

RESOLUTION NO. 2020-017

A RESOLUTION APPROVING AN AMENDMENT TO THE SERVICE PLAN FOR THE BELLA MESA METROPOLITAN DISTRICT AND CERTIFYING COMPLIANCE WITH TOWN CODE SECTION 11.02.110

WHEREAS, the Bella Mesa Metropolitan District f/k/a Vistas at Rock Canyon Metropolitan District (“District”) is a special district located wholly within the boundaries of the Town of Castle Rock, Colorado (“Town”); and

WHEREAS, on August 24, 2004, the Town Council of the Town of Castle Rock approved a service plan for the District by Resolution No. 2004-120, which service plan was amended by resolution of the District’s Board of Directors adopted on May 4, 2006 after publication of a Notice of Amendment to Service Plan in *The Douglas County News-Press* on March 9, 2006, and which service plan was amended a second time by Resolution 2018-058 adopted by the Town on June 19, 2018 (collectively the “Service Plan”); and

WHEREAS, Section V.A of the Service Plan provides the District will submit proposed financing to the Town for comment prior to issuance of debt; and

WHEREAS, Section 11.02.110 of the Town Code provides that “[a] District shall not issue any indebtedness or refinance any outstanding indebtedness without first submitting the proposed financing to the Town for review and comment. The submission shall include the dollar amount of the issue, the interest rate and other financing costs, the type of revenues pledged to repayment, including the amount of the mill levy pledged, and a description of the credit enhancements, together with any preliminary official statement or other prospectus for the debt issue. The submission shall be accompanied by a certification of the Board that the proposed issuance or refinance of indebtedness is authorized by and in compliance with the service plan for the District. The Town Council shall review such proposed financing at a regular meeting within thirty (30) days of receipt of the required submittal and forward any comments to the Board within ten (10) days of such meeting. The approval or authorization of the Town Council for the proposed financing is not required under this Section, unless required under the express terms of the service plan or intergovernmental agreement. The Town Council at the request of the Board or of its own initiative may waive the review, in its discretion. Upon request, an officer of the Town shall certify to the Board or its underwriter when compliance with this Section has been met. The failure of a District to substantially comply with this Section shall empower the Town Council to impose the sanctions authorized in Section 11.02.230 of this Chapter”; and

WHEREAS, the District has submitted to the Town a term sheet dated February 6, 2020 that includes the estimated dollar amount of the issue, the estimated interest rate and other financing costs, the type of revenues pledged to repayment, including the amount of the mill levy pledged, and a description of the credit enhancements which is attached hereto as **Exhibit A** and incorporated herein by this reference; and

WHEREAS, the District has submitted to the Town a draft dated February [REDACTED], 2020 of the preliminary limited offering memorandum for the proposed debt issuance; and

WHEREAS, the District has submitted to the Town a certification of the Board dated February 3, 2020 stating that the proposed debt issuance is authorized by and in compliance with the Service Plan for the District which is attached hereto as **Exhibit B** and incorporated herein by this reference; and

WHEREAS, in reviewing the proposed indebtedness with the Town staff it has come to the attention of the Town and the District that the passage of time and changes in the development plans within the boundaries of the District have resulted in Exhibit E – Financial Plan – to the Service Plan not accurately reflecting the current Financial Plan of the District and, as such, the District and the Town wish to amend the Service Plan to update the Financial Plan with the Financial Plan attached hereto as **Exhibit C** and incorporated herein by this reference; and

WHEREAS, the Town and the District agree that this amendment does not constitute a material modification to the Service Plan as contemplated by Section VIII of the Service Plan, the Town Code or § 32-1-207(2), C.R.S.; and

WHEREAS, the District has requested in accordance with Section 11.02.110 of the Town Code that an officer of the Town shall certify to the District that compliance with Section 11.02.110 of the Town Code has been met and the Town wishes to hereby provide that certification.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO AS FOLLOWS:

1. **Amendment to Service Plan**. The Town Council hereby amends the Service Plan for the District to replace Exhibit E thereto in its entirety with **Exhibit C** attached to this Resolution.

2. **Certification**. In accordance with Section 11.02.110 of the Town Code the Town hereby certifies to the District that its obligation to comply with Section 11.02.110 of the Town Code has been met and no further approval of the Town is required prior to issuance of the general obligation bonds by the District provided that the general obligation bonds issued by the District meet the following minimum criteria:

a. The mill levy pledged to repayment of the bonds will not exceed the Mill Levy Cap set forth in Section V.E.1 of the Service Plan, which, if issued at this time would be 55.664 mills and remains subject to adjustment as provided in Section V.E.1 of the Service Plan; and

b. The bonds shall discharge, terminate, and be void not later than 40 years from the date of issuance and after such discharge date the District shall have no further obligation for the payment of any amount of principal of or interest on the Bonds remaining unpaid; and

c. The bonds are first subject to redemption at par not later than the 10th anniversary of the date of issuance, at the option of the District, such that the District can refund or refinance the bonds to take advantage of improved market conditions or other factors that could result in better terms for the District and its taxpayers.

3. **Limited Effect.** Except as expressly modified by this Resolution, all provisions of the Service Plan and the Town Code's applicable thereto shall remain in full force and effect.

PASSED, APPROVED AND ADOPTED this 18th day of February, 2020 by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of ____ for and ____ against.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Robert J. Slentz, Town Attorney