

Information on the Perimeter Fence GID Election Questions

Submitted by the Joint HOA Perimeter Fence Committee

Ballots for the November 5, 2019 Coordinated Election will arrive in the mail boxes of all active registered voters between Tuesday, October 15 and Thursday, October 17. Voters will be asked to make choices on candidate races as well as State and local issues including the Willow Creek GID. The ballots for Willow Creek HOA 1 and 2 will include questions 6C and 6D concerning formation of the General Improvement District (GID) proposed to replace our existing cedar fence with a masonry version.

Details on the proposal previously presented at community meetings and in the Willow Talk or Willow Wisp are available on both HOA websites.

Following is 1) a summary taken from the non-partisan explanation of the 6C and 6D GID questions published by the City of Centennial, and 2) the actual ballot language of the two GID questions 6C and 6D as they will appear on the ballots. Note that the property taxes referenced in both questions begin in 2020 – but actual payment of all 2020 property taxes is made in 2021. Accordingly, if voters approve 6C and 6D, we will not begin paying the two GID property taxes until 2021.

1) Summary Explanation of Ballot Questions 6C and 6D:

Residents of the Willow Creek 1 and 2 Homeowners Associations petitioned the City to form a general improvement district (GID) which is a local government that can be formed by the City to pay for certain types of public improvements. The petitioners have asked the City to form a general improvement district to replace the aging fence on certain arterial roads along the community. Following public hearings concerning the formation of the Willow Creek 1 & 2 General Improvement District (District) for that purpose, the City Council referred two TABOR questions to voters for the November 5, 2019 election.

The Taxpayers Bill of Rights (TABOR) is a 1992 amendment to the Colorado Constitution with its stated purpose being to restrain the growth of government. To meet that purpose, TABOR requires voter approval for a government to: (1) impose new taxes; (2) increase a tax rate; (3) incur multi-year debt; and (4) retain revenues. TABOR specifies the language that must be included in ballot questions. TABOR questions generally appear on the ballot during November coordinated elections.

The first TABOR question (6C) asks Willow Creek 1 and 2 voters to authorize the formation of District and allow the District to:

- Impose taxes for operations and maintenance averaging \$33,000 per year starting in 2020 based on a 0.75 mill levy;
- Avoid decreases in revenues from changes to the residential assessment rate;
- Be exempt from the 5.5% statutory limit on revenue growth; and
- Retain revenues of the District as a voter approved change under TABOR.

The second TABOR question (6D) asks voters to authorize the District:

- Incur debt up to \$4,340,000 for new fencing;
- Impose up to \$290,000 in taxes per year to repay that debt; and
- Retain revenues from the debt, taxes and interest earned on those amounts as a revenue change.

2) Ballot Questions 6C and 6D:

Question 1 (6C):

SHALL WILLOW CREEK 1 & 2 GENERAL IMPROVEMENT DISTRICT TAXES BE INCREASED \$33,000.00 IN 2020 FOR COLLECTION IN 2021 AND ANNUALLY THEREAFTER BY THE IMPOSITION OF AD VALOREM PROPERTY TAXES AT A MILL LEVY RATE NOT TO EXCEED 0.750 MILLS (PROVIDED THAT THE DISTRICT'S TOTAL MILL LEVY MAY BE ADJUSTED TO OFFSET REVENUE LOSSES FROM REFUNDS, ABATEMENTS AND CHANGES TO THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION); SUCH REVENUES TO BE USED FOR THE IMPROVEMENT AND MAINTENANCE OF THE DISTRICT AND FOR THE GENERAL OPERATING EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES, THE SPECIFIC OWNERSHIP TAXES AND ANY OTHER REVENUE OF THE DISTRICT AND INVESTMENT EARNINGS THEREON CONSTITUTE VOTER APPROVED REVENUE AND/OR SPENDING CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE RAISING OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND SHALL THE DISTRICT BE AUTHORIZED TO COLLECT AND EXPEND FROM ITS MILL LEVY ANY SUCH AMOUNT WHICH IS MORE THAN THE AMOUNT WHICH WOULD OTHERWISE BE PERMITTED UNDER THE 5.5% LIMIT IMPOSED BY SECTION 29-1-301, COLORADO REVISED STATUTES IN 2021 AND EACH YEAR THEREAFTER; AND SHALL WILLOW CREEK 1 & 2 GENERAL IMPROVEMENT DISTRICT BE ORGANIZED?

Question 2 (6D):

SHALL WILLOW CREEK 1 & 2 GENERAL IMPROVEMENT DISTRICT DEBT BE INCREASED \$4,340,000.00, WITH A MAXIMUM REPAYMENT COST NOT TO EXCEED \$8,500,000.00; AND SHALL WILLOW CREEK 1 & 2 GENERAL IMPROVEMENT DISTRICT TAXES BE INCREASED \$290,000.00 ANNUALLY, FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, INSTALLING AND OTHERWISE PROVIDING NEW FENCING, INCLUDING MASONRY WALLS, AND RELATED IMPROVEMENTS, TOGETHER WITH INCIDENTAL COSTS RELATING TO SUCH PURPOSE, BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, NOTES, LEASES, CONTRACTS, OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS WHICH SHALL BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 5.00% PER ANNUM, MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PAYMENT OF PREMIUM OF NOT TO EXCEED 3%, AND BE ISSUED AT SUCH TIME, IN ONE SERIES OR MORE, AT SUCH PRICE (AT, ABOVE OR BELOW PAR) AND IN SUCH MANNER AND CONTAINING SUCH TERMS AND CONDITIONS, NOT INCONSISTENT WITH THIS BALLOT ISSUE, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND SHALL AD VALOREM PROPERTY TAXES BE LEVIED ON ALL TAXABLE PROPERTY IN THE DISTRICT, WITHOUT LIMITATION OF MILL RATE, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE DISTRICT'S DEBT OR ANY REFUNDING DEBT AND TO FUND ANY RESERVES FOR THE PAYMENT THEREOF; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?