

# SCOTT GULCH METROPOLITAN DISTRICT

## 2023 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for Scott Gulch Metropolitan District (the “District”) the District are required to provide an annual report to Douglas County with regard to the following matters:

For the year ending December 31, 2023, the District make the following report:

### §32-1-207(3) Statutory Requirements

**1. Boundary changes made.**

There were no changes made to the District’s boundaries in 2023.

**2. Intergovernmental Agreements entered into or terminated with other governmental entities.**

There were no Intergovernmental Agreements entered into or terminated in 2023.

**3. Access information to obtain a copy of rules and regulations adopted by the board.**

The District did not adopt any rules and regulations in 2023.

**4. A summary of litigation involving public improvements owned by the District.**

To our actual knowledge, based on review of the court records in Douglas County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2023.

**5. The status of the construction of public improvements by the District**

As of December 31, 2023, no public improvements had been constructed by the District. All public improvements for the development are being constructed by Toll Southwest LLC (“Toll”).

According to Toll, construction of the public improvements and regional improvements were started in winter 2023/2024 with Phase 1a and 1b expected to be complete by December 2024, with the exception of landscaping. Landscaping for all phases and construction of public improvements serving Phases 2-4 are expected to be complete by fall of 2025.

**6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.**

The District did not construct any facilities or improvements dedicated to or accepted by the County in 2023.

**7. The final assessed valuation of the District as of December 31<sup>st</sup> of the reporting year.**

The District's final assessed valuation is attached hereto as **Exhibit A**.

**8. A copy of the current year's budget.**

A copy of the 2024 Budget and Resolution Amending 2024 Budget are attached hereto as **Exhibit B**.

**9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

The 2023 Audit Exemption Application is attached hereto as **Exhibit C**.

**10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.**

To our actual knowledge, the District did not receive notice of any uncured events of default by the District, which continued beyond a ninety (90) day period, under any debt instrument.

**11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

To our actual knowledge, there was not any inability of the District to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

**Service Plan Requirements**

**1. District Description - General Information**

*a. Board members, officers' titles, and terms*

Ben Both – President – May 2025

Denise Denslow– Assistant Secretary/Treasurer– May 2027

Kyle Ninness– Assistant Secretary/Treasurer – May 2025

Timothy Westbrook –Treasurer – May 2027

Chris Osler –Secretary – May 2027

*b. Changes in board membership in past year*

There were no board membership changes in the past year. Name and address for official District contact

Megan J. Murphy, Esq., Legal Counsel  
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303-858-1800

Carrie Bartow, District Accountant  
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8390 E Crescent Parkway, Suite 300, Greenwood Village, CO  
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Samantha Kyle, District Manager  
The Management Association, Inc.  
3091 S. Jamaica Court, Suite 100, Aurora, CO 80014  
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(303) 750-0994

*c. Elections held in the past year and their purpose*

November 7, 2023 – organizational election to elect first Board of Directors and to authorize debt and taxes for purposes of construction of the public improvements contemplated in the service plan.

**2. Boundary changes for the report year and proposed changes for the coming year**

There were no changes made or proposed to the District’s boundary in 2023.

**3. List of intergovernmental agreements (existing or proposed) and a brief description of each detailing the financial and service arrangements**

*a. Contracts for operations, debt, and other contractual obligations with sub-districts or operating and taxing districts*

N/A

*b. Reimbursement agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District*

The District is a party to that certain Funding and Reimbursement Agreement (Operations and Maintenance) dated December 20, 2023, with Toll (the “**Operations Agreement**”). Pursuant to the Operations Agreement, Toll agrees to advance funds to the District for operations and maintenance expenses, not to exceed the aggregate of \$75,000 per annum for calendar year 2024. Toll may agree to renew its obligations under the Operations Agreement by providing written notice to the District. The maximum amount to be advanced pursuant to the Operations Agreement is \$150,000.

The District is a party to that certain Infrastructure Acquisition and Reimbursement Agreement dated April 23, 2024 with Toll (the “**Infrastructure Agreement**”). Pursuant to the Infrastructure Agreement, Toll agrees to incur costs related to the

financing, construction and installation of public improvements and the District agrees to reimburse Toll for such costs and acquire certain improvements all subject to limitations contained in the Special District Act and the Service Plan.

#### **4. Service Plan**

*a. List and description of services authorized in Service Plan*

The District shall have the power and authority to provide the public improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is permitted by this Service Plan and described in the Special District Act, and other applicable statutes, common law, and the Colorado Constitution.

Pursuant to the District's service plan the district has the authority to provide the following services:

- installation of potable water and irrigation water facilities and systems
- finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements
- finance, design, construct, and install, sanitation and wastewater treatment facilities and systems
- finance, design, construct, acquire, install, maintain, and provide for arterial and collector streets and roadway improvements
- finance, design, construct, acquire, install, maintain, and provide traffic safety and management services
- finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs
- provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32- 1-1004(8)

*b. List and description of facilities authorized in Service Plan*

See response to a. above.

*c. List and description of any extraterritorial services, facilities, and agreements*

N/A

#### **5. Development Progress**

*a. Indicate the estimated year of build-out, as set forth in the Service Plan*

The estimated year of build-out, as set forth in the Service Plan, is 2029.

*b. List the services provided with the date service began compared to the date authorized by the Service Plan List changes made to the Service Plan, including*

*when the change was authorized, when it was implemented or is expected to be implemented*

Service Type	Services Began	SP Authorization
Water - PWW	Anticipated 2024	2023
Storm Sewer	Anticipated 2024	2023
Sanitation and Wastewater Treatment - PWW	Anticipated 2024	2023
Street Improvements	Anticipated 2024	2023
Traffic Safety Protection	Anticipated 2024	2023
Parks and Recreation	Anticipated 2025	2023
Mosquito Control	N/A	N/A
Covenant Enforcement and Design Review; and	Anticipated 2025	2023
Fire Protection and Emergency Medical – FFPD	Anticipated 2025	2023

- c. *List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan*

Facility Type	Anticipated Date of Completion	Service Plan Authorization
Open Space/Park	2026	2023

- d. *List facilities not completed. Indicate the reason for incompleteness and provide a revised schedule, if any.*

Toll Southwest recently started construction of public improvements within the boundaries of the District.

- e. *List facilities currently under construction with the percentage complete and an anticipated date of completion*

Facility Type	Percentage Complete	Anticipated Date of Completion
Open Space/Park	0%	2026

- f. *Indicate the population of the District for the previous five (5) years and provide population projections for the next five (5) years.*

The population of the District for the previous five (5) years is 0. Construction on homes is expected to begin in 2024. The current population is 0.

Estimated home closings by year:

2023 - 0  
2024 - 0  
2025 - 9  
2026 - 28  
2027 - 28  
2028 - 28

Total of 93 at the end of 5 years.

The Service Plan estimates 2.83 persons per residence, which would translate to an estimated population of approximately 264 at the end of five years.

Estimated population by year:

2023 - 0  
2024 - 0  
2025 - 26  
2026 - 105  
2027 - 185  
2028 - 264

- g. List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.*

The District will include one-hundred and two (102) single-family homes and (0) square feet of commercial space. Construction is anticipated to begin in 2024.

- h. List any enterprises created by and/or operated by or on behalf of the District, and summarize the purpose of each*

No enterprises have been created by and or operated by or on behalf of the District.

## **6. Financial Plan and Financial Activities**

- a. Provide a copy of the audit or exemption from the audit for the reporting year.*

The 2023 Audit Exemption Application is attached hereto as **Exhibit B**.

- b. Provide a copy of the budget, showing the reporting and previous years.*

A copy of the 2023 and 2024 Budgets are attached hereto as **Exhibit A**. A copy of the 2024 Budget Amendment is also attached hereto as **Exhibit A**

- c. *Show revenues and expenditures of the District for the previous five (5) years and provide projections for the next five (5) years. Include any non- District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).*

See the attached tax history and revenue projection chart **Exhibit D**.

- d. *List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired*

The Limited Tax General Obligation Bonds Series 2024A in the principle amount of \$3,160,000 and the Subordinate Limited Tax General Obligation Bonds Series 2024B in the principle amount of \$694,000 were issued on June 11, 2024.

- e. *List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued*

See the attached DLG-32 Form in **Exhibit E**.

- f. *List the total amount of debt issued and outstanding as of the date of the annual report and compare to the maximum authorized debt level as set forth in the Service Plan*

The Limited Tax General Obligation Bonds Series 2024A in the principle amount of \$3,160,000 and the Subordinate Limited Tax General Obligation Bonds Series 2024B in the principle amount of \$694,000, for a total outstanding of \$3,854,000. The Service Plan authorized maximum debt in the amount of \$9,000,000.

- g. *Enterprises of the District*

- i. *Include revenues of the enterprise, showing both direct support from the District and all other sources*

There are no enterprises of the District.

- ii. *Include expenses of the enterprise, showing both direct payments to the District and all other obligations*

There are no enterprises of the District.

- h. *Detail contractual obligations*

- i. *Describe the type of obligation, current year dollar amount, and any changes in the payment schedule, e.g. balloon payments.*

See responses to Section III.

ii. *Report any inability of the District to pay current obligations that are due within the current budget year*

None.

iii. *Describe any District financial obligations in default*

None.

i. *Actual and Assessed Valuation History*

i. *Report the annual actual and assessed valuation for the current year and for each of seven (7) years prior to current year*

The District was organized in December of 2023, as a result, the District's only assessed valuation issued by the county is attached hereto as **Exhibit A**.

ii. *For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value.*

Tax Year	Certified Assessed Valuation	Service Plan Estimate
2024	\$31,030	\$0
2023	\$0	\$0
2022	Not Organized	N/A
2021	Not Organized	N/A
2020	Not Organized	N/A
2019	Not Organized	N/A
2018	Not Organized	N/A
2017	Not Organized	N/A
2016	Not Organized	N/A



j. *Mill Levy History*

i. *Report the annual mill levy for the current year and for each of the seven (7) years prior to current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance)*

Year	General Fund	Debt Service
2023 Mill Levy Certification for Collection in 2024	0.000	0.000
2022 Mill Levy Certification for Collection in 2023	N/A – Not Organized	N/A – Not Organized
2021 Mill Levy Certification for Collection in 2022	N/A – Not Organized	N/A – Not Organized
2020 Mill Levy Certification for Collection in 2021	N/A – Not Organized	N/A – Not Organized
2019 Mill Levy Certification for Collection in 2020	N/A – Not Organized	N/A – Not Organized
2018 Mill Levy Certification for Collection in 2019	N/A – Not Organized	N/A – Not Organized
2017 Mill Levy Certification for Collection in 2018	N/A – Not Organized	N/A – Not Organized

ii. *For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the actual mill levies.*

Certification	Total Actual	Service Plan Estimate
2023 Mill Levy Certification for Collection in 2024	0	0
2022 Mill Levy Certification for Collection in 2023	Not Organized	N/A
2021 Mill Levy Certification for Collection in 2022	Not Organized	N/A

2020 Mill Levy Certification for Collection in 2021	Not Organized	N/A
2019 Mill Levy Certification for Collection in 2020	Not Organized	N/A
2018 Mill Levy Certification for Collection in 2019	Not Organized	N/A
2017 Mill Levy Certification for Collection in 2018	Not Organized	N/A
2016 Mill Levy Certification for Collection in 2017	Not Organized	N/A
2015 Mill Levy Certification for Collection in 2016	Not Organized	N/A

*k. Miscellaneous Taxes History*

- i. Report the annual miscellaneous tax revenue for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue-based obligations, debt by issue, contractual obligations, other)*

See the attached tax history and revenue projection chart in **Exhibit D**.

- ii. For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.*

The service plan does not anticipate any miscellaneous tax revenue.

*l. Estimated Assessed Valuation of District at 100% Build-Out*

- i. Provide an updated estimate and compare this with the Service Plan estimate.*

The estimated assessed value at 100% build-out is Six-Million One-Hundred and Six Thousand Five-Hundred and Nine Dollars (\$6,106,509).

*m. Estimated Amount of Additional General Obligation Debt to be Issued by the District between the End of Current Year and 100% Build-Out.*

- i. Provide an updated estimate based on current events. Do not include refunding bonds.*

Information regarding the issuance of additional general obligation debt is unknown at this time other than as estimated in the Service Plan.