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\* ADMITTED IN:  
MASSACHUSETTS,  
DISTRICT OF COLUMBIA  
AND TEXAS

Board of County Commissioners  
Arapahoe County Courthouse  
5334 South Prince Street  
Littleton, CO 80120

RE: Amended Service Plan for Sundance Hills Metropolitan  
District

Gentlemen:

The enclosed petition and five copies of the Amended Service Plan for the Sundance Hills Metropolitan District are submitted pursuant to provisions of the "Special District Control Act", Part 2 of Article 1 of Title 32, C.R.S. 1973, as amended. Pursuant to Section 32-1-209 (3) a processing fee in the amount of \$100.00 is also submitted.

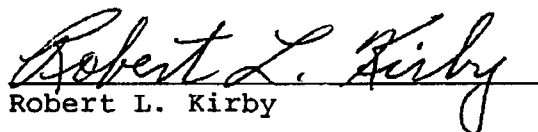
It is requested that the Commissioners set a hearing date for the amended service plan within 30 days as required by the Special District Control Act.

This office will be available to assist in the mailing of notices or in other matters as directed by the county staff.

Very truly yours,

CALKINS, KRAMER, GRIMSHAW & HARRING  
Attorneys for the Sundance Hills  
Metropolitan District

By:

  
Robert L. Kirby

RLK/rls

Enclosure

cc: Mr. Don Paul  
Arapahoe County Planning Director

#171-80

AMENDED SERVICE PLAN

SUNDANCE HILLS METROPOLITAN DISTRICT  
ARAPAHOE COUNTY, COLORADO

November 1979

## GENERAL INFORMATION

The Sundance Hills Metropolitan District was approved by the taxpaying electors of the District at a Special Election established by the District Court of Arapahoe County on October 23, 1979. The organization of the District was approved by a vote of 240 For the District and 54 Against the formation of the District. Following the organizational election at which time five resident taxpayers were elected to the first Board of Directors, the District Court signed an Order on November 9, 1979, formally creating the Sundance Hills Metropolitan District.

The area of the District includes the platted areas known as the Sundance Hills Subdivision. The subdivision is comprised of six filings and is located entirely within the boundaries of Arapahoe County, Colorado, containing approximately 140 acres. The legal description includes all of Sundance Hills, Filings 1 through 6, located in the NE 1/4 Section 15, Township 5 South, Range 67 West, 6th P.M., County of Arapahoe, State of Colorado.

The six filings are substantially developed and only a few lots remain for development within the district boundaries. The average home price in 1978 was approximately \$136,000.

The original Sundance Hills Metropolitan District was organized solely for the purpose of providing improvements to the peripheral area of the subdivision and more specifically for the purpose of installing and maintaining landscaping on the perimeter areas of the Sundance Hills Subdivision.

## PURPOSE FOR THE REVISED SERVICE PLAN

A desire has been expressed by certain residents of the Sundance Hills Subdivision and the Sundance Hills Metropolitan District to broaden the purposes for which the District is established to include the acquisition of an existing swimming and tennis complex, together with related clubhouse and other recreational facilities. The clubhouse and related recreational facilities are currently owned by the Sundance Development, Inc., which is primarily owned and controlled by the original developers of the Sundance Hills Subdivision. By letter of August 15, 1979, addressed to James K. Kreutz, legal counsel for certain area residents, the developers indicated a desire to sell the facility for a purchase price of \$225,000. This letter further stated that the developer's understanding is that the purchaser would be a metropolitan district comprised of the approximately 325 lots located in the Sundance Hills development.

Subsequent to receipt of the August 15, 1979, letter from legal counsel representing the Sundance Development, Inc., the taxpaying electors of the District who were subsequently elected as the first board of directors declared their intent prior to such election of their support of the acquisition of the recreational facilities. Recognizing that an election to authorize bonded indebtedness to acquire such recreational facility, is required, we request approval of the amended service plan as the initial action to place before the voters the legal question as stated.

It should be noted that the letter of August 15, 1979, provides that a closing date occur no later than six months from September 1, 1979, in order to conclude the transaction prior to the summer season. In order to meet this deadline and to provide transfer of ownership prior to the 1980 recreational season, the Board of Directors of Sundance Metropolitan District must take early action to request the necessary legal approvals for the acquisition of the facility.

#### OPERATION OF THE RECREATIONAL FACILITY

The operation of the recreational facility, if acquired by the Sundance Hills Metropolitan District, would be conducted by the elected board of directors with supervision by a hired staff member of the district. Based upon information furnished to the board of directors by the present owners of the recreational facility, it is anticipated that the annual operation and maintenance expense in the first year of operation will be approximately \$45,000. The District expects income from the operation of the facility to include membership fees, interest income, tax income and other minor income from the sale of products from vending machines.

#### FINANCIAL INFORMATION

On the advice of Hanifen, Imhoff & Samford, Inc., financial adviser to the District, it is expected that the plan of financing will be accomplished through the issuance of bonds in the estimated amount of \$250,000. In order, however, to protect the District against additional inflationary costs or to reimburse the District for unexpected repairs and maintenance, it is the intent to request voter approval for bonds in an amount not to exceed \$275,000. The bonds, as required by law, would be payable over a 20-year period and the first year's

interest would be capitalized from bond proceeds. The bonds will enjoy early redemption provisions as later determined by the Board of Directors. The maximum net effective interest rate shall be 10% and the maximum discount is 2%.  
12%

The primary source of income, in addition to revenue sources as reported under the operation and maintenance heading, will be general property tax estimated at 4.25 mills. It is anticipated that this mill levy will continue through the repayment period of the bonds or 20 years. The present estimated assessed valuation within the district boundaries is \$5,176,000 and the estimated population is 1,050.