

CITY OF BRIGHTON, COLORADO

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRIGHTON, COLORADO CONSENTING TO AN ADJUSTMENT OF THE COMBINED MILL LEVY AUTHORIZED BY THE SERVICE PLANS FOR PRAIRIE CENTER METROPOLITAN DISTRICT NOS. 2, 3, 4, 5, 6, 7, 8, 9 AND 10.

Resolution No. 2017-96

WHEREAS, Prairie Center Metropolitan District Nos. 2, 3, 4, 5, 6, 7, 8, 9 and 10 (each a “District” and, collectively, the “Districts”) were organized and operate pursuant to their respective service plans, as originally approved by the City Council (the “City Council”) of the City of Brighton, Colorado (the “City”), and as the same have been amended or modified (each a “Service Plan” and, collectively, the “Service Plans”); and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Service Plans; and

WHEREAS, subject to certain provisions set forth in each Service Plan, Section VI.C of each Service Plan provides that for any portion of any aggregate District’s debt which exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy for such portion of debt that a District is permitted to impose upon taxable property within that District for payment of such debt shall be fifty (50) mills; provided that if, on or after January 1, 2006, there are changes in the method for calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy pledged to pay debt service on debt issued by such District may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of Directors of the District in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes (referred to herein as the “Debt Service Mill Levy Adjustment”), and that for purposes of the Debt Service Mill Levy Adjustment, a change in the ratio of actual valuation shall be deemed a change in the method of calculating assessed valuation; and

WHEREAS, each Service Plan provides that the applicable District’s mill levy for operation and maintenance services together with the District’s mill levy for debt service shall not exceed sixty (60) mills (the “Combined Mill Levy”) without prior written consent of the City Council; and

WHEREAS, although the Service Plans provide that the Maximum Debt Mill Levy may be adjusted pursuant to the Debt Service Mill Levy Adjustment, the Service Plans do not provide that the Combined Mill Levy (which includes the debt service mill levy) may also be similarly adjusted, which results in inconsistencies in the Service Plans and unintended consequences; and

WHEREAS, under the current Service Plans, if the District’s mill levy for debt service is adjusted to sixty (60) mills, as permitted by the Service Plans, and the Maximum Combined Mill Levy is limited to sixty (60) mills and not similarly adjusted, the District will not be able to impose a mill levy to pay its operations and maintenance costs; and

WHEREAS, the Board of Directors of each District has determined that it is in the best interests of its taxpayers and residents to request the consent of the City Council to allow the Combined Mill Levy to be subject to a mill levy adjustment, as set forth below, in order to eliminate the inconsistencies and unintended consequences of the current Service Plans; and

WHEREAS, the requested consent that would allow the Combined Mill Levy to be subject to a mill levy adjustment is consistent with the City's current policies relating to Metropolitan Districts and the Model Service Plan that is being considered for approval by the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRIGHTON, COLORADO:

Section 1. The City Council hereby consents to the adjustment of the Combined Mill Levy in each of the Service Plans, as follows:

If, on or after January 1, 2006, there are changes in the method for calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the Combined Mill Levy of sixty (60) mills may be increased or decreased to reflect such changes, such increases or decreases to be determined by its Board of Directors in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the Combined Mill Levy, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed a change in the method of calculating assessed valuation.

ADOPTED this 5th day of September 2017.

CITY OF BRIGHTON, COLORADO

By: _____
Richard McLean, Mayor

ATTEST:

By: _____
Natalie Hoel, City Clerk

APPROVED AS TO FORM:

Margaret Brubaker, City Attorney