

## MIDCITIES METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
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### NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Douglas McCormick	President	May 2023/2023
Greg Patrick	Vice President	May 2022/2022
George Turtle	Treasurer	May 2023/2023
Charles Tash	Assistant Secretary	May 2022/2022
Kael T. Russell	Assistant Secretary	May 2022/2022
David Solin	Secretary	

DATE: September 21, 2021 (Tuesday)

TIME: 1:00 p.m.

PLACE: DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD BY CONFERENCE CALL WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT **1-877-250-3814** AND WHEN PROMPTED, DIAL IN THE PASSCODE OF **5592663**.

#### I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

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B. Approve Agenda, confirm location of the meeting and posting of meeting Notice.

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C. Review and approve Minutes of the June 15, 2021 special meeting (enclosure).

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#### II. PUBLIC COMMENTS

A. \_\_\_\_\_

III. FINANCIAL MATTERS

- A. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period ending June 1, 2021	Period ending July 25, 2021	Period ending Aug. 25, 2021
General	\$ 12,480.81	\$ 19,618.24	\$ 10,255.45
Debt	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 5,950.83	\$ 665.83	\$ 12,825.09
<b>Total</b>	<b>\$ 18,431.64</b>	<b>\$ 20,284.07</b>	<b>\$ 23,080.54</b>

- B. Review and accept unaudited financial statements for the period ending June 30, 2021 (enclosure).

- C. Discuss Sales Tax Report (enclosure).

IV. LEGAL MATTERS

- A. Report on settlement of Aequus litigation.

V. CAPITAL MATTERS

- A. Discuss status of the Parking Structure Project.

- B. Discuss status of the Regional Trail Project (enclosure).

- C. Discuss status of retaining wall repair work.

VI. EXECUTIVE SESSION (If Necessary)

- A. Status of Improvements Delivery Agreement with Aequus.

VII. OTHER MATTERS

- A.

- V. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR SEPTEMBER 21, 2021.**

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD JUNE 15, 2021

A special meeting of the Board of Directors (referred to hereafter as “Board”) of the MidCities Metropolitan District No. 2 (referred to hereafter as “District”) was held on Tuesday, the 15th day of June, 2021 at 1:00 p.m. Due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in person contact, this District Board meeting was held by conference call without any individuals (neither District Representatives or the General Public) attending in person. The meeting was open to the public.

#### ATTENDANCE

#### Directors In Attendance Were:

Douglas McCormick  
Greg Patrick  
George Turtle  
Charles Tash  
Kael T. Russell

#### Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paul Cockrel; Collins; Cockrel & Cole, P.C.

Greg Lindsay, Esq., Murphy & Decker P.C.

Kimberly Johannis; Simmons & Wheeler, P.C. (for a portion of the meeting)

Jason Simmons and Creig Veldhuizen; Hilltop Securities Inc. (for a portion of the meeting)

Alex Saltzgaver; Collins Engineers, Inc.

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest:** Attorney Cockrel reported that, in accordance with statutory requirements, Disclosure of Potential Conflict of Interest Statements were previously filed by Directors McCormick with the District and the Secretary of State disclosing potential conflicts of interest, because of such Director respective previous or current ownership, directorship and officership interests in or employment relationships with companies which previously owned and developed property within the District and/or MidCities Metropolitan District No. 2 (referred to

## RECORD OF PROCEEDINGS

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hereafter as “District No. 2” and together with the District, the “Districts”) or which were involved in the development of such property, including entering into various construction, funding, acquisition and reimbursement, and management contracts with the Districts, including without limitation the Funding Agreement, the Amended and Restated Reimbursement Agreement, the Parking Garage Lease Purchase Agreement and the Infrastructure Acquisition Agreement (collectively referred to hereafter as “Coalton Contracts”). Director Douglas McCormick has disclosed his former involvement as a member, officer or director of, or as owners or creditors having a direct or indirect financial interest in, Alliance Commercial Holdings I, LLC (referred to hereafter as “Alliance Holdings”), which was the manager of Coalton Associates, LLC (referred to hereafter as “Coalton Associates”), which was a member and the sole owner of Coalton Acres, LLC (referred to hereafter as “Coalton Acres”), which had, but now has sold or disposed of, various land ownership and/or development interests within the Districts. Coalton Acres also was a member of Coalton Holdings, LLC (“Coalton Holdings” and together with Coalton Acres, “Coalton”), which also had, but now has disposed of, its land ownership and/or development interests within the District.

The Disclosure of Potential Conflict of Interest Statements were incorporated into the record of the meeting and will be deemed continuing until modified or withdrawn.

All Directors present stated that the participation of at least three of them in the regular meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act; that written disclosures of such potential conflicts of interest of each Director had previously been filed with the Districts and the Secretary of State in accordance with statutory requirements; and that the nature of each Director’s private interests related to the ownership, creditor or employment relationships or directorship or officership positions in companies, including Coalton, which formerly owned and developed property within the Districts, and is a party to and has interests under the Coalton Contracts. After each Director had summarily stated for the record the fact and nature of his private interests and further stated that the determination to participate in voting or to take any other action on any contract or other matter in which a Director may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned its attention to the agenda items. All disclosures of potential conflicts of interest of the Directors shall be deemed continuing in nature until withdrawn.

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### **ADMINISTRATIVE MATTERS**

**Agenda:** The Board reviewed the proposed Agenda for the District’s special meeting.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Tash and, upon vote, unanimously carried, the Agenda was approved, as amended.

## RECORD OF PROCEEDINGS

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**Approval of Meeting Location:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District Board meetings.

Following discussion, upon motion duly made by Director McCormick seconded by Director Tash and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in person contact, this District Board meeting will be held by conference call without any individuals (neither District Representatives or the General Public) attending in person on location.

**Minutes:** The Board reviewed the Minutes of the January 28, 2021, March 16, 2021 and March 25, 2021 Special Meetings.

Following discussion, upon motion duly made by Director Russell, seconded by Director Patrick and, upon vote, unanimously carried, the Board approved the Minutes of the January 28, 2021, March 16, 2021 and March 25, 2021 Special Meetings, as presented.

**2021 SDA Conference:** Mr. Solin discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

**PUBLIC  
COMMENT**

There was no public comment.

**FINANCIAL  
MATTERS**

**Claims:** The Board considered ratification of the payment of claims through the period ending as follows:

Fund	Period ending March 31, 2021	Period ending April 26, 2021	Period ending May 30, 2021
General	\$ 6,156.06	\$ 25,796.80	\$ 10,124.33
Debt	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 4,221.50	\$ 9,094.83	\$ 9,079.06
<b>Total</b>	<b>\$ 10,377.56</b>	<b>\$ 34,891.63</b>	<b>\$ 19,203.39</b>

Following discussion, upon motion duly made by Director Turtle, seconded by Director Patrick and, upon vote, unanimously carried, the Board ratified approval of payment of claims, as presented.

**Unaudited Financial Statements:** Ms. Johanns reviewed with the Board the unaudited financial statements of the District setting forth the cash deposits, investments and budget analysis for the period ending March 31, 2021.

## RECORD OF PROCEEDINGS

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Following review and discussion, upon motion duly made by Director Turtle, seconded by Director Russell and, upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District setting forth the cash deposits, investments and budget analysis for the period ending March 31, 2021 as presented.

**2020 Audit:** Ms. Johanns reviewed with the Board the draft 2020 Audit.

Following review and discussion, upon motion duly made by Director Tash, seconded by Director Turtle, and upon vote, unanimously carried, the Board accepted the 2020 Audited Financial Statements and authorized execution of the Representations Letter.

**Sales Tax Report:** Mr. Solin discussed with the Board the Sales Tax Report.

**Letter Agreement between the District and Hilltop Securities to serve as Municipal Advisor for the District:** The Board reviewed a Letter Agreement between the District and Hilltop Securities to serve as Municipal Advisor for the District. Mr. Simmons discussed with the Board options for refunding.

Following review and discussion, upon motion duly made by Director Turtle, seconded by Director Russell and, upon vote, unanimously carried, the Board ratified approval of the Letter Agreement between the District and Hilltop Securities to serve as Municipal Advisor for the District.

### **LEGAL MATTERS**

There no legal matters at this time.

### **CAPITAL MATTERS**

**Parking Structure Project:** There were no updates at this time.

**Regional Trail Project:** There were no updates at this time.

**Retaining Wall Repair Work:** Mr. Saltzgaver discussed with the Board the status of the retaining wall repair work. He noted a site visit is planned for Monday, June 21, 2021 with Attorney Cockrel and any Director that is interested in attending.

### **EXECUTIVE SESSION**

**EXECUTIVE SESSION: Parking Structure:** Pursuant to Section 24-6-402(4) of the Colorado Revised Statutes, upon motion duly made by Director McCormick, seconded by Director Russell and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 2:22 p.m. for the purpose of receiving from the Board's attorney legal advice relating to the Parking Structure as authorized by Section 24-6-402(4)(b) and (e), C.R.S. The executive session discussion

## RECORD OF PROCEEDINGS

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constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

The Board reconvened in regular session at 2:46 p.m.

**Improvements Delivery Agreement with Aequus:** The Board reviewed an Improvements Delivery Agreement with Aequus, which provides for the demolition of the parking structure and construction of surface parking and related improvements. Attorney Cockrel reported to the Board the Agreement is near final form and subject to final revisions, review and approval by Aequus.

Following review and discussion, upon motion duly made by Director Turtle, seconded by Director Russell and, upon vote, unanimously carried, the Board approved the Improvements Delivery Agreement with Aequus and any final revisions that are not material in nature and authorized the execution of the Improvements Delivery Agreement.

**Remaining Bond Funds:** The Board entered into discussion regarding the remaining bond funds.

Following review and discussion, upon motion duly made by Director McCormick, seconded by Director Turtle and, upon vote, unanimously carried, the Board authorized the District Accountant to requisition and deposit any remaining bond funds plus any additional funds necessary to fund the Improvements Project for deposit into an Escrow Account to be established in accordance with and upon execution of the Improvements Delivery Agreement.

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### **OTHER MATTERS**

**Aequus Litigation Settlement Proposal:** No action was necessary at this time.

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### **ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director Russell, seconded by Director Turtle and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

**MidCities Metropolitan District No. 2**  
**June-21**

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>	<b>Department</b>
Collins Cockrel & Cole	3013M 05/2021	5/31/2021	5/31/2021	\$ 7,283.00	Legal	9300	1
Collins Cockrel & Cole	3013M 05/2021	5/31/2021	5/31/2021	\$ 4,560.00	Legal	9300	2
Collins Engineers, Inc.	49890	5/31/2021	5/31/2021	\$ 725.00	Parking Garage	7510	2
Simmons & Wheeler, PC	30720	5/31/2021	5/31/2021	\$ 823.75	Accounting	9050	1
Special District Management Service	May-21	5/31/2021	5/31/2021	\$ 2,814.00	District Management	9100	1
Special District Management Service	May-21	5/31/2021	5/31/2021	\$ 406.00	Accounting	9050	1
Special District Management Service	May-21	5/31/2021	5/31/2021	\$ 154.06	Miscellaneous	9450	1
Tiarna Real Estate Services, Inc.	6/1/2021	6/1/2021	6/1/2021	\$ 1,000.00	Property Mgmt/FOA	7205	1
Weathercraft Company of Colorado	8175	5/31/2021	5/31/2021	\$ 665.83	Parking Garage	7510	2

\$18,431.64



MidCities Metropolitan District No. 2  
June-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 12,480.81		\$ 5,950.83	\$ 18,431.64
Payroll		-		\$ -
		-		
<b>Total Disbursements from Checking Acct</b>	<b>\$12,480.81</b>	<b>\$0.00</b>	<b>\$5,950.83</b>	<b>\$18,431.64</b>

**MidCities Metropolitan District No. 2**  
**June-21**

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>	<b>Department</b>
Flatiron Owners Association	005534 Q3-2021	7/1/2021	7/1/2021	\$ 7.74	Property Mgmt/FOA	7205	1
Flatiron Owners Association	002732 Q3-2021	7/1/2021	7/1/2021	\$ 716.11	Property Mgmt/FOA	7205	1
Flatiron Owners Association	003767 Q3-2021	7/1/2021	7/1/2021	\$ 2,557.22	Property Mgmt/FOA	7205	1
Flatiron Owners Association	002613 Q3- 2021	7/1/2021	7/1/2021	\$ 3,086.57	Property Mgmt/FOA	7205	1
Flatiron Owners Association	002611 Q3-2021	7/1/2021	7/1/2021	\$ 659.75	Property Mgmt/FOA	7205	1
Flatiron Owners Association	002612 Q3-2021	7/1/2021	7/1/2021	\$ 1,012.28	Property Mgmt/FOA	7205	1
Flatiron Owners Association	002583 Q3-2021	7/1/2021	7/1/2021	\$ 6,705.79	Property Mgmt/FOA	7205	1
Flatiron Owners Association	002964 Q3-2021	7/1/2021	7/1/2021	\$ 266.33	Property Mgmt/FOA	7205	1
Simmons & Wheeler, PC	30911	6/30/2021	6/30/2021	\$ 682.42	Accounting	9050	1
Simmons & Wheeler, PC	30840	6/30/2021	6/30/2021	\$ 333.75	Accounting	9050	1
Special District Management Service	Jun-21	6/30/2021	6/30/2021	\$ 1,680.00	District Management	9100	1
Special District Management Service	Jun-21	6/30/2021	6/30/2021	\$ 280.00	Accounting	9050	1
Special District Management Service	Jun-21	6/30/2021	6/30/2021	\$ 168.53	Miscellaneous	9450	1
Tiarna Real Estate Services, Inc.	7/1/2021	7/1/2021	7/1/2021	\$ 1,000.00	Property Mgmt/FOA	7205	1
Weathercraft Company of Colorado	8199	6/25/2021	7/25/2021	\$ 665.83	Parking Garage	7510	2

\$19,822.32

<u>Check Issue Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
07/23/2021	90087	McCormick, Douglas	92.35
07/23/2021	90088	Turtle, George	92.35
07/23/2021	90089	Patrick, Gregory	92.35
07/23/2021	90090	Tash, Charles	92.35
07/23/2021	90091	Russell, Kael T.	92.35
Grand Totals:			
	<u>5</u>		<u>461.75</u>

**MidCities Metropolitan District No. 2**  
**July-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 19,156.49		\$ 665.83	\$ 19,822.32
Payroll	461.75	-		\$ 461.75
		-		
<b>Total Disbursements from Checking Acct</b>	<b>\$19,618.24</b>	<b>\$0.00</b>	<b>\$665.83</b>	<b>\$20,284.07</b>

**MidCities Metropolitan District No. 2**  
**August-21**

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>	<b>Department</b>
Collins Cockrel & Cole	3013M 06/2021	6/30/2021	6/30/2021	\$ 7,295.50	Legal	9300	1
Collins Cockrel & Cole	3013M 06/2021	6/30/2021	6/30/2021	\$ 9,025.00	Legal	9300	2
Collins Engineers, Inc.	50207	8/9/2021	7/31/2021	\$ 2,264.26	Parking Garage	7510	2
Collins Engineers, Inc.	50065	6/30/2021	6/30/2021	\$ 870.00	Parking Garage	7510	2
Simmons & Wheeler, PC	31151	7/31/2021	8/30/2021	\$ 813.94	Accounting	9050	1
Special District Management Service	Jul-21	7/31/2021	7/31/2021	\$ 322.00	Accounting	9050	1
Special District Management Service	Jul-21	7/31/2021	7/31/2021	\$ 158.01	Miscellaneous	9450	1
Special District Management Service	Jul-21	7/31/2021	7/31/2021	\$ 1,666.00	District Management	9100	1
Weathercraft Company of Colorado	8248	7/25/2021	8/24/2021	\$ 665.83	Parking Garage	7510	2

\$ 23,080.54

MidCities Metropolitan District No. 2  
August-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 10,255.45		\$ 12,825.09	\$ 23,080.54
Payroll		-		\$ -
		-		
<b>Total Disbursements from Checking Acct</b>	<b>\$10,255.45</b>	<b>\$0.00</b>	<b>\$12,825.09</b>	<b>\$23,080.54</b>

MidCities Metropolitan District No. 2  
Financial Statements

June 30, 2021

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
MidCities Metropolitan District No. 2

Management is responsible for the accompanying financial statements of each major fund of MidCities Metropolitan District No. 2, as of and for the period ended June 30, 2021, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to MidCities Metropolitan District No. 2 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

August 4, 2021  
Englewood, Colorado



**MidCities Metropolitan District No. 2**  
**Balance Sheet - Governmental Funds and Account Groups**  
**June 30, 2021**

**See Accountant's Compilation Report**

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	Account <u>Groups</u>	Total <u>All Funds</u>
<b>Assets</b>					
<b>Current assets</b>					
Checking	\$ 32,566	\$ -	\$ -	\$ -	\$ 32,566
Colotrust	1,588,213	182	5	-	1,588,400
UMB	-	1,433,364	8,212,760	-	9,646,124
Taxes due from County	26,065	-	394,533	-	420,598
Sales Taxes Receivable	-	-	390,807	-	390,807
Account Receivable -Other	15,336	-	-	-	15,336
Due (to)/from other funds	280,544	(272,448)	(8,096)	-	-
	<u>1,942,724</u>	<u>1,161,098</u>	<u>8,990,009</u>	<u>-</u>	<u>12,093,831</u>
<b>Other assets</b>					
Fixed assets	-	-	-	10,213,162	10,213,162
Amount available in debt service fund	-	-	-	8,990,009	8,990,009
Amount to be provided for retirement of debt	-	-	-	46,721,991	46,721,991
	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,925,162</u>	<u>65,925,162</u>
	<u>\$ 1,942,724</u>	<u>\$ 1,161,098</u>	<u>\$ 8,990,009</u>	<u>\$ 65,925,162</u>	<u>\$ 78,018,993</u>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 23,383	\$ 15,642	\$ -	\$ -	\$ 39,025
Payroll taxes payable	555	-	-	-	555
	<u>23,938</u>	<u>15,642</u>	<u>-</u>	<u>-</u>	<u>39,580</u>
<b>Long Term liabilities</b>					
General Obligation Bonds - 2016A	-	-	-	46,125,000	46,125,000
General Obligation Bonds - 2016B	-	-	-	9,587,000	9,587,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,712,000</u>	<u>55,712,000</u>
<b>Total liabilities</b>	<u>23,938</u>	<u>15,642</u>	<u>-</u>	<u>55,712,000</u>	<u>55,751,580</u>
<b>Fund Equity</b>					
Investment in fixed assets	-	-	-	10,213,162	10,213,162
Fund balance (deficit)	1,918,786	1,145,456	8,990,009	-	12,054,251
	<u>1,918,786</u>	<u>1,145,456</u>	<u>8,990,009</u>	<u>10,213,162</u>	<u>22,267,413</u>
	<u>\$ 1,942,724</u>	<u>\$ 1,161,098</u>	<u>\$ 8,990,009</u>	<u>\$ 65,925,162</u>	<u>\$ 78,018,993</u>

**MidCities Metropolitan District No. 2**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Governmental Funds**  
**For the Six Months Ended June 30, 2021**  
**General Fund**  
**See Accountant's Compilation Report**

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 139,350	\$ 131,135	\$ (8,215)
Specific ownership taxes	119,979	67,291	(52,688)
PILOT revenue	120,000	94,506	(25,494)
Interest Income	20,000	550	(19,450)
Miscellaneous Income	1,000	-	(1,000)
	<u>400,329</u>	<u>293,482</u>	<u>(106,847)</u>
<b>Expenditures</b>			
Accounting	26,000	9,316	16,684
District Management	45,000	9,908	35,092
Audit	5,000	-	5,000
Director's Fees	3,600	2,000	1,600
Insurance/SDA	28,000	26,819	1,181
Legal	15,000	24,830	(9,830)
Engineering	10,000	-	10,000
Miscellaneous Expense	2,000	672	1,328
Payroll Taxes	300	153	147
Treasurer's fees	2,090	1,968	122
Property Mgt/FOA	100,000	34,553	65,447
Repairs and Maintenance	50,000	2,450	47,550
Contingency	1,674,471	-	1,674,471
Emergency reserve	8,610	-	8,610
	<u>1,970,071</u>	<u>112,669</u>	<u>1,857,402</u>
Excess (deficiency) of revenues over expenditures	(1,569,742)	180,813	1,750,555
Fund balance beginning	<u>1,569,742</u>	<u>1,737,973</u>	<u>168,231</u>
Fund balance ending	<u>\$ -</u>	<u>\$ 1,918,786</u>	<u>\$ 1,918,786</u>

**MidCities Metropolitan District No. 2**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Governmental Funds**  
**For the Six Months Ended June 30, 2021**  
**Capital Projects Fund**  
**See Accountant's Compilation Report**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest Income	\$ 15,000	\$ 314	\$ (14,686)
	<u>15,000</u>	<u>314</u>	<u>(14,686)</u>
<b>Expenditures</b>			
Trails	315,000	-	315,000
Legal	35,000	32,933	2,067
Parking Garage Structure	600,000	13,296	586,704
Retaining Wall - 505 Zang Street	175,000	-	175,000
Miscellaneous Improvements	15,000	-	15,000
	<u>1,140,000</u>	<u>46,229</u>	<u>1,093,771</u>
Excess (deficiency) of revenues over expenditures	(1,125,000)	(45,915)	1,079,085
Fund balance beginning	<u>1,125,000</u>	<u>1,191,371</u>	<u>66,371</u>
Fund balance (deficit) ending	<u>\$ -</u>	<u>\$ 1,145,456</u>	<u>\$ 1,145,456</u>

**MidCities Metropolitan District No. 2**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Governmental Funds**  
**For the Six Months Ended June 30, 2021**  
**Debt Service Fund**  
**See Accountant's Compilation Report**

	<u>Annual</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>Revenues</b>			
Property Taxes	\$ 1,806,947	\$ 1,700,426	\$ (106,521)
Property Taxes - Greystar	272,653	272,653	-
Property Taxes - Pathfinder Exclusion	102,685	102,684	(1)
Property Taxes - Filing 15	94,105	94,105	-
Property Taxes - CPIII Exclusion	147,931	147,931	-
Bond Proceeds	55,000,000	-	(55,000,000)
Sales Tax Revenue	2,200,000	1,000,739	(1,199,261)
Interest Income	45,657	1,935	(43,722)
	<u>59,669,978</u>	<u>3,320,473</u>	<u>(56,349,505)</u>
<b>Expenditures</b>			
2016A Bond and SWAP Interest	1,627,444	806,778	820,666
2016A Bond Principal	46,125,000	-	46,125,000
2016B Bond Interest	900,000	-	900,000
2016B Bond Principal	10,000,000	-	10,000,000
Investment Advisor	5,000	-	5,000
Bond Issuance Costs	1,650,000	-	1,650,000
Trustee/Paying Agent Fees	10,500	8,760	1,740
Miscellaneous	5,000	-	5,000
Treasurer's Fees	36,300	34,774	1,526
	<u>60,359,244</u>	<u>850,312</u>	<u>59,508,932</u>
Excess (deficiency) of revenues over expenditures	(689,266)	2,470,161	3,159,427
Fund balance beginning	<u>5,605,210</u>	<u>6,519,848</u>	<u>914,638</u>
Fund balance (deficit) ending	<u>\$ 4,915,944</u>	<u>\$ 8,990,009</u>	<u>\$ 4,074,065</u>

**MIDCITIES METROPOLITAN DISTRICT NO. 2**

**SALES & USE TAX REVENUE COMPARISON**

Accrual Basis Collections	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	2021			
						<u>Month. Var. from 2020</u>	%	<u>Cum. Var. from 2020</u>	%
<b><u>Sales Tax</u></b>									
January	153,069	170,777	174,708	181,318	134,854	(46,464)	-25.6%	(46,464)	-25.6%
February	143,474	158,948	166,310	176,744	150,556	(26,188)	-14.8%	(72,652)	-20.3%
March	165,726	193,834	189,931	182,364	160,406	(21,958)	-12.0%	(94,610)	-17.5%
April	168,652	185,564	86,745	144,427	164,543	20,116	13.9%	(74,494)	-10.9%
May	190,739	208,369	451,652	170,219	190,568	20,349	12.0%	(54,145)	-6.3%
June	197,701	214,456	209,280	172,307	200,221	27,914	16.2%	(26,231)	-2.6%
July	195,958	214,928	293,741	182,796	205,806	23,010	12.6%	(3,221)	-0.3%
August	208,436	226,142	231,261	178,697					
September	194,445	198,761	212,109	185,949				-	
October	191,391	205,093	217,294	174,414				-	
November	178,699	192,352	188,820	175,921				-	
December	213,847	215,607	201,279	182,483				-	
Subtotal Sales Tax	<u>2,202,139</u>	<u>2,384,831</u>	<u>2,623,129</u>	<u>2,107,638</u>	<u>1,206,953</u>	(3,221)		(74,494)	-10.9%
<b><u>Use Tax</u></b>	<u>58,486</u>	<u>14,740</u>	<u>277,988</u>	<u>9,678</u>	<u>92</u>			\$ (9,586)	-99.1%
<b><u>Special Warranty Deed - Shortfall Payments</u></b>									
Salon Republic (HREG-Flatiron, LLC)									
1st Quarter	13,125	13,125	13,125	13,125					
2nd Quarter	13,125	13,125	13,125	13,125					
3rd Quarter	13,125	13,125	13,125	13,125					
4th Quarter	13,125	13,125	13,125	13,125					
Total Use Tax, and PILOT	<u>110,986</u>	<u>67,240</u>	<u>330,488</u>	<u>62,178</u>	<u>92</u>				
<b>TOTAL REVENUE</b>	<u>2,313,125</u>	<u>2,452,071</u>	<u>2,953,617</u>	<u>2,169,816</u>	<u>1,207,045</u>				

**From:** [Karen Steggs](mailto:Karen.Steggs)  
**To:** [Karen Steggs](mailto:Karen.Steggs)  
**Subject:** FW: Walmart Trail  
**Date:** Friday, September 10, 2021 10:52:16 AM

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**From:** Kristan Pritz <[kpritz@broomfield.org](mailto:kpritz@broomfield.org)>  
**Sent:** Wednesday, September 1, 2021 4:29 PM  
**To:** David Solin <[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)>  
**Cc:** Anna Bertanzetti <[abertanzetti@broomfield.org](mailto:abertanzetti@broomfield.org)>; Judy Hammer <[jhammer@broomfield.org](mailto:jhammer@broomfield.org)>;  
[pdunlaevy@broomfield.org](mailto:pdunlaevy@broomfield.org)  
**Subject:** Fwd: Walmart Trail

Hi David,  
I hope you are doing well. I am following up on a very old issue regarding the completion of the trail behind Walmart.

Our staff has scoured our files and can find no commitment from Broomfield to provide the water license fee/tap. We have also confirmed that the potable water license/tap fee will be about \$45,000 to \$50,000. (This amount is similar to your estimate in your email below). It would be very positive for the Broomfield community and in particular, the MidCities neighborhood, to finish this trail project.

To resolve the issue, Broomfield would like to offer to cover half of the water costs, not to exceed \$25,000 as long as the District pays for the balance. I would appreciate it if you would please talk with your District colleagues to find out if this proposed solution would be acceptable.

I have also copied Judy Hammer, planner for the current MidCities project under review by Broomfield; Anna Bertanzetti, Community Development Co-Director; and Pete Dunlaevy, Open Space and Trails Manager who have all been helping me to pull together a proposal to complete the trail.

Thank you for your consideration. We hope to hear from you soon.

Kind Regards,  
Kristan Pritz  
City and County of Broomfield  
Director of Open Space and Trails  
tel: 303-438-6335

----- Forwarded message -----

From: **Kristan Pritz** <[kpritz@broomfield.org](mailto:kpritz@broomfield.org)>  
Date: Tue, Apr 9, 2019 at 10:04 AM  
Subject: Re: Walmart Trail  
To: David Solin <[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)>

Thanks David. I have sent Kevin and email to find out next steps. I really appreciate your help with the history on the request!

Kind regards,

Kristan Pritz

Director of Open Space and Trails

One DesCombes Drive, Broomfield

tel 303-438-6335

On Tue, Apr 9, 2019 at 9:51 AM David Solin <[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)> wrote:

We would be fine with reuse, but I don't believe that there was any in the vicinity.

DS

**David Solin**

**District Manager**

**SDMS**

Special District  
Management  
Services, Inc.

141 Union Boulevard, Suite 150

Lakewood, CO 80228-1898

[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)

Phone: 303-987-0835

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**From:** Kristan Pritz [mailto:[kpritz@broomfield.org](mailto:kpritz@broomfield.org)]

**Sent:** Tuesday, April 09, 2019 9:45 AM

**To:** David Solin

**Subject:** Re: Walmart Trail

Please let me know if this was for reuse or potable. Hopefully, there is reuse in the area.

Kind regards,

Kristan Pritz

Director of Open Space and Trails

One DesCombes Drive, Broomfield

tel 303-438-6335

On Tue, Apr 9, 2019 at 9:41 AM David Solin <[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)> wrote:

I am not sure of the Tap Fees, but I think that it was in the \$45,000 range.

DS

**David Solin**

**District Manager**



141 Union Boulevard, Suite 150

Lakewood, CO 80228-1898

[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)

Phone: 303-987-0835

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**From:** Kristan Pritz [mailto:[kpritz@broomfield.org](mailto:kpritz@broomfield.org)]

**Sent:** Monday, April 08, 2019 4:05 PM

**To:** David Solin

**Cc:** Alice Hanson

**Subject:** Re: Walmart Trail

This is very helpful. Please tell me what was the amount of money that was being waived?

Kind regards,

Kristan Pritz

Director of Open Space and Trails

One DesCombes Drive, Broomfield

tel 303-438-6335

On Mon, Apr 8, 2019 at 4:04 PM David Solin <[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)> wrote:

I am happy to do whatever I can to help in the process. It is not a complex matter, and there is no need to connect with Counsel. The District has requested to have the Tap Fee waived for a single tap for the purposes of the landscape irrigation. Without that fee waiver, we would be hard-pressed to complete the project as requested. Counsel stated that he attempted on three occasions to have Kevin approve the request to waive the Tap Fee, but has been unsuccessful in finalizing the details with Kevin to this point.

To complete the trail as requested involves some plant material that will require watering. Without a water tap, there can be no irrigation as would be necessary for the plant material to be sustained. There are three possible options:

1. The District can complete the trail without any landscaping.



2. Walmart allows the irrigation to hook into their water system and pays for the costs of the water for the irrigation of the landscaping.
3. The District will need the Tap Fee to be waived so that the District can construct the irrigation system to water the plant material included in the Trail Project.

The only thing delaying us from beginning the project as we believe that the City and County would like it to be completed, is the waiver of the Tap Fee. If options 1 or 2 are viable, we can certainly pursue those alternatives as well.

I hope that helps provide you with a better idea of the purpose of the Tap Fee waiver we have requested.

Thank you,

David

**David Solin**

**District Manager**

**SDMS**

Special District  
Management  
Services, Inc.

141 Union Boulevard, Suite 150

Lakewood, CO 80228-1898

[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)

Phone: 303-987-0835

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**From:** Kristan Pritz [mailto:[kpritz@broomfield.org](mailto:kpritz@broomfield.org)]

**Sent:** Monday, April 08, 2019 3:44 PM

**To:** David Solin

**Cc:** Alice Hanson

**Subject:** Re: Walmart Trail

Hi David,

Could you please send me your attorney's name and contact information so I can get a better idea of what the discussion involved. If there is an email chain or something to go on--that would be very helpful. What was the cost being discussed, number of water licenses, etc.

If it is easier for you if I just call the attorney, that is fine too.

Thanks--

Kind regards,

Kristan Pritz

Director of Open Space and Trails

One DesCombes Drive, Broomfield

tel 303-438-6335

On Mon, Apr 8, 2019 at 3:26 PM David Solin <[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)> wrote:

Thanks for touching base Kristan.

Our Counsel had been working with Kevin Stanbridge to get the tap fees waived for the project. The project can't happen without a tap for the new landscaping. If you can follow-up to get confirmation that the City and County will waive those fees, the project can be RFP'ed.

Thank you,

David

**David Solin**

**District Manager**



141 Union Boulevard, Suite 150

Lakewood, CO 80228-1898

[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)

Phone: 303-987-0835

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**From:** Kristan Pritz [mailto:[kpritz@broomfield.org](mailto:kpritz@broomfield.org)]

**Sent:** Monday, April 08, 2019 12:11 PM

**To:** David Solin

**Cc:** Alice Hanson

**Subject:** Walmart Trail

Hi David,

I hope you are doing well.

I would like to find out the status of the construction for the Walmart portion of the public trail in the MidCities neighborhood. We had talked on the phone several weeks ago. You wanted to speak with your special counsel for the District about the question of a water license fee. The attorney was out of town and so we both planned to reconnect in a few weeks. I am hoping you can share an update.

I have also copied Alice Hanson who is the planner on this project.

Thank you!

Kind regards,

Kristan Pritz

Director of Open Space and Trails

One DesCombes Drive, Broomfield

tel 303-438-6335