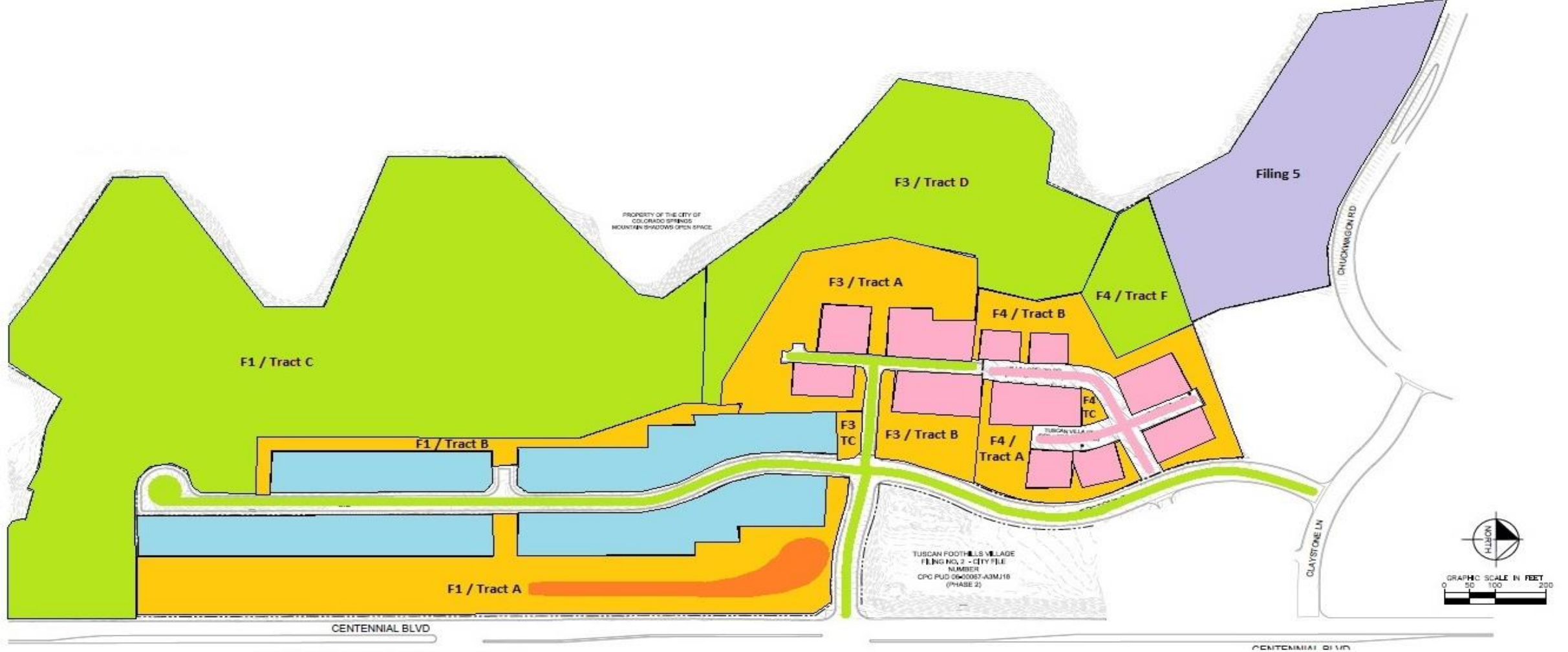
What is the District?

Metro districts are independent governmental entities formed to finance, design, acquire, install, construct, operate and/or maintain public improvements that are not otherwise being provided.” – HBA Background on Metro Districts

“Metropolitan districts are a type of Colorado special district that provides at least two types of services – fire, mosquito, parks and recreation, safety protection, sanitation, solid waste disposal, street improvement, television relay, transportation, water – and are created in accordance with the Special District Act (Title 32, Article 1, C.R.S.).”

Tuscan Foothills Village Metropolitan District:

“The District will finance certain public improvements consistent with this Service Plan which shall be conveyed to the appropriate governmental entity upon completion. After construction of the public improvements is complete, and on a continuing basis thereafter, the District will operate and maintain those improvements within the District that include parks and open space, drainage improvements, landscaping and entryway monuments.” – SP, Exhibit D



TRACTS BY SUBDIVISION FILINGS

FILING NO. 1

TRACT	SQUARE FEET	USE DESCRIPTION	OWNERSHIP/ MAINTENANCE
A	191,329 SF	OPEN SPACE, LANDSCAPE, WATER QUALITY POND	TFV METRO DISTRICT
B	30,884 SF	PRIVATE OPEN SPACE, DRAINAGE, LANDSCAPE	TFV METRO DISTRICT
C	725,990 SF	OPEN SPACE (INCL. FUTURE PUBLIC DEDICATION AREA)	CITY OF COLORADO SPRINGS

FILING NO. 3 CITY PLANNING NUMBER: CPC PUD 06-00067-A4MJ18

TRACT	SQUARE FEET	USE DESCRIPTION	OWNERSHIP/ MAINTENANCE
A	90,063 SF	OPEN SPACE, LANDSCAPE, DRAINAGE	TFV METRO DISTRICT
B	24,061 SF	OPEN SPACE, LANDSCAPE, WATER QUALITY POND	TFV METRO DISTRICT
C	3,841 SF	OPEN SPACE, LANDSCAPE, PRIVATE IRRIGATION CONNECTION	TFV METRO DISTRICT
D	225,829 SF	OPEN SPACE DEDICATION & ANY OTHER PUBLIC USES THE CITY OF COLORADO SPRINGS DEEMS APPROPRIATE	CITY OF COLORADO SPRINGS

FILING NO. 4 CITY PLANNING NUMBER: TBD

TRACT	SQUARE FEET	USE DESCRIPTION	OWNERSHIP/ MAINTENANCE
A	26,884 SF	OPEN SPACE, LANDSCAPE, DRAINAGE, PUBLIC IMPROVEMENTS	TFV METRO DISTRICT
B	51,830 SF	OPEN SPACE, LANDSCAPE, DRAINAGE, PUBLIC IMPROVEMENTS	TFV METRO DISTRICT
C	3,297 SF	OPEN SPACE, LANDSCAPE, DRAINAGE, PUBLIC IMPROVEMENTS	TFV METRO DISTRICT
F	44,452 SF	OPEN SPACE DEDICATION & ANY OTHER PUBLIC USES THE CITY OF COLORADO SPRINGS DEEMS APPROPRIATE	CITY OF COLORADO SPRINGS

FILING NO. 5 - Plans In Process

- City of Colorado Springs
- Tuscan Foothills Village Metropolitan District
- Tuscan Foothills Village Paired Homes Owners Association, Inc.
- Tuscan Foothills Village Townhome Owners Association, Inc.
- TFV1 - Developer

Which Public Improvements is the District responsible for and to what extent?

The District is governed by the Service Plan, the Approved Development Plan, Recovery Agreement(s), Reimbursement Agreement(s), and Resolutions as adopted by the Board – all in accordance with Title 32 C.R.S.

Exhibit E of the Service Plan outlines TFVMD's specific obligations and operations of the District as follows:

- Improvements: street improvements, curb and gutter, sidewalks, water lines, sewer lines, landscaping, irrigation and entryways.
- Maintenance: landscaping, irrigation and entryway features.

All Improvements and Maintenance standards are outlined in the Approved Development Plan.



Debt for Improvements:

The service Plan places a cap on Debt of \$1,100,000 – SP, Article V.A.10

On December 5, 2019, Bonds were issued in the amount of **\$1,097,139.60**.

Accretion/Interest Rate - 6.250%

Maturity Date - December 1, 2049

Trustee – UMB Bank

The Bond Funds were placed into an account under the District and used to repay the Developer for costs incurred installing approved Improvements.

The District maintains an ongoing Bond Fund, which is funded by tax revenue and used solely for repayment of the Bond Debt. The required Mill Levy, any additional tax revenues received, and all additional available funds have been pledged to repay this Debt.

The amount of Debt issued was calculated based on projections of development progress, market forecasts, and estimated property values to ensure the District's ability to repay. This Debt does not fund the full cost of infrastructure improvements, which was much higher but cannot be debited to the District due to inability to repay.

Debt for Improvements:

Facilities Funding Agreement – District Eligible Costs 2019 Estimates

TABLE II
Estimated Infrastructure Costs ^{1,2}

	Estimated Costs	Estimated Date of Completion
Service Plan Contemplated Public Infrastructure ³		
On-Site Public Infrastructure		
Water	\$ 468,470	June 2019
Sanitary Sewer	193,320	June 2019
Storm Sewer	142,567	July 2019
Streets – Curb and Gutter	75,000	June 2019
Streets – Asphalt	223,935	July 2019
Pond Outlet	<u>29,000</u>	September 2019
Total	<u>1,132,292</u>	
Private Improvements		
Gas	18,333	August 2019
Electric	32,400	August 2019
Data (Telecom)	27,000	August 2019
Landscaping and Irrigation	<u>60,000</u>	June 2020
Total Private Improvements	<u>137,733</u>	
Total Estimated Infrastructure Costs	<u>\$1,270,025</u>	

Mill Levy Calculations:

Financial Plan – *“All bonds and other Debt issued by the District may be payable from any and all legally available revenue of the District. including general ad valorem taxes and Fees to be imposed upon all taxable property of the District. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in the Special District Act or other State statutes. No District will be allowed to impose a sales tax.”* - SP, Article VI.A

- **Debt** Mill Levy – *“The Maximum Debt Mill Levy shall be 30 mills;”* - SP, Article VI.E. 1.a
- **Operating** Mill Levy – 5.00 mills beginning in 2019 and continuing until the majority of the Board of Directors is comprised of property Owners, at which time it can increase to 10 mills.

Maximum Mill Levy is capped at 40 mills for 40 years (30 + 10) plus Gallagher adjustments.

Funds for Operations & Maintenance:

The District has ongoing administrative expenses as well as maintenance obligations for landscaping, irrigation, and entryway features.

Fee limit – *“The District may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance.”* – SP, Article V.A .11

How have we gotten by?

“The Developer agrees to loan funds to the District for the payment of administrative and maintenance costs, not to exceed the aggregate of \$50,000 per year for four years, up to \$200,000 (which amount may subsequently increased). The funds shall be available to the District through December 31, 2021, unless renewed by the Developer. The Developer may agree to renew its obligation on an annual basis. The District agrees to reimburse such advances with 6.5% simple interest per annum, subject to annual appropriation and budget approval by the District.” – Funding Reimbursement Agreement

Developer Advances

Tax Collection Year	Developer Advance
2018 (actual)	\$19,323
2019 (actual)	\$20,528
2020 (actual)	\$56,940
2021 (actual)	\$32,045
2022 (actual)	\$69,533
2023 (\$38,315.77 to-date)	\$65,000
Total	\$263,369

O&M Expense Analysis

Expenses (projected with 3% inflation rate from 2024 and beyond)														
Accounting	Audit	County Treasurers Fee (1.5%)	SDA Dues	District Management	Insurance	Legal	Misc.	Website	Election	Stormwater	Utilities - Paid to HOA	Landscape Maintenance	Contingency	Total Expenses
8,165.00	-	-	267.00	-	2,235.00	10,820.00	4.00	-	1,531.00	-	-	-	-	23,022.00
8,000.00	-	-	355.00	-	3,108.00	13,642.00	-	-	-	-	-	-	-	25,105.00
28,436.00	3,000.00	29.00	300.00	-	2,510.00	17,417.00	-	-	1,077.00	-	-	-	-	52,769.00
30,219.00	3,250.00	74.00	305.00	-	2,519.00	11,541.00	-	-	-	-	-	-	-	47,908.00
-	6,354.50	159.54	310.31	32,752.06	5,090.00	22,094.42	58.00	-	1,829.11	238.93	28.79	-	-	68,915.66
-	9,325.00	186.00	400.00	24,000.00	3,000.00	5,000.00	-	150.00	2,500.00	2,000.00	17,800.00	8,200.00	3,132.50	75,693.50
-	9,604.75	191.58	412.00	24,720.00	3,090.00	5,150.00	-	154.50	2,575.00	2,000.00	6,180.00	8,446.00	2,615.78	65,139.61
-	9,892.89	197.33	424.36	25,461.60	3,182.70	5,304.50	-	159.14	2,652.25	2,000.00	6,365.40	8,699.38	2,691.25	67,030.79
-	10,189.68	203.25	437.09	26,225.45	3,278.18	5,463.64	-	163.91	2,731.82	2,000.00	6,556.36	8,960.36	2,768.99	68,978.72
-	10,495.37	209.34	450.20	27,012.21	3,376.53	5,627.54	-	168.83	2,813.77	2,000.00	6,753.05	9,229.17	2,849.06	70,985.08
-	10,810.23	215.62	463.71	27,822.58	3,477.82	5,796.37	-	173.89	2,898.19	2,000.00	6,955.64	9,506.05	2,931.53	73,051.63
-	11,134.54	222.09	477.62	28,657.26	3,582.16	5,970.26	-	179.11	2,985.13	2,000.00	7,164.31	9,791.23	3,016.47	75,180.18
-	11,468.57	228.76	491.95	29,516.97	3,689.62	6,149.37	-	184.48	3,074.68	2,000.00	7,379.24	10,084.97	3,103.97	77,372.59
Former expense for Management, no longer used under WSDM.	Actual contract expense for 2022 with a 3% inflation each year thereafter.	Actual expense for 2022 with a 3% inflation each year thereafter.	Actual expense for 2022 with a 3% inflation each year thereafter.	New expense for Management, as WSDM provides services above and beyond accounting.	Actual contract expense for 2022 with a 3% inflation each year thereafter.	Budgeted figure for 2023 with a 3% inflation each year thereafter.	Neither budgeted nor projected, but included to ensure all expenses are accounted for.	New expense for website & website maintenance to comply with changes is Statute.	Reduced expenses from 2023 budgeted figure of \$10,000 with a 3% inflation each year thereafter.	Inflation not applied as cost per acre will remain steady year-to-year.	\$11,800 unbudgeted reimbursement to be paid to the HOA in 2023, \$6,000 baseline budget and 3% inflation each year thereafter.	Actual contract expense for 2023 with a 3% inflation each year thereafter.	New expense not previously budgeted for unanticipated expenses going forward.	Total expenses from all categories.

O&M Income Analysis

Development				Revenue				
Tax Collection Year	Homes at End of Year	Assessed Valuation	O&M Mill Levy	Total Revenue	Total Expenses	Total Shortfall in Revenue	Developer Advance Revenue	Running Total Developer Contributions
2018 (actual)	0	\$ 534,190.00	5.566	\$ -	\$ 23,022.00	\$ 23,022.00	\$ 19,323.00	\$ 19,323.00
2019 (actual)	0	\$ 417,340.00	5.566	\$ -	\$ 25,105.00	\$ 25,105.00	\$ 20,528.00	\$ 39,851.00
2020 (actual)	0	\$ 329,650.00	5.566	\$ 2,123.00	\$ 52,769.00	\$ 50,646.00	\$ 56,940.00	\$ 96,791.00
2021 (actual)	0	\$ 884,080.00	5.566	\$ 5,513.00	\$ 47,908.00	\$ 42,395.00	\$ 32,045.00	\$ 128,836.00
2022 (actual)	64	\$ 1,894,040.00	5.566	\$ 12,185.98	\$ 68,915.66	\$ 56,729.68	\$ 69,532.92	\$ 198,368.92
2023	74	\$ 2,165,260.00	5.721	\$ 13,006.70	\$ 75,103.50	\$ 62,096.80	\$ 65,000.00	\$ 263,368.92
2024	98	\$ 2,982,206.75	11.442	\$ 33,439.96	\$ 65,139.61	\$ 31,699.64	\$ -	\$ 263,368.92
2025	110	\$ 3,347,374.92	11.442	\$ 37,534.65	\$ 67,030.79	\$ 29,496.14	\$ -	\$ 263,368.92
2026	110	\$ 3,481,269.92	11.442	\$ 39,036.04	\$ 68,978.72	\$ 29,942.68	\$ -	\$ 263,368.92
2027	110	\$ 3,481,269.92	11.442	\$ 39,036.04	\$ 70,985.08	\$ 31,949.04	\$ -	\$ 263,368.92
2028	110	\$ 3,620,520.71	11.442	\$ 40,597.48	\$ 73,051.63	\$ 32,454.15	\$ -	\$ 263,368.92
2029	110	\$ 3,620,520.71	11.442	\$ 40,597.48	\$ 75,180.18	\$ 34,582.70	\$ -	\$ 263,368.92
2030	110	\$ 3,765,341.54	11.442	\$ 42,221.38	\$ 77,372.59	\$ 35,151.21	\$ -	\$ 263,368.92
Actual figures included up to now, projected future figures are subject to change.	Assumes Filing 4 completion in 2024 & Filing 5 completion in 2025.	Assumes a 4% increase in property values with each biannual County evaluation.	Assumes Homeowner Control of the Board in 2023 allowing an increase from 5-10 mills.	Assumes 98% property tax collection rate on average.	Assumes staying within budget with a 3% inflation factor year over year.	Total Expenses less total Revenue.	Contributions made by the Developer each year since inception.	Running total contributions made by the Developer.

O&M Fee Analysis

Qualifying Fees					Fees Per Home			
Total Landscape / Water Fee Expenses	Applicable Percent	Management Percent Qualifying Fee Expenses	Legal Percent Qualifying Fee Expenses	Total Qualifying Fee Expenses	O&M Fees Necessary	Annual Fee Per Home	Monthly Fee Per Home	
\$ -	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 267.72	1.903%	\$ 623.23	\$ 420.43	\$ 1,311.38	\$ -	\$ -	\$ -	
\$ 28,000.00	59.966%	\$ 14,391.72	\$ 2,998.28	\$ 57,190.00	\$ 57,190.00	\$ 772.84	\$ 64.40	
\$ 16,626.00	47.140%	\$ 11,652.94	\$ 2,427.70	\$ 30,706.64	\$ 30,706.64	\$ 313.33	\$ 26.11	
\$ 17,064.78	47.056%	\$ 11,981.26	\$ 2,496.10	\$ 31,542.13	\$ 31,542.13	\$ 286.75	\$ 23.90	
\$ 17,516.72	46.975%	\$ 12,319.35	\$ 2,566.53	\$ 32,402.60	\$ 32,402.60	\$ 294.57	\$ 24.55	
\$ 17,982.23	46.895%	\$ 12,667.51	\$ 2,639.06	\$ 33,288.80	\$ 33,288.80	\$ 302.63	\$ 25.22	
\$ 18,461.69	46.818%	\$ 13,026.04	\$ 2,713.76	\$ 34,201.49	\$ 34,201.49	\$ 310.92	\$ 25.91	
\$ 18,955.54	46.743%	\$ 13,395.27	\$ 2,790.68	\$ 35,141.49	\$ 35,141.49	\$ 319.47	\$ 26.62	
\$ 19,464.21	46.670%	\$ 13,775.50	\$ 2,869.90	\$ 36,109.61	\$ 36,109.61	\$ 328.27	\$ 27.36	
Total expenses directly applicable to Maintenance Services provided.	Total expenses for Maintenance Services as a percentage of all total expenses, Applicable Percent.	Applies the Applicable Percent to the annual Management expenses.	Applies the Applicable Percent to the annual Legal expenses.	Direct expenses for Maintenance Services + Applicable Percent of Management Fees + Applicable Percent of Legal Fees.	Culminating fees for 2022 & 2023 since fees were not in place previously.	O&M Fees divided by the total number of occupied homes each year.	Annual Fee Per Home divided into 12 monthly payments.	

Analysis Review

- The Developer promised funding advances to the District for 4-years estimated to be \$50,000 per year or a total of \$200,000.
- The Developer has provided funding advances to the community for 6-years.
- The Developer is entitled to reimbursement for funding advances.
- Shortfall through the end of 2022 was ~\$198,386 (funded by advances).
- Shortfall for 2023 alone is projected at \$62,096 (funded by advances).
- The financial projections presented today do not account for any repayment to the Developer.
- The Fees adopted for 2023 at \$617 per home are only the first step toward balancing the budget.
- Fees are based on actual income and actual expenses, so the Board will have to re-calculate toward the end of each year, in order to set the new Fee for the coming year.
- Additional Public meetings will be held to provide updates with each new budget.

Why is the Fee Annual?

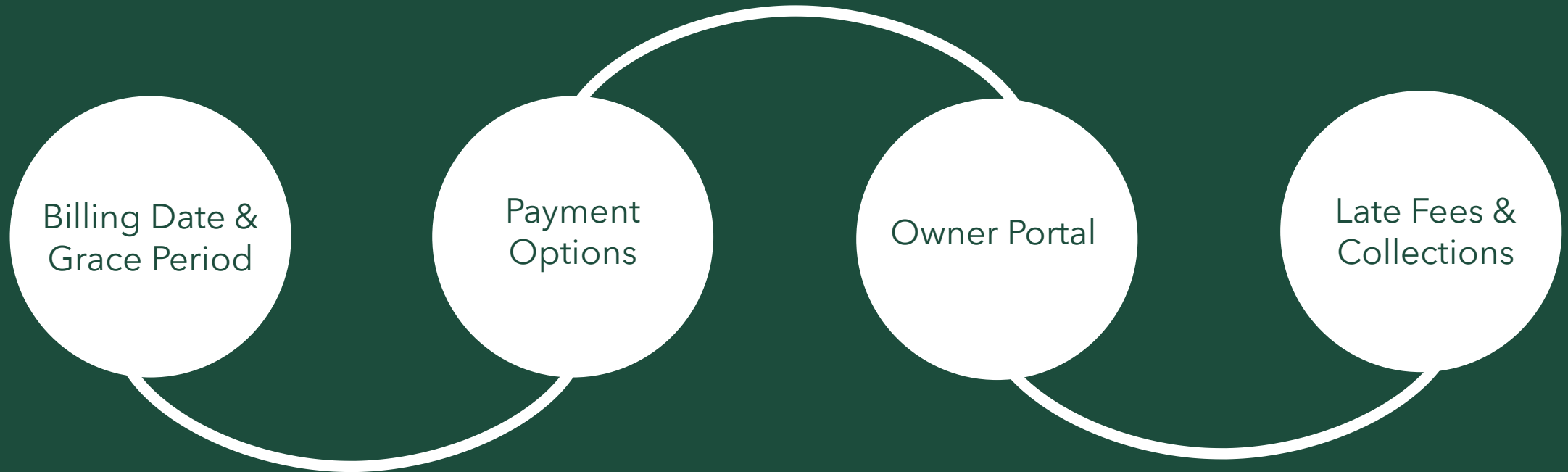
Administrative costs must be considered in conjunction with billing Fees.

Monthly Fees require monthly notices printed and sent by mail, follow-up notices for those who may be late on payment, and collection and attorney Fees for those who become delinquent.

Annual Fees reduce the cost of printing, postage, mail, Management, Process Servers, and Legal expenses.

The Board of Directors has been working hard to reduce the shortfall by minimizing expenses and felt that adding a new administrative expense would contradict the efforts to get the community on-track.

NEXT STEPS





Future Fees

1. You should have received a letter from the County, stating your properties estimated value. Each Owner has until June 8th to file an objection to those estimated values.
 2. The County will process these objections in June & July, then provide the District with preliminary Assessed valuations in August, which will allow work to begin on a draft budget for 2024.
 3. The Board will analyze the existing expenses and adopt a budget for 2024 in or around October.
 4. This Budget will establish the fee(s) for 2024.
 5. This process will repeat each year until fees become unnecessary.
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Questions?

Next Public Forum Meeting *tentatively*
October 19, 2023 at 6:00 p.m.