

**EL PASO COUNTY SPECIAL DISTRICTS
ANNUAL REPORT and DISCLOSURE FORM**

1. Name of District(s):	Lorson Ranch Metropolitan Districts Nos. 1-7
2. Report for Calendar Year:	2011
3. Contact Information	<p>Patrick Hrbacek Hanes, Hrbacek & Bartels, LLC 102 South Tejon Street, Suite 800 Colorado Springs, CO 80903 (719) 260-7900 firm@hhbcolorado.com</p>
4. Meeting Information	<p>Board Meetings of the Districts are scheduled for the second and fourth Thursdays of each month at 9:00 a.m. at the district offices located at 212 N. Wahsatch, Suite 301, Colorado Springs, CO 80903, but may be subject to change and may be cancelled at the discretion of the Board, including if there is no business to transact. Up-to-date meeting times, locations, and agendas can be obtained by calling the number listed above under the Districts' Contact Information.</p>
5. Type of District(s)/ Unique Representational Issues (if any)	<p>The Lorson Ranch Metropolitan Districts consist of 7 separate but interrelated Title 32 Special Metropolitan Districts. District No. 1 is the Service District and will contain no residential units. District Nos. 2-7 are the Financing Districts and, among these, it is anticipated that District Nos. 2 – 6 will contain all of the residential development, and District No. 7 will contain the commercial development. Pursuant to the Service Plan for the Districts, either the Service District and/or the Financing Districts may issue bonds or other financial obligations as appropriate to deliver the improvements and services to the property within the boundaries of the Districts. District No. 1, as the Service District, is expected to construct and maintain the public facilities throughout the property within the Districts, and District Nos. 2-6 as the residential districts and District No. 7 as the commercial district, are expected to generate the tax revenue to pay the costs of the capital improvements, administration and operations and maintenance, as well as create benefits for the inhabitants of the community within the combined Districts. Ownership and long term maintenance of public facilities may be turned over to another public entity such as El Paso County for roads and Widefield Water & Sanitation District for wet utilities.</p> <p>Property owners within the Financing District Nos. 2-7 have the opportunity to provide input to the Financing District.</p>

<p>6. Authorized Purposes of the District(s)</p>	<p>The Service Plan authorizes the following services to be provided by the Districts: streets; traffic and safety controls; parks and recreation; water; sanitation; fire protection; and, mosquito control; and, the Districts further have the power to provide such additional services and exercise such other powers as are incidental to or implied from the specific powers set forth above, and to utilize any method, mechanism or institutional structure permitted at law to exercise said powers and/or deliver such services.</p>																																				
<p>7. Active Purposes of the District(s)</p>	<p>The current primary active purposes of the Districts include construction of infrastructure improvements for streets, recreation, drainage, parks and trails, water and sanitation. Once completed, it is contemplated that operation of the water and sanitation improvements will be transferred to Widefield Water and Sanitation District.</p> <p>The districts currently have a contract with Security Fire Protection District to provide fire protection and emergency medical response services.</p> <p>For additional details, please contact the Districts utilizing the contact information listed above.</p>																																				
<p>8. Current Certified Mill Levies</p> <p>a. Debt Service</p> <p>b. Operational</p> <p>c. Fire Service</p> <p>d. FMIC settlement</p> <p>e. Total</p>	<table border="1"> <thead> <tr> <th></th> <th>Dist 1</th> <th>Dist 2</th> <th>Dist 3</th> <th>Dist 4-6</th> <th>Dist 7</th> </tr> </thead> <tbody> <tr> <td>a. 0 mills</td> <td>35 mills</td> <td>20 mills</td> <td>0 mills</td> <td>0 mills</td> <td>0 mills</td> </tr> <tr> <td>b. 10 mills</td> <td>10 mills</td> <td>10 mills</td> <td>10 mills</td> <td>10 mills</td> <td>10 mills</td> </tr> <tr> <td>c. 0 mills</td> <td>13 mills</td> <td>8 mills</td> <td>0 mills</td> <td>13 mills</td> <td></td> </tr> <tr> <td>d. <u>10 mills</u></td> <td><u>10 mills</u></td> <td><u>10 mills</u></td> <td><u>10 mills</u></td> <td><u>10 mills</u></td> <td><u>10 mills</u></td> </tr> <tr> <td>e. 20 mills</td> <td>68 mills</td> <td>48 mills</td> <td>20 mills</td> <td>33 mills</td> <td></td> </tr> </tbody> </table>		Dist 1	Dist 2	Dist 3	Dist 4-6	Dist 7	a. 0 mills	35 mills	20 mills	0 mills	0 mills	0 mills	b. 10 mills	10 mills	10 mills	10 mills	10 mills	10 mills	c. 0 mills	13 mills	8 mills	0 mills	13 mills		d. <u>10 mills</u>	<u>10 mills</u>	<u>10 mills</u>	<u>10 mills</u>	<u>10 mills</u>	<u>10 mills</u>	e. 20 mills	68 mills	48 mills	20 mills	33 mills	
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<p>9. Sample Calculation of Current Mill Levy for a Residential Property and Commercial Property (as applicable).</p>	<p>Assumptions:</p> <p>\$200,000.00 is the total actual value of a typical single family home as determined by El Paso County.</p> <p>\$500,000 is the total actual value of the sample commercially- assessed property.</p> <p>Aggregate total mill levy is currently 68.0 mills.</p> <p>Sample Metropolitan District Mill Levy Calculation for a <u>Residential Property</u> in District 2: $\\$200,000 \times .0796 = \\$15,920$ (Assessed Value) $\\$15,920 \times .0680 \text{ mills} = \mathbf{\\$1,083 \text{ per year}}$ in sample taxes owed solely to this Special District if the District imposes its maximum operations and contractual mill levy.</p> <p>Sample Metropolitan District Mill Levy Calculation for a <u>Commercial Property</u> in District 7: $\\$500,000 \times .2900 = \\$145,000$ (Assessed Value) $\\$145,000 \times .068 \text{ mills} = \mathbf{\\$8,410 \text{ per year}}$ in sample taxes owed solely to this Special District if the District imposes its maximum debt service and operations mill</p>																																				

	levy.
<p>10. Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals)</p> <p>a. Debt Service b. Operational c. Fire Service d. FMIC settlement e. Total</p>	<p>a. 50 mills for each District b. 10 mills for each District c. 13 mills for each District d. <u>10 mills for each District</u> e. 83 mills for each District</p> <p>The 10 mills for the FMIC settlement is capped by Colorado State Law. The Board can authorize an annual mill levy up to the cap each year until the settlement is paid off. The original settlement was for \$480,000 plus interest at 8%.</p>
<p>11. Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as applicable).</p>	<p>Assumptions: See Assumptions in #9 above.</p> <p>Sample Metropolitan District Maximum Mill Levy Calculation for a <u>Residential Property</u>:</p> <p>\$200,000 x .0796 = \$15,920 (Assessed Value) \$15,920 x .0830 mills = \$1,321 per year in sample taxes owed solely to this Special District if the District imposes its projected debt service, fire service and operations mill levy.</p> <p>Sample Metropolitan District Mill Levy Calculation for a <u>Commercial Property</u>:</p> <p>\$500,000 x .2900 = \$145,000 (Assessed Value) \$145,000 x .0830mills = \$12,079 per year in sample taxes owed solely to this Special District if the District imposes its projected debt service, fire service and operations mill levy.</p>
<p>12. Current Outstanding Debt of the Districts (as of the end of year of this report)</p>	<p>At the present time, the Districts do not have any outstanding general obligation debt. District No. 1 issued a series of Limited Tax General Obligation Bonds on 7/27/11 with an original principal amount of \$18,191,145. The principal balance remaining at 12/31/11 was \$14,230,418. The Bonds are payable solely from the Pledged Revenues of the Districts.</p> <p>District No. 1 also has an outstanding Developer advance in the principal amount of \$9,896,884 related to infrastructure costs. Districts 2 through 7 have the following outstanding Developer advances related to administrative costs: District No. 2 - \$1,448; District No. 3 - \$1,956; District No. 4 - \$1,956; District No. 5 - \$1,965; District No. 6 - \$1,951; District No. 7 - \$1,366.</p>
<p>13. Total voter-authorized debt of the Districts (including current debt)</p>	<p>At formation, each of the Financing Districts (Districts Nos. 2-7) was voter-authorized to issue General Obligation Debt in an amount not to exceed \$640,000,000 for each District, and not to exceed \$2,400,000,000 for the Service District (District No. 1) The Service Plan limits the debt in total for all Districts to \$300,000,000. Some or all of this entire amount</p>

	may be issued by an affirmative vote of the Board of Directors of District No. 1 in the future without the necessity of a district-wide vote. There is no voter authorized limit on potential future revenue obligations.
14. Debt proposed to be issued, reissued or otherwise obligated in the coming year.	In 2012, it is anticipated that District No. 1 will issue additional Limited Tax General Obligation Bonds to repay developer advances and for other allowable purposes as determined by the Board of Directors.
15. Major facilities/ infrastructure improvements initiated or completed in the prior year	Construction on installing streets and wet utilities in 2011 was completed on the Meadows 2 subdivision and started and completed on the Allegiant subdivision, both of which are in Lorson Ranch.
16. Summary of major property exclusion or inclusion activities in the past year.	There were no major inclusions or exclusions of property in 2011.

Reminder:

- A. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.
- B. Colorado Revised Statutes, Section 32-1-823(1), states a certificate of election results shall be filed with the County Clerk and Recorder.

Dave Cocolin President
Name and Title of Respondent

Dave Cocolin January 19, 2012
Signature of Respondent Date

RETURN COMPLETED FORM TO: specialdistrictnotices@elpasoco.com

or mail to: El Paso County Clerk and Recorder
Attention: Clerk to the Board Department
P.O. Box 2007
Colorado Springs, Colorado 80901-2007

****NOTE:** As per CRS Section 32-1-104(2), a copy of this report should also be submitted to:

County Assessor - 27 East Vermijo, Colorado Springs, Colorado 80903

County Treasurer - 27 East Vermijo, Colorado Springs, Colorado 80903