

Friends and Former Neighbors:

A number of my old neighbors have asked me questions concerning the Tabor Notice language as well as the reason why the Las Animas County Commissioners are involved in the bridge project. I would like you all to understand some **FACTS**.

In May of 1998, when the SFTR Metro District was formed, by election, it assumed the power to assess an Ad Valorem (property) tax on the property owners. However, that tax cannot be assessed by the District without the approval of the registered voters owning property within the District's legal borders. The Metro District has historically determined, that in keeping with the founding principles of the POA, that each property would be assessed an equal and share of the cost of improvements and enhancements to the community. Personally, I believe it is another of the unique traits that makes the community an attractive place to live. Everyone is "in it" together.

The original service plan for the District, though it was written broadly to provide for future services to the community and enhancements, set a specific debt limit, which was specific to the cost of the project to finance a water delivery system and land line phones. The original bond issue documents are recorded in the Las Animas County Clerk's Office and you can read the Tabor Notice that accompanied that project. You will notice the "language" is the same, but the numbers reflect the smaller size of that project.

The Tabor Notice is required by State Law and its purpose is to inform the voters of exactly what would happen if one of two things take place. Should the property owners, collectively, not meet the debt service requirements on the loan to replace the bridge, the lenders are protected by the fact that the Metro District would be compelled to impose an Ad Valorem tax on each property to make up the deficiency. This tax would become a part of every owner's annual property tax bill. The second instance would be if the Metro District itself did not live up to its statutory responsibilities to the State of Colorado and would lose its Metro District status. In that case, the debt that the community owes on the loan becomes "taxable" and the approximate 3.75% interest rate for the tax exempt loan would be adjusted to the taxable equivalent rate of up to 10%, and accordingly, the new adjusted amount of total debt and interest would increase proportionately to a maximum of \$15,000,000. **THAT IS WHERE THE TABOR LANGUAGE COMES FROM AND THAT IS WHY THE SFTR NEEDS TO BE GOOD STEWARDS, NOT ONLY TO ITS DEBT OBLIGATIONS, BUT ALSO TO THE SUPPORT, ASSISTANCE AND INTEGRITY OF THE METRO DISTRICT.**

The community has done this for over 18 years and there is no reason to change now. It has made the community what is, is - especially to those who have made a positive contribution. If any of you do not understand this explanation, please call (845-9060) or email ([vjamesdavis@yahoo.com](mailto:vjamesdavis@yahoo.com)) me and I will explain further as best I can. Unfortunately, there is no way for me to explain this in pictures.

As the SFTR Metro District is located out in the County, Las Animas County is its legal jurisdiction. Therefore, the County Commissioners had to approve the formation of the District, approve its service plan plus future amendments, and approve its debt ceiling limits.

Best Regards,  
Jim Davis  
April 25, 2016