



**MALLARD RIDGE**

**Johnstown Village Metropolitan District No.2  
(Mallard Ridge)**

Town Council  
February 22<sup>nd</sup>, 2023

# Meeting Agenda

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1. Introductions
2. Project Location
3. Project Status
4. Existing Amenities
5. Associated Maintenance & Operations Costs
6. Johnstown Village Metropolitan District No.2 Proposed Solutions for O&M Deficit
  - Implement Operations Fee
  - Increased O&M Mill Levy
7. Benefits of Operations Fee
8. Northern Colorado Market Comparisons
9. Questions

# Introductions

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Matt Ruhland, General Counsel – Cockrel Ela Glesne Greher & Ruhland, P.C.

Alex Carlson, District Manager – Centennial Consulting Group

Bryan Reid, District Board Secretary/Treasurer – Forestar Real Estate Group

Brandon Jack, District Board President – Forestar Real Estate Group



# Project Location



- 138 acres located at the southeast corner of CO HWY 60 and Colorado Boulevard and a total of 263 single-family homes.



# Project Status

- Started construction in January 2020.
- Final stages of development anticipated to be completed mid-2023.
- District has (5) total board seats.
- District will have a Director Election to take place in 2023.
- 142 of the anticipated 263 homes are resident occupied.
- District is responsible for maintaining common areas and amenities (shown on next slides).

Johnstown Village (Mallard Ridge)





# Existing Amenities

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## Tract B

- 1.11-acre Park which includes a playground, walking trails, benches, irrigated turf and landscaping



## Tract C

- 0.83-acre Park which includes a playground, walking trails, benches, irrigated turf and landscaping



## Tract F

- 4.89-acres which includes landscaping and walking trails





# Existing Amenities

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## Tract H

- 5.23-acre Park which includes a playground, shade structure, benches, walking trails, open space, irrigated turf and landscaping
- An additional playground is being constructed with an estimated delivery date of Q2 2023

## Tract I

- 1.38-acres which includes landscaping, irrigated native grasses, benches, and walking trails



# Associated Maintenance & Operations Costs

Estimated Assessed Value	280,660	2,632,690	5,588,317	8,740,027	10,965,657	10,965,657
Operating Levy	10.070	10.070	10.070	10.070	10.070	10.070
	<b>2022*</b>	<b>2023*</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Revenues</b>						
Property Taxes	2,826	26,511	56,274	88,012	110,424	110,424
Specific Ownership Taxes	170	1,591	3,376	5,281	6,625	6,625
Less Treasurer's Fees	(42)	(398)	(844)	(1,320)	(1,656)	(1,656)
Net Tax Revenue	2,954	27,704	58,806	91,973	115,393	115,393
<b>Expenses</b>						
General & Administrative						
Management	18,000	36,000	39,600	41,184	42,831	44,544
Legal	15,000	40,000	15,000	20,000	15,000	20,000
Other (2% Growth)	20,000	20,400	20,808	21,224	21,648	22,081
Utilities (2% Growth)	41,500	42,330	43,177	44,041	44,922	45,820
Landscape (2% Growth)	51,500	52,530	53,581	54,653	55,746	56,861
Total Expenses	146,000	191,260	172,166	181,102	180,147	189,306
Deficit	(143,046)	(163,556)	(113,360)	(89,129)	(64,754)	(73,913)
Estimated Fee Per Home (Annual)		1,277.78	542.39	337.61	245.28	279.97
Estimated Fee Per Home (Monthly)		106.48	45.20	28.13	20.44	23.33

\*Developer to cover deficit through 2023

- Current O&M mill levy doesn't cover associated long-term costs of existing amenities.
- There are two options to address O&M deficit including implementing a reoccurring operations fee or increasing the O&M mill levy.
- Developer has budgeted to cover deficit through 2023 but this revenue source is not expected to continue beyond that.



# District's Proposed Solutions for O&M Deficit

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## **Implement Recurring Operations Fee**

- Administrative approval by Town to impose and collect a Recurring Fee, through the District without any further action needed from the Town after tonight.
- Fee can be re-evaluated by the District Board on an annual basis to align with actual budget.
- Proposed fee implementation to begin in 2024.
- Fee collected by direct payment from property owner.
- District's preferred solution, as it is most efficient and cost effective.

## **Increase O&M Mill Levy**

- Requires Service Plan Amendment with Town Council approval via public hearing.
- Mill levy rate can be re-evaluated by the District Board on an annual basis to align with actual budget.
- Payment and collections of increased mill levy to begin in 2024.
- Mill levy collected through property taxes.
- Would require additional time and expense for a District that is already running in a deficit.

# Benefits of increased District Revenues

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- Empowers the board members, i.e., the residents, to manage their own community.
- Creates a more fiscally responsible and sustainable District.



# Northern Colorado Market Comparisons

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## **Serratoga Falls Metropolitan District** **(Timnath)**

- \$1000/Annual Operations Fee
  - Covers administrative and maintenance costs
- 11.367 O&M mills

## **The Ridge at Harmony Road Metropolitan District** **(Windsor)**

- \$150/Annual Operations Fee
  - Covers administrative and maintenance costs
- 11.453 O&M mills

## **Liberty Mead Metropolitan District** **(Mead)**

- \$350/Annual Operations Fee
  - Covers administrative and maintenance costs
- 5 O&M mills

A stone pillar sign for 'MALLARD RIDGE' with a dark wood fence and landscaping in the background.

**MALLARD RIDGE**

**THANK YOU**

Questions?