

CHERRY HILLS HEIGHTS WATER & SANITATION DISTRICT
RE: November 2, 2004 Election

Dear Neighbor:

Recently, you should have received the Ballot Information Booklet from Arapahoe County. It contains the wording of the ballot issues to be voted upon in the November 2nd election as well as some additional information about the issues. The ballot language in the Booklet can be confusing due to the required “legalese”, so this letter will attempt to clarify the key points of the issues in simple terms and offer a summary of the pros and cons of each issue. In addition, we have included some election information (polling locations, absentee ballots, etc.) to help make the voting process easier. If you have any additional questions or concerns after reading this letter, please feel free to contact any of us (the members of the Board of Directors) – our contact info is below.

THE BALLOT QUESTIONS

There are 5 ballot questions (pages 60-11, 60-12, 60-13, & 60-14 in the Ballot Information Booklet) that pertain to Cherry Hills Heights Water & Sanitation District. The first 3 questions (Ballot Issues 5B, 5C, and 5D) will be voted upon by the entire district. The last 2 questions will be voted upon **ONLY** by the households in Subdistrict A or Subdistrict B. There are 7 households in Subdistrict A which borders University Blvd. There are 3 households in Subdistrict B which borders Hampden (a list of the households in each district is attached.)

In all cases, if the election passes it means only that your Board of Directors are authorized to issue bonds or other debt up to the amounts specified in the ballot. They are not required to do so if they find that at the time of the debt issuance the circumstances are not favorable. For example, they will decide on your behalf whether the interest rates being asked for at the time are reasonable, whether the construction estimates are within the budget, and whether the tax burden is acceptable. The numbers in the ballot represent the “worst case scenario” or the budget. Actual costs are expected to be lower.

NOTE: For those of you who received the spreadsheet at the neighborhood meeting at the Staller’s house on August 31st, please note that the numbers in the ballot are rounded up very slightly from the high/budget estimate. This was only done to simplify the numbers.

Overall, the voters will be asked to approve a total increase in our District’s debt of \$450,000 (\$275,000 to pay to demolish the existing fences and reconstruct a wall along Hampden, and \$175,000 for the same along the entire length of University and on the corner of Hampden & University). Additional landscaping and sidewalk construction, as well as entryway improvements along University are expected to be included in that sum.

Subdistrict A will be asked to assume an additional tax burden of \$20,000 (inclusive of the \$175,000) that only they will pay (this is the equivalent of a 125% mill levy upcharge.) Subdistrict B will be asked to assume an additional tax burden of \$20,000 (inclusive of the \$275,000) that only they will pay (this is the equivalent of a 150% mill levy upcharge.)

Ballot Issue 5B

The District is asking the voters to permit it to levy *up to* an additional \$5,000 per year in taxes to pay for the maintenance of the new wall(s) and related operational costs (such as insurance, snow removal, water for landscaping, etc.). *No debt may be issued as a result of this question* – it is simply a straight tax increase for operations and maintenance purposes. This amount will be shared equally among all neighbors. It is roughly the equivalent of up to \$98/year/household.

Ballot Issue 5C

The District is asking the voters to permit it to issue *up to* \$175,000 in debt to build the University wall and related improvements. With the financing costs, the repayment cost can be no more than \$400,000. This equates to an interest rate of roughly 7.7% over a 25-year period. *NOTE: This ballot issue will not pass unless Subdistrict A approves the additional \$20,000 in debt (see Ballot Issue 5E).*

Example: For all neighbors, this means that if your home has an assessed value of \$48,000, you would pay up to approximately \$280/year (or about 5.83 mills) in additional taxes for this ballot issue. Subdistrict A houses would pay an additional amount (*see Ballot Issue 5E for an estimate.*) To find out the most you personally might pay per year according to this model, multiply .00583 by your own home's assessed value.

Ballot Issue 5D

The District is asking the voters to permit it to issue *up to* \$275,000 in debt to build the Hampden wall and related improvements. With the financing costs, the repayment cost can be no more than \$650,000. This equates to an interest rate of roughly 8.1% over a 25-year period. *NOTE: This ballot issue will not pass unless Subdistrict B approves the additional \$20,000 in debt (see Ballot Issue 5F).*

Example: For all neighbors, this means that if your home has an assessed value of \$48,000, you would pay up to approximately \$470/year (or about 9.94 mills) in additional taxes for this ballot issue. Subdistrict B houses would pay an additional amount (*see Ballot Issue 5F for an estimate.*) To find out the most you personally might pay per year according to this model, multiply .00994 by your own home's assessed value.

Ballot Issue 5E

The District is asking *only* the voters in Subdistrict A to permit it to issue up to \$20,000 in debt to contribute to the total cost of the University wall and related improvements. With the financing costs, the repayment cost can be no more than \$45,000.

Example: For the Subdistrict A members, this means that if your home has an assessed value of \$36,000, you would pay up to (in addition to the taxes from Ballot Issue 5E) approximately \$260/year (or about 7.29 mills) in additional taxes for this ballot issue. To find out the most you personally might pay per year according to this model, multiply .00729 by your own home's assessed value.

Ballot Issue 5F

The District is asking *only* the voters in Subdistrict B to permit it to issue up to \$20,000 in debt to contribute to the total cost of the Hampden wall and related improvements. With the financing costs, the repayment cost can be no more than \$45,000.

Example: For the Subdistrict B members, this means that if your home has an assessed value of \$40,000, you would pay up to (in addition to the taxes from Ballot Issue 5F) approximately \$595/year (or about 14.91 mills) in additional taxes for this ballot issue. To find out the most you personally might pay per year according to this model, multiply .01491 by your own home's assessed value.

REASONS TO SUPPORT THE DEBT INCREASE

The fences on the perimeter of Cherry Hills Heights are generally in bad repair and reflect poorly on the neighborhood. Under current circumstances, many of them should be replaced by a new masonry wall that will not only look nicer than what we have now, but will also provide a greater measure of security, as well as, noise and light mitigation. The neighborhood representatives have developed a design of a new perimeter wall, which would include an "entranceway" on University. This may help cut down on the amount of traffic that cuts through our neighborhood.

We now have the opportunity to receive thousands of dollars from the Denver Seminary developer across the street to help pay for a new wall, but we only receive it if the neighborhood picks up a share (30% or \$90,000, whichever is less) of the cost. Provided that we pass the University wall initiative, the developer has also agreed to provide landscaping, an irrigation system, and a detached sidewalk along University.

The use of a tax-exempt financing option through the District to pay these costs will save the neighbors money over and above the costs of private financing. The interest rate on the borrowing is less if done by the District, and the payment of taxes by each of us to support the financing may be deductible on our federal tax returns.

To the extent that people believe that the perimeter properties will benefit more than interior lots, it is a condition of the financing by the District that the perimeter "subdistricts" will add additional money to pay their fair share of the proposed debt. If both the University and the Hampden initiatives pass, the resulting masonry wall will give a cohesive look to our neighborhood and hopefully raise our property values.

REASONS TO OPPOSE THE DEBT INCREASE

Construction on the wall will be an inconvenience to perimeter neighbors. Some households have a higher-than-average assessed value, due to the way the mill levy is imposed, and will pay more than others in taxes. Property taxes will increase for all taxpayers in the District and will increase even more for those in the subdistricts.

POLLING PLACES

The special elections of the Cherry Hills Heights Water and Sanitation District, Subdistrict A, and Subdistrict B will be held on Tuesday, November 2, 2004, between the hours of 7:00 a.m. and 7:00 p.m. The District is located entirely within the boundaries of Arapahoe County precinct number 1260303113 and the polling location is Denver Seminary, 3401 South University Boulevard, Englewood, Colorado 80113. Remember to bring a valid ID with you to the polling location. You may also vote by absentee ballot.

If you wish to vote by absentee ballot, a request for an application may be made orally or in writing to the Arapahoe County Clerk and Recorder's Office, Elections Division, 5334 South Prince Street, Littleton, Colorado 80166, telephone number 303-795-4511, not later than 4:00 p.m. on Friday, October 29, 2004. If you wish to receive the absentee ballot by mail, you must file the application with the Elections Division no later than the close of business on Tuesday, October 26, 2004. In order for your vote to be counted, the absentee ballot must be received by the Arapahoe County Clerk and Recorder's office no later than 7:00 p.m. on November 2, 2004. Contact the Elections Division for a list of the authorized drop off locations for absentee ballots. If you request an absentee ballot you may not vote by any other means.

Early voting for the election will be conducted from Monday, October 18, 2004, through Friday, October 29, 2004. The locations for early voting are available from the Elections Division.

YOUR BOARD OF DIRECTORS

John Temple, President
2509 E. Floyd Ave.
303-692-8801

Melissa Grossman, Treasurer
3499 S. Clayton Blvd.
303-788-9599

Odell Isaac, Secretary
2501 E. Floyd Ave.
303-639-9376

**CHERRY HILLS HEIGHTS WATER & SANITATION DISTRICT
SUBDISTRICTS A&B**

Subdistrict A Members

- Doug & Karrie Dunkin
3497 S. Clayton Blvd.
- James O'Connor & Melissa Grossman
3499 S. Clayton Blvd.
- Jeff & Lennie Maen
3355 S. Columbine Circle
- Jonah & Katty Staller
3345 S. Columbine Circle
- Ed Komuro
3380 S. Columbine Circle
- Stephen & Rachel Chaney
3325 S. Columbine Circle
- Peter & Eugenia Zobolas
3320 S. University Blvd.

Subdistrict B Members

- Dan & Sue Whitnah
3490 S. Clayton Blvd.
- Bob & Jane Wilson
3454 S. Columbine Circle
- Dick & Mercedes Fell
3450 S. Columbine Circle