

District Residents,

This issue of the Bulletin provides information useful in reaching a decision on the Park Meadows Metropolitan District street improvement tax question at the November 7th general election.

This election will set the amount of revenues available for road improvements in the area. The outcome has important consequences for the future of our neighborhoods and the viability of the businesses that are a key part of the PMMD and Lone Tree tax bases.

The District will host two Public Meetings to present the issues on this vote. The first is on Thursday, October 26, 7-9 pm. The second is on Sunday, October 29, 2-4pm. Both are at the Lone Tree Civic Center. We will have a presentation followed by a Q&A. We hope to see you.

Greg Kelly
President, PMMD

Construction Update

Yosemite at C-470

Preliminary work on widening northbound Yosemite under the C-470 overpass is scheduled to begin this month, but most of the construction will be done in 2001.

Workmen will add a temporary right-turn lane on northbound Yosemite at Park Meadows Center Drive by mid-November. Work next year will widen northbound Yosemite from Park Meadows Drive to the West Mall Entrance and add another west-bound turn lane on Park Meadows Center Drive where it meets Yosemite.

PMMD and Douglas County wanted to complete construction this year following voter approval of funding last May. Only one bid was submitted, however, at too high a price, so the project was delayed. An early contract round next year is expected to result in bids more in line with engineering estimates.

The District is paying for 70 percent of this estimated \$1.5 million project. Douglas County and Lone Tree are paying 20 and 10 percent, respectively.

District Tax Question Set for Vote on Nov 7th

Targets Traffic Congestion in District's Commercial North

Traffic congestion along Yosemite and other streets in the District's commercial sector is a growing problem that has a range of consequences for residents and commercial businesses in the District. At one end of the scale, congestion presents an inconvenience to drivers. At the other, it potentially threatens the long-term vitality of the commercial entities that provide a large part of the revenues for the District and the City of Lone Tree.

To address this problem, the Park Meadows Metropolitan District is seeking voter approval of a three mill property tax increase at the general election on Tuesday, November 7. The tax increase will be limited to a six-year period from 2001-2006.

If passed, this ballot measure will raise about \$660,000 annually for a total of \$4 million over six years. These revenues will be dedicated for capital improvements in the District road infrastructure. Funds will be spent on street widening, intersection improvements, traffic signals, landscaping of rights-of-way and similar projects.

Working with traffic specialists and other local governments, the District's Board of Directors has identified projects totaling \$6.5 million that need to be completed in the next few years. The \$4 million in revenue from this proposed tax increase will be used to pay part of this cost. The Board expects to negotiate joint funding with other local governments to pay for the remaining costs of these projects.

Approval of the tax question at the November 7th election will increase the District's overall mill levy from about 6.5 to 9.5 mills. District levys in recent years have been six to eight mills, down from 21 mills in the early- to mid-90s. The Board decided on a six year limit to the 3 mill tax increase on next month's ballot as a way to ensure accountability and review of capital construction projects.

The annual cost of the proposed tax increase on a \$300,000 home in the District would be about \$90. Commercial development and vacant land will pay 75 percent of the \$4 million raised over the next six years, while residences will pay only 25 percent.

November 7th Vote Targets Traffic Congestion

Proposed PMMD Projects Based on Area Traffic Study

In 1998, the Park Meadows District (PMMD) and Douglas County began regular discussions regarding the increased traffic problems associated with the Park Meadows Mall and the northern area of the City of Lone Tree. Minor road striping and signalization changes were made in 1998 to improve the situation.

Last year the PMMD joined with three other local governments in a joint working group to identify solutions to the rapidly increasing traffic congestion in this commercial area. This group included Douglas County—who assumed the leading role—the City of Lone Tree, and the Inverness Metropolitan District. To analyze the problem in both the short- and mid-term, the working group hired a professional engineering consulting firm (Daniel, Mann, Johnson, & Mendenhall, Inc. [DMJM]), to perform a detailed traffic study. DMJM utilized the latest tools in traffic modeling technology.

DMJM presented their report to the joint working group in December 1999. The report identified immediate needs for the area as well as those likely to be necessary out to the

(Continued on page 2)

November 7th Vote Targets Traffic Gridlock (cont.)

year 2011. It identified improvements in the contiguous and overlapping jurisdictions of the Colorado Department of Transportation (CDOT), Douglas County, Arapahoe County, Highlands Ranch, Lone Tree, PMMD, and the Inverness Metropolitan Improvement District.

The PMMD Board reviewed the DMJM list, identified projects having the greatest effect on traffic within the District, and assigned a priority to each (see table, below). There are 17 proposed projects with a total estimated construction cost of \$6,500,000 that are candidates for construction over the next six years. They are located on Quebec Street, Yosemite Street, County Line Road, and around the Park Meadows Mall Area. The map on the last (outside) page of this Bulletin shows the general area.

Park Meadows Metropolitan District					
Unfunded capital projects, benefiting directly the District's taxpayers, identified in the December 16, 1999 Park Meadows's Area Traffic Study by DMJM Consulting Engineers.					
Project Number	Project Name	Priority			Total
		I	II	III	
Quebec Street					
15-4	Lengthen dual NB left-turn bay on NB Quebec @ County Line Road to 300 ft			231,000	231,000
15-8	Add 2nd 300 ft left-turn bay on WB Park Meadows Dr @ Quebec		552,000		552,000
27-4	300 ft right-turn bay on NB Quebec @ Park Meadows Drive	552,000			552,000
27-5	300 ft right-turn bay on NB Quebec @ EB C-470 on-ramp		552,000		552,000
27-6	3rd S20 ft thru lane on NB Quebec between EB & WB C-470 ramps		450,000		450,000
Yosemite Street					
27-9	3rd 1700 ft lane on SB Yosemite from Chester to Park Meadows Ctr Dr	615,000			615,000
27-11	2nd 250 ft left-turn lane on SB Yosemite @ Park Meadows Dr	460,500			460,500
27-12	3rd 1045 ft lane on NB Yosemite from West Mall Entrance to Chester	322,500			322,500
27-13	50 ft right-turn bay on NB Parkland @ Yosemite		93,000		93,000
27-14	300 ft right-turn bay on NB Yosemite @ West Mall Entrance		552,000		552,000
County Line Road					
27-18	300 ft right-turn only lane on NB Chester from Westview to County Line		150,000		150,000
27-21	2nd 850 ft lane on NB Park Meadows Center Drive @ County Line			306,000	306,000
Park Meadows Mall Area					
15-15	Add 3rd lane to WB Mail exit opposite Westview (Private Sector)		369,000		369,000
15-16	Add 2nd WB lane on Westview west of Chester		237,000		237,000
15-17	Add 2nd EB lane on Westview @ Chester		237,000		237,000
27-31	Signalization of Yosemite and Parkway intersection			225,000	225,000
27-32	Add 2nd left-turn lane on NB Yosemite @ Parkway			552,000	552,000
Total		\$1,950,000	\$3,192,000	\$1,314,000	\$6,456,000

Preliminary Draft—Subject to Revision

Projects Planned to Involve Cost Sharing

The six-year 3-mill property tax increase that the PMMD Board has put to a public vote on November 7th will generate about \$4,000,000—60 percent of the \$6.5 million needed to complete all projects on the list. This amount will give the Board the financial resources needed to enter cost-sharing arrangements for road projects with other local governments whose interests overlap. The Yosemite widening project that is ready to be launched in 2001 (see "Construction Update" on page 1) is an example of this kind of cooperation.

The capital funding plan shown below is set for now, but traffic problems are a moving target. Projects will likely be added and deleted over the next six years. Priorities assigned to individual projects may also change. Shifts in traffic patterns and changes in densities that occur outside DMJM's projections are only two of many factors that could trigger this action. The PMMD Board will periodically review the capital funding plan in open hearings to make any changes that are needed.

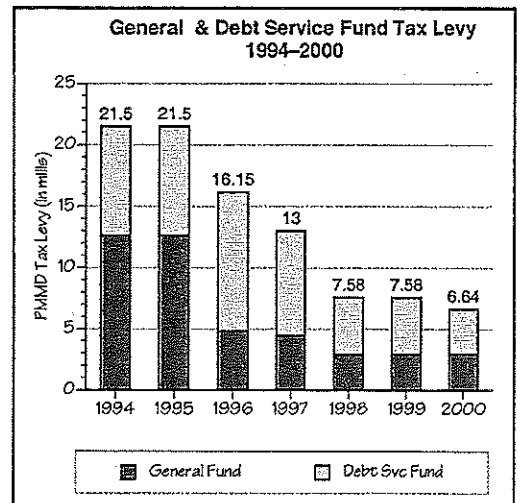
The recent annexation of Rampart Range into Lone Tree will have an impact on traffic in our commercial areas. This impact will not be seen immediately, but it needs to be anticipated. Traffic projections for the Rampart Range are being added to the DMJM traffic study. DMJM will have this update completed by early 2001. The Board will take the results into consideration, but for now we expect any effects of the Rampart annexation to come late in the six-year plan under consideration.

The PMMD Board decided to propose the 3 mill tax instead of other funding measures (such as a bond issue) for two reasons. First, a buildout over six years offers a better response to still-evolving traffic patterns. Second, a pay-as-you-go approach is more likely to attract joint funding from other local governments. The Board included a six-year limit on the tax in order to limit risk to District taxpayers and foster periodic re-evaluation of the District's road improvement program.

Proposal Keeps Tax Rate Low

...less than 10 Mills

Taxpayers in the District are entering their sixth year of lower tax rates and the third year with a levy under ten mills. As the chart below shows, the combined PMMD tax rate (general fund and debt service fund) is now less than seven mills, down from a high of 21 mills in the early 1990s.



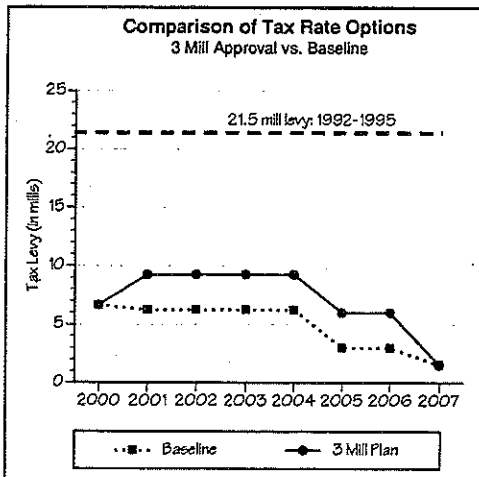
The main reason for this is the growth of commercial development within the District in recent years. Total assessed value of property in the District increased from \$24 million in 1994 to \$193 million in 2000. Most of this increase has come from commercial growth. Commercial property is the largest single source of District revenue today. The share of District revenue paid for by taxes on residences is now less than 25 percent

Much of this rapid growth is now behind us. The District's Board of Directors anticipates that significant and sustained growth in new construction is unlikely in the future since there is relatively little vacant land remaining in the District's boundaries.

Baseline Option

Without the additional three mills for future capital projects proposed on the November 7th ballot, the District has sufficient sources of funds to pay existing debt, complete committed projects (i.e., widening Yosemite at C-470) and carry out administration and some special programs (e.g., the landscape maintenance program). The District will not have adequate funds available for substantial road improvement, but efforts would be directed toward encouraging Douglas County or other local government entities to finance the most important of these projects.

The PMMD mill levy would likely remain at 6-6.5 mills thru 2004, drop to 3 mills in 2005 and 2006, and drop further to about 1.5 mills in 2007 following retirement of all bond debt (see baseline option in table below).



Proposed Three Mill Option

Under the proposal before voters on November 7th, the District tax rate would increase by 3 mills in 2001 through 2006. This will generate about \$660,000 in 2001 and increase as the assessed valuation increases over the six years to provide approximately \$4.0 million. This revenue will be devoted exclusively to fund, on a cash basis, the capital projects selected by the Board. At the end of the six years in 2007, the operating fund levy would continue at approximately 1.5 mills (see table below).

At that time, the Board could present District voters further plans of road improvements if they are needed, perhaps in response to the effects of the Ramparts development then coming on line.

This proposal is for a limited mill levy of 3.0 mills for capital projects through 2006. *The majority of the taxes raised by the levy—more than 75 percent—would be from the commercial sector of the District.* The tax impact on a home valued at \$300,000 would be less than \$88 per year for the six year period to improve roads in the PMMD.

Park Meadows Metropolitan District Background Information

Name: Park Meadows Metropolitan District (PMMD)

Organized: 1982.

Status: Quasi-municipal corporation...governed by the provisions of the Colorado Special District Act.

Purpose: Provide financing for street, drainage, and safety improvements through a property tax levy on properties within and adjacent to its boundaries.

Boundaries: Includes about three square miles of both residential and commercial property in northern Douglas County. Includes all property within the original boundaries of the City of Lone Tree. Also includes the commercial property in unincorporated Douglas County at the Park Meadows Mall site in the area generally bounded by County Line Road (north), I-25 (east), C-470 (south), and Yosemite Street (west).

Financial History: In September 1982 District voters authorized issuance of \$35 million in general obligation bonds. Before 1998 a total of \$13.5 million in bonds were issued for construction of Lone Tree Parkway; Timberline; and portions of Yosemite Street, Lincoln Avenue, and County Line Road within the District. In 1998, District voters authorized issuance of \$2.8 million in bonds to support construction of medians on Lincoln and Yosemite. As of December 2000, the District will have \$4.58 million in outstanding principal debt remaining. The repayment schedule on the District's total debt is approximately \$1.1 million annually through 2004, then dropping to \$450,000 in 2005 and 2006 when the entire debt is paid in full.

District Taxes: The property tax rate is set annually by the Board of Directors to provide for operations and debt service within limits set by the voters and State Constitutional and Legislative limits. It is expressed in terms of a mill levy. One mill equals 0.1% (one tenth of one percent) of the assessed value of the real and commercial personal property located within the District. District activity is funded by two property tax levies: a general fund levy and a debt service levy. The general levy supports routine operating expenses associated with District roadways (landscape maintenance of medians, water), professional support (administration, legal, accounting) and any improvements not requiring public vote. The debt service levy supports payment of principal and debt for major, voter-approved, capital projects.

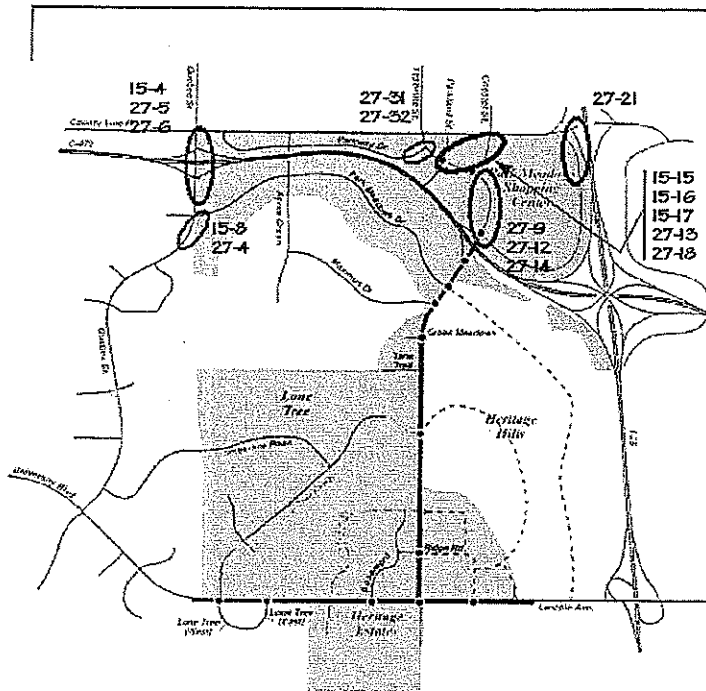
Current tax levies (2000):	General Fund	2.955 mills
	Debt Service Fund	3.685 mills
	Total tax levy	6.640 mills.

Current Board:

Name	Position	Term Expires	Phone
Greg Kelly	President	2004	303-799-3989
Tom Banks	Director	2004	303-792-0962
Bob Isaacson	Director	2002	303-649-1995
Roger Pearson	Director	2002	303-790-8681
Doug MacGregor	Director	2002	303-799-8555

Support:

Administration:	Bob Blodgett	R.S. Wells L.L.C. 303-779-4525
Accounting	Larry Beardsley, CPA	Van Schooneveld and Co., Inc.
Legal:	Ernie Fazekas, Esq.	Folkestad and Fazekas



Note: Numbers identify prospective road improvement projects.
See chart on page 2 for project description.

Come to the
Park Meadows Metropolitan District
Open House

Thursday, October 26, 7-9 p.m.

Sunday, October 29, 2-4 p.m.

Lone Tree Civic Center

- Project Briefing.
- Q&A on the proposed ballot question.

**Park Meadows
 Metropolitan District**

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