



Robert G. Rogers  
Shareholder

303-858-1800  
rrogers@wbapc.com

July 16, 2024

**VIA E-MAIL**

Town of Johnstown  
c/o Avi S. Rocklin, Town Attorney  
Law Office of Avi S. Rocklin, LLC  
1437 N. Denver Avenue, #330  
Loveland, CO 80538  
[avi@rocklinlaw.com](mailto:avi@rocklinlaw.com)

Re: Service Plan Submittal Cover Letter for Mallard Ridge Metropolitan  
District Nos. 1-4

Dear Ms. Rocklin:

Enclosed, please see the following attachments regarding the proposed service plan (the “Service Plan”) for Mallard Ridge Metropolitan District Nos. 1-4 (the “Districts”): (1) Service Plan for the Districts (clean, PDF format, with exhibits); (2) Service Plan for the Districts (clean, Word format, without exhibits); (3) Service Plan for the Districts (redlined against the Town of Johnstown Model Service Plan, updated February 2021). Although the Town’s service plan policy makes reference to the provision of two paper copies of the service plan with exhibits, it is our understanding that paper copies are no longer required. Please let us know if our understanding is incorrect, in which event we will promptly provide paper copies. The Town’s required \$10,000 review deposit is being processed and will arrive shortly.

The Districts are proposed to support the planned approximately 106-acre development, which will be comprised of a Single-Family Residential District, a Multi-Family Residential District, a Commercial District, and an Overlay District and Inclusion Area overlaying the entire project’s Initial District Boundaries. District No. 1 is currently anticipated to be the Coordinating District and may coordinate the financing, construction, and maintenance of the Public Improvements in the early stages of development. District Nos. 2 and 3 are proposed to be financing Districts and contain residential and/or commercial development within their respective boundaries in accordance with Approved Development Plans. District No. 4 is anticipated to be an overlay district and will have the ability to provide operations and maintenances services when future residents determine the time is appropriate to transition such services from the coordinating district to the overlay district. The project will include a park and several detention ponds. The

development within the Initial District Boundaries is anticipated to include approximately 384 residential units and 41,250 square feet of commercial space. Organization of the proposed Districts is necessary to support the project's mix of property uses and the projected buildout timeline. The additional Districts are needed to align with the different property types within the development's phases.

As is set forth in Section V.D., any intergovernmental agreement among the Districts must provide for a transition of the rights and responsibilities of the Board of Directors of the Coordinating District to End Users of the Districts or set forth alternative means by which End Users may otherwise have control over the ongoing administration, operations, maintenance, and financing responsibilities of the Districts and the Public Improvements that are owned and maintained by one or more of the Districts. Additionally, the Service Plan requires that the Districts submit these intergovernmental agreements to the Town for review prior to execution. These requirements ensure that End Users' interests are protected, and that End Users have multiple options and opportunities to exert control over their community.

The Service Plan proposes 40 mills as the Maximum Residential Debt Mill Levy, 50 mills as the Maximum Commercial Debt Mill Levy, and 10 mills as the Maximum Operations and Maintenance Mill Levy. Each of these are in line with the Town's Model Service Plan and other Service Plans recently approved by the Town.

As costs for development have increased exponentially in recent years, metro districts remain an essential tool for funding the construction and maintenance of public infrastructure and facilitating the construction, marketing, and sale of homes to buyers at reasonable market prices. Without the Districts and their corollary financing mechanisms, the cost of the homes planned for the community would be significantly more expensive, further exacerbating the housing affordability issues prevalent across Front Range communities and throughout Colorado.

The proposed Maximum Debt Authorization is \$12,000,000. This amount incorporates the Districts' plan to finance the construction of public infrastructure to serve the community, so as to allow the Districts to finance as many of the public infrastructure costs as possible within the debt service mill levy cap and other financial limitations in the Service Plan. The proposed Maximum Debt Authorization is supported by the Financial Plan, which shows the Districts' ability to finance and repay this level of Debt.

We look forward to discussing this matter further with the Town. In the meantime, should you have any questions regarding this submittal, please do not hesitate to contact us.

Sincerely,

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Robert G. Rogers  
Shareholder