

RESOLUTION NO. 2022-12-07

RESOLUTION OF THE BOARD OF DIRECTORS OF OVERLOOK METROPOLITAN DISTRICT APPENDING THE DISTRICT'S SERVICE PLAN PURSUANT TO TOWN OF PARKER TOWN COUNCIL RESOLUTION NO. 22-065, SERIES OF 2022, A RESOLUTION APPROVING ADJUSTMENT OF MILL LEVIES RESULTING FROM LEGISLATIVE OR CONSTITUTIONALLY MANDATED REDUCTIONS

- A. Overlook Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.
- B. The District operates pursuant to its Service Plan approved by the Town Council of the Town of Parker, Colorado, on September 2, 2014, as amended on April 3, 2017 (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.
- C. In 1982, the State of Colorado (the “State”) approved an amendment to the State constitution (the “Gallagher Amendment”) which required that residential property equal 45% of the statewide valuation for assessment and nonresidential property equal 55% of the statewide valuation for assessment, with the nonresidential assessment rate being set at 29% with the expectation that the residential assessment rate would decrease over time.
- D. In order to lessen the impact of revenue reductions resulting from reductions resulting from mandated reductions in the residential assessment rate, it became common for metropolitan district service plans, including the District’s Service Plan, to include “Gallagher Adjustment” language that allowed the District to increase or decrease its mill levy to offset any changes in the residential assessment rate so that to the extent possible, the actual tax revenue generated by the applicable mill levy was neither diminished nor enhanced by changes in the residential assessment rate.
- E. In November of 2022, the State’s voters approved Amendment B, which repealed the Gallagher Amendment and provided the General Assembly with the authority to decrease the assessment rate in the future.
- F. The Town Council of Parker adopted Resolution No. 22-065, Series of 2022, A Resolution Approving Adjustment of Mill Levies Resulting From Legislative or Constitutionally Mandated Reductions on November 21, 2022 (“Resolution No. 22-065”) in order to, inter alia, allow districts with service plans approved prior to the adoption of Resolution No. 22-065 to adjust their mill levies for legislative as well as constitutional changes and that such amendment is not a material modification of the districts’ service plans.
- G. Pursuant to Resolution No. 22-065, the Board of Directors of any metropolitan district with a service plan approved by the Town Council prior to the date of Resolution No. 22-065, may pass a resolution resolving that Resolution No. 22-065 be appended to the district’s service plan and providing that the “Mill Levy Adjustment,” “Gallagher Adjustment,” or similar definition in the district’s service plan, or provisions in the district’s service plan permitting the

adjustment of mill levies to offset changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement authorized shall be amended to conform to the language as provided in Resolution No. 22-065.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Overlook Metropolitan District, Town of Parker, Douglas County, Colorado:

1. Resolution No. 22-065 be appended to the District's Service Plan.
2. The term "Gallagher Adjustment" in the District's Service Plan is hereby renamed "Mill Levy Adjustment" and the definition of "Mill Levy Adjustment" therein shall be replaced in its entirety with the following language:

Mill Levy Adjustment: means, if, on or after January 1, 2000, there are changes in the method of calculating assessed valuation or any constitutionally or statutorily mandated tax credit, cut or abatement, the Maximum Debt Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring after January 1, 2000, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation, and any constitutional or legislative changes in the actual value against which the assessment rate is applied, shall be deemed to be a change in the method of calculating assessed valuation.

3. Section VI.C.1. of the District's Service Plan shall be replaced in its entirety with the following language:

1. For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be thirty-five (35) mills less the number of mills necessary to pay District administrative operating expenses (provided that the District can contract with its bondholders to limit its administrative operating expense mill levy) and less the number of mills necessary to pay unlimited mill levy Debt described in Section VI.C.2. below, subject to the Mill Levy Adjustment. As of the date of this Service Plan, the Mill Levy Adjustment allows for a Maximum Debt Mill Levy of 42.827 mills. Except for permitted Mill Levy Adjustments, the District's mill levy imposed by the District for payment of Debt shall not exceed the Maximum Debt Mill Levy. If the District otherwise proposes to adjust its mill levy for the payment of Debt above the Maximum Debt Mill Levy for any purpose other than a Mill Levy Adjustment, the District shall first submit all relevant details of such proposed adjustment to the Town Administrator, who may approve such proposed adjustment in writing or refer the proposal to the Town Council, which may elected to treat the proposed Maximum Debt Mill Levy adjustment as a material modification of the Service Plan. If the Town Council determines that such proposed adjustment to the Maximum Debt Mill Levy constitutes a material modification of the Service Plan, the District shall proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S. The

District shall obtain written approval of the Town Administrator or of a Service Plan amendment prior to any such proposed Maximum Debt Mill Levy adjustment.

RESOLUTION APPROVED AND ADOPTED ON December 1, 2022.

**OVERLOOK METROPOLITAN
DISTRICT**



President

Attest:



Secretary