

November 15, 2024

Katherine Hammer  
Senior Planner  
Arapahoe County Public Works, Planning Division  
6924 S. Lima Street  
Centennial, CO 80112

Re: Eastgate Metropolitan District Nos. 1-6  
Narrative Addressing Sections 32-1-203(2)(a-d) and -203(2.5)(a-e), C.R.S.

Dear Ms. Hammer,

Pursuant to the application for the organization of the Eastgate Metropolitan District Nos. 1-6 (the “**Districts**”), the following narrative is provided regarding the satisfaction of the requirements set forth in §§ 32-1-203(2)(a-d) and (2.5)(a-e), C.R.S.

The Service Plan for the Districts meets the requirements of §§ 32-1-203(2)(a-d) and (2.5)(a-e), C.R.S. because:

1. There is sufficient existing and projected need for organized service in the areas to be serviced by the District (-203(a)).

The purpose of the Districts is to finance, construct, own, operate and maintain the public improvements needed for the Eastgate Development, which will include residential, commercial and industrial property. These public improvements, which will include water improvements, sanitary and stormwater, streets and sidewalks, and parks, will benefit the area within the Districts and the property owners and inhabitants within the development, as well as provide improved connectivity with surrounding developments due to the construction of additional streets and sidewalks. These public improvements are needed in order to provide these essential public services to the future residents and users of the property.

2. The existing service in the area to be served by the Districts is inadequate for present and projected needs (-203(2)(b)).

The existing service in the area to be served by the Districts is inadequate for the projected needs of the Eastgate Development. Currently, the property to be included in the Districts is used for agricultural purposes and contains two farmhouses which receive water via a well and septic tank treatment of wastewater. Minimal service is provided by Arapahoe County or any other special district or utility provider. There are no interior streets, parks, central water or sewer service, or stormwater control. Accordingly, the current services in the area are inadequate to provide the public improvements and infrastructure needed for the projected Eastgate Development.

3. The proposed districts are capable of providing economical and sufficient service to the area within its proposed boundaries (-203(2)(c)).

The proposed Districts are capable of providing sufficient service to the area within its proposed boundaries in an economical manner.

The Districts are authorized by statute to provide the needed public services within its boundaries, including water, sewer, stormwater, streets, and park and recreation improvements. The Districts financial ability to provide these services is shown in the financial plan, which shows that the Districts have sufficient debt capacity to pay for the required improvements. The financial plan further shows that the costs of the required improvements can be paid for in an economic manner, using industry standard tax-exempt bonds issued with a 30-year maturity.

The service to be provided by the Districts are needed to support the Eastgate Development. Because the services are needed, they will be sufficient for support of the area within the development.

4. The area to be included in the proposed Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis (-203(2)(d)).

The estimated costs to provide the public improvements needed for the Eastgate Development are shown in Exhibit E of the Service Plan. As shown in the financial plan attached to the Service Plan as Exhibit F, the District will have the financial ability to discharge the proposed indebtedness on a reasonable basis using industry standard tax-exempt financing and 30-year bonds.

5. Adequate service is not, or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis (-203(2.5)(a)).

Neither the county or any other existing municipal or quasi-municipal corporation has indicated a willingness or the financial ability to provide the needed public improvements within a reasonable time or on a comparable basis as can be provided by the Districts.

6. The facility and service standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section 32-1-204(1) (-203(2.5)(b)).

All facilities and services proposed will be constructed in accordance with the standards and specifications of Arapahoe County, the Colorado Department of Transportation, the State of Colorado, and all other applicable jurisdictions.

7. The proposal is in substantial compliance with the master plan adopted pursuant to section 30-28-106, C.R.S (-203(2.5)(c)).

The Developer of this project has reviewed the Arapahoe County Comprehensive Plan and believes the proposal is compatible with the Comprehensive Plan. In addition, development shall follow County procedures for the approval of final plats and final site plans.

8. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area (-203(2.5)(d)).

The development will receive water service by the City of Aurora. Infrastructure and water quality management will follow the provider's standards and requirements for water service and water quality management in the area.

9. The creation of the proposed Districts will be in the best interests of the area proposed to be served (-203(2.5)(e)).

The creation of the Districts is in the best interest of the area to be served because:

a. The Districts will be able to construct the public improvements needed for the future Eastgate Development through the issuance of low-cost tax-exempt bonds and grants not available to private entities.

b. The Districts are exempt from sales and use taxes, reducing the overall cost of building the public infrastructure.

c. The public improvements will be owned and maintained by perpetually existing governmental entities, including the Districts, which will ensure that there will always be an entity responsible for their operation and maintenance.

d. As governmental entities, the Districts are required to operate within the legal requirements of Colorado budget laws, providing the public with higher levels of transparency than private entities.

e. As governmental entities, the Districts are required to follow the open meetings and open records acts, ensuring additional transparency regarding their operations and financing.

f. The Districts are governed by an elected Board of Directors made up of eligible electors of the Districts, ensuring local control over the Districts and their operations and services.

g. The Districts enjoy the protections of the Colorado Governmental Immunity Act, reducing liability exposure for the services provided by the Districts and thus reducing the overall costs of operations.

The service plan for the Districts satisfies the criteria set forth in §§ 32-1-203(2) and (2.5), C.R.S. Accordingly, the applicant requests that the Board of County Commissioners approve the Service Plan without condition or modification.

Sincerely,

ERB LAW, LLC

A handwritten signature in blue ink, appearing to read "Jeffrey E. Erb". The signature is stylized with a large initial "J" and a prominent "E".

Jeffrey E. Erb, Esq.