

**The proposed Sundown Oaks metro district serves to disproportionately benefit the developer while potentially harming existing communities and the proposed new community.**

**HOW?**

**1) TOXIC WATER:**

Augmentation of our Upper Dawson aquifer is required by law because the use of the Upper Dawson affects Colorado's streams. The Metro District's chosen source for augmentation of the Upper Dawson is from a toxic water supply, the Laramie-Fox Hills Aquifer (LFHA)!!

The augmentation process is not well-understood.

What you're trying to do is replace water which flows underground from the aquifer being used for your well in the Upper Dawson to one of the permanent above-ground streams (a tributary of a larger stream or river).

Water from the Laramie Fox Hills Aquifer bubbles when it comes up. It is warm. It "smells bad." It contains coal deposits, heat and bacteria which create noxious compounds in the aquifer like hydrogen sulfates and sulfides, methane, nitrites (all exceeding EPA standards), manganese, selenium, and iron. These metals and compounds can stain clothes, and corrode steel, copper, brass, silver, and many cooking utensils. Coffee and cooked food are affected. Ion bases for water-softening systems are destroyed, producing black slime. Sulfates have a laxative effect on people and livestock, leading to dehydration – a special concern for infants.

Wells to the LFHA can cost millions of dollars. In the neighborhood of the proposed Sundown-Oak Metro District, the LFHA is nearly half a mile down.

Simple dilution is not a solution. The town of Bennett had to build a multi-million-dollar water treatment plant in order to use it for human consumption and then only at certain times of the year, as did two other municipalities for the same reasons.

It appears that the use of LFHA water violates the criteria and intent of the County water regulations 1806A, 1806A.02.4 (3), and 1806A.02 of 18A. The service plan for the proposed metro district on how to do augmentation leaves many important questions unanswered. Which streams would be augmented? Specifically, how would the water for augmentation be obtained?? How augmented? If simply dumped into a stream untreated, the condition of the stream (like Cherry Creek, Plum Creek, Bijou Creek) would be damaged. Cherry Creek's alluvial aquifer, for instance, is used by inhabitants of the Pinery. Wildlife exists along that entire corridor. Without augmentation, small streams get smaller – begin to dry up after losing so much of their underground supply. Augmentation of our Upper Dawson aquifer is not a joke!

## **2) METRO DISTRICTS HAVE THE RIGHT OF DOMINANT EMINENT DOMAIN!**

Pursuant to Colorado state law, the proposed metro district will have the power of Dominant Eminent Domain allowing it to **take adjoining** property OVER ANY OTHER GOVERNMENT ENTITY from **existing** communities. Case law has upheld the right of metro districts to take property **OUTSIDE** the metro district's boundaries from already existing communities for defined public uses.

## **3) PEOPLE IN METRO DISTRICTS PAY HIGH, DOUBLE PROPERTY TAXES PLUS OTHER FEES**

Upon approval of the metro district by the County, and **before any homes are built**, the developer(s) elects a Board with himself and others he's picked. This Board passes a tax amount (Metro Bond Taxes) in order to pay the developer's investors and, also, sets up fee schedules to pay maintenance, lawyers' fees, etc. All paid by the homeowners. This is above and beyond County taxes. People who eventually buy homes in the metro district have no say. In other words, "Taxation without representation." So the developer gets paid twice: The profit from the

sale of the lots and houses, and the Metro Bond Taxes paid by the homeowners to pay off what the developer borrowed. The interest is paid to the developer's investors first before any principal and it is tax free in Colorado.

**The Denver Post, 6/26/2020:**

**"Colorado metro districts and developer's create billions in debt, leaving homeowners with soaring tax bills."**

#### **4) THERE IS NO REGULATORY OVERSIGHT ON METRO DISTRICTS**

Pursuant to the **Colorado Department of Local Affairs** "There is **NO** (emphasis added) state agency or division that has regulatory oversight over metro districts."

#### **5) METRO DISTRICTS ARE EXEMPTED FROM THE COLORADO INDEPENDENT ETHICS COMMISSION**

Even though metro districts are quasigovernment entities, they have been **exempted** from the voter passed Amendment 41, which created the "Colorado Independent Ethics Commission" for oversight of government ethics violations.

#### **6) METRO DISTRICTS HAVE AN INCREASED TAX BURDEN**

Metro District homes ARE more challenging to sell, passing the costs of the development to the owners via Metro Bond Taxes (mill levy). Homes in the metro district will have an additional annual tax burden of potentially \$20-40k above and beyond the county property tax."

#### **7) METRO DISTRICTS MAY RELIEVE DEVELOPERS OF THE RISK OF NOT ACTUALLY SELLING THE HOMES. POTENTIAL IMPACT ON SURROUNDING COMMUNITIES**

Generally, the developer is paid at the issuance of bonds, at the beginning of the process. This leaves the long term economic viability to burden the community and future homeowners alone, at the risk of the success of the development which may or may not come to fruition

If developers have bought their own debt, the developer is at risk if the homes don't sell, as there won't be sufficient tax or fee revenue to pay off the debt. If



the bonds are sold to outside investment holders, the metro district may fail if there is not sufficient revenue to pay the debt. This can impact the value of homes in the district as well as the surrounding community because, by proximity, a metro district ties the value of homes in the existing adjacent communities to the promise (wager) of a successful development.

Contrast this to similar developments all over Douglas County without a metro district, where the developer is incentivized to sell the homes or risk default, offering some relief to the broader community that the developer has a vested interest in selling these homes.

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