

NEIGHBORS POINT METROPOLITAN DISTRICT
FREQUENTLY ASKED QUESTIONS
April 8, 2024

WHAT IS THE NEIGHBORS POINT METROPOLITAN DISTRICT?

Neighbors Point Metropolitan District (the “**District**”) is a special district that was organized on December 2, 2004, by an Order and Decree issued by the Weld County District Court after an election of the eligible electors authorizing its organization. It is a public entity that is authorized to own, operate, and maintain public improvements and impose taxes and/or fees to pay for such services, improvements, and administrative costs.

The current governing document of the District is the Amended and Restated Service Plan, which was approved by the Board of Trustees of the Town of Firestone (the “**Town**”) on June 8, 2022, by Resolution No. 22-53 (the “**Service Plan**”). In addition to the Service Plan, the District operates pursuant to Title 32 of the Colorado Revised Statutes, also known as the Special District Act, and various other Colorado statutes.

PURPOSE OF THE DISTRICT

The District was created to address the need for the design, financing, construction, operation, and maintenance of public improvements for the development of project area. At the time of the District’s creation, it was not economically feasible for the Town to provide these services and facilities. The most economical means to provide these services and facilities was determined to be through a special district.

HOW IS THE DISTRICT GOVERNED?

The District is governed by a five-member elected Board of Directors (the “**Board**”). The Board currently has three vacant positions. The Board will interview applicants on a rolling basis. Please contact the District’s general counsel, Heather Hartung, at hhartung@wbapc.com, if you wish to be considered for one of the vacant positions. Eligible directors must be qualified by (1) being either an owner, or the spouse or civil union partner of an owner, (in an individual capacity) of taxable property within the legal boundaries of the District or a resident of the District; and (2) be registered to vote in the State of Colorado.

The next regular election for the Board will be held on May 6, 2025. Those interested in running for positions on the Board must submit a self-nomination form to the District’s Designated Election Official in February 2025. Information regarding self-nominations and submittal deadlines will be published in early 2025 in accordance with Colorado election laws.

ARE DIRECTORS PAID?

Directors may be paid for their service within the parameters of Sections 32-1-902(3)(a)(I)-(III), C.R.S., which caps compensation for directors at a maximum of \$100 per meeting attended, for a yearly total not to exceed \$2,400.

At this time, the Directors do receive compensation for their service on the Board.

HOW MUCH DEBT DOES THE DISTRICT HAVE?

The District issued debt in 2022 in the form of a Limited Tax General Obligation Loan, Series 2022, in the amount of \$5,400,000 (the “**Loan**”). The Loan is anticipated to be paid off in December 2037. However, this may change if the Loan is refinanced, or if additional debt is issued. At this time, the District does not have any plans to issue additional debt.

WHAT ARE THE SOURCES OF FUNDING FOR DISTRICT EXPENSES?

The District is funded by revenues generated from a property tax mill levy. The Service Plan limits the mill levies as follows: (i) the debt services mill levy is limited to a maximum of 50.000 mills and the District’s operation and maintenance mill levy is limited to a maximum of 10.000 mills, subject to adjustments in the calculation of residential assessment ratio; and (ii) the District must impose an operations and maintenance mill levy of 3.000 mills on behalf of the Town, which revenue is remitted to the Town.

HOW ARE TAXES CALCULATED?

Property taxes for individual parcels of property are calculated by taking the assessed valuation (the “**AV**”) and multiplying that by the total mill levy imposed on that parcel: $(AV) \times (Total\ Mill\ Levy/1000) = Annual\ Tax\ Bill$.

For residential properties, the County Assessor calculates the AV by determining the actual (not market) value of the property and multiplies it by the assessment ratio, which is set by statute at 6.7% for taxes collected in 2024. The County Treasurer then determines the total annual tax bill by multiplying the AV by the number of total mills imposed by all governmental entities which tax the property. Property taxes vary depending on the value and location of the residential property, so keep in mind that your neighbor may pay a different amount than you.

The District imposed the following mill levies to be collected in the 2024 fiscal year: 40.500 mills on property for the purpose of payment of the debt issued by the District; 9.200 mills for operational purpose; and 3.000 mills for the Town Operation and Maintenance Levy. The total mill levies imposed by the District for collection in 2024 are 52.700 mills.

Therefore, if your home has an actual value of \$500,000, the taxes paid to the District in 2024 would be as follows:

$\$500,000 \text{ (Actual Value)} \times 6.7\% \text{ (Assessment Ratio)} = \$33,500 \text{ (AV)}$

$\$33,500 \text{ (AV)} \times (52.7000/1000) \text{ (mill levy)} = \$ 1,765.45 \text{ (Taxes paid to District)}$

HOW DOES THE DISTRICT’S MILL LEVY CHANGE YEAR-TO-YEAR?

The mill levy the District imposes is based on the County Assessor’s determination of the assessed value of the property within the District. The Service Plan allows the District to adjust the mill levy imposed in response to changes in the assessed value of property within the District, such that the District remains revenue-neutral and the funds collected do not increase or decrease year-over-year.

WHY DOES THE DISTRICT IMPOSE A MILL LEVY?

The District was organized to finance, construct, operate, and maintain public improvements serving the property within its boundaries. In order to finance the construction costs, the District may issue bonds or other financial obligations (generally referred to as “debt”). Such debt must be repaid through the collection of property tax revenues generated by the mill levy imposed by the District. As of January 1, 2024, the District has completed all infrastructure projects and is concentrated on paying off debt.

As a public entity, the District must remain in compliance with the Special District Act. Such compliance and District management result in administrative costs.

DOES THE DISTRICT ENFORCE FEES?

The District does not currently impose any fees or rates within the District.

DOES THE DISTRICT ENFORCE COVENANTS?

The District does not enforce covenants. The Neighbors Point Homeowners Association (the “HOA”) enforces covenants within the community and is a separate and distinct entity from the District.

WHEN AND WHERE ARE DISTRICT MEETINGS HELD?

For 2024, the District scheduled a regular meeting on November 5, 2024 at 6:00pm via Zoom. The District will also hold a town hall meeting/annual meeting on November 5, 2024 at 5:00pm via Zoom.

Due to unforeseen circumstances, meetings are subject to cancellation. To avoid any inconvenience, any interested parties are encouraged to verify the status of an upcoming meeting the District's legal counsel (contact information below).

The District, as the need arises, may also call special meetings throughout the year.

WHO DO I CONTACT IF THERE ARE QUESTIONS OR CONCERNS ABOUT DISTRICT PROPERTY?

For questions related to the condition of District-owned property, please contact the District's general legal counsel. For general reference, the District is not currently responsible for any maintenance of common areas within the District; the HOA is the responsible party for ongoing maintenance projects within the District.

NEED MORE INFORMATION?

More information regarding the District may be obtained from the District's general counsel using the information below.

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