



Foothills

Park & Recreation District

Foothills Park & Recreation District's Informational Response to Mesa View Estates Distributions Regarding "Secession" December 11, 2009

The Mesa View Estates HOA Board of Directors (MVE) has distributed materials encouraging homeowners to "secede" from Foothills Park & Recreation District ("Foothills"). We understand that they have distributed petitions to homeowners as part of those materials. Foothills' Board of Directors and staff believe that it is important for MVE homeowners to have full and accurate information in order to adequately consider this matter.

First, references to a "secession" are a misnomer. MVE is endorsing homeowners' participation in an exclusion process. Foothills is a governmental entity, and exclusion from Foothills is governed by State law. If interested, please contact Foothills with any questions that you may have regarding the exclusion process or the criteria that governs decisions under that process. Importantly for homeowners to understand, exclusion is not a legal right. Those petitioning for exclusion will be required to make legal presentations, individually or as part of a group, at a hearing before the Foothills' Board of Directors. The Foothills Board will make a decision to grant or deny exclusion after that hearing.

Additionally, based upon the materials that have been distributed, an important point of clarification has emerged. MVE has distributed a document entitled "Seceding from Foothills," in which they have "determined the best course of action is to seek secession from [Foothills] and take control of Estates Park." If homeowners of MVE are granted exclusion from Foothills, any such exclusion will NOT be accompanied by the transfer of ownership or control of Estates Park. These are completely different legal considerations. After any successful exclusion, Foothills will retain ownership and control of Estates Park. MVE may offer to purchase the Park, or may negotiate with Foothills for a contractual arrangement regarding maintenance and operation of the Park. Foothills' Board of Directors has indicated that it has no present desire to sell any of its park sites, including Estates Park. Foothills and MVE began the early stages of negotiating a long term lease arrangement, but MVE called off those negotiations and chose to devote its efforts towards supporting the exclusion process.

MVE also distributed ten reasons for their support of exclusion as part of a "Secession FAQ" that was part of the MVE July 2009 Newsletter. In order to assist you with your decision to pursue exclusion or not, we would like to provide factual responses to these reasons.

MVE #1. *“Foothills does a very poor job of maintaining our park. Despite our efforts to get them to improve, they lack the funds because they overbuilt their facilities down south. Our park is weedy, pothole ridden, has old equipment that needs replacing, they have failed to water the grass, they have cut back on snow removal, etc.”*

Foothills’ Response: Our service levels for all of our neighborhood parks throughout the district are consistent. Unfortunately, the parks department budget does not allow us to provide the level of service that we desire, and also in some cases, what neighborhoods desire. We have had decreased staffing levels, higher utilities (10% per year increases), and increased costs for fuel, herbicides and fertilizer. Maintaining and possibly improving the levels of service to district residents is one of the main reasons that the District attempted to pass a mill levy increase in May 2008, which failed. Improvements such as the renovation of the 6th Avenue West Pool on Holman Way, and playground and tennis court renovations at Estates Park were all identified on our 2008 mill levy capital repairs. Had the mill levy passed, these areas would have been addressed. To address some of the concerns raised by the MVE HOA Board in 2009, we shared the cost with the MVE HOA to repair the parking lot at Estates Park, and we feel that we have better control over noxious weeds at Estates Park. In addition, we are seeking alternative revenue sources through grant applications to attempt to secure funding to replace the playground and resurface the tennis courts. These grants are only available to entities like Foothills and are not available to HOA owned and operated park areas. We are hopeful that this funding could be secured in 2010, and if not, we would likely continue to apply for these funds until we would be successful.

MVE #2. *Except for our park and Holman pool, the rest of Foothills facilities are 10-17 miles away. Our survey last year and Foothills own data show that very few Mesa View residents use those facilities.*

Foothills’ Response: From the 6th Avenue West Pool on Holman Way via C-470 to the Peak Community and Wellness Center, Ridge Recreation Center, Edge Ice Arena and Meadows Golf Course is 12.43 miles. Despite the belief stated that very few MVE residents use Foothills’ facilities, 686 or 43.9% of the households in the 6th Avenue area appear in our customer database as having utilized one of our facilities. Usage of parks and trails is impossible to quantify without an extensive survey of the households in the 6th Avenue area. It appears, however, that Estates Park is well-used by MVE and its residents.

MVE#3. *“We only receive pennies on the dollar in local services for the property taxes we pay. Our taxes are subsidizing facilities too far away from us. We are, as a Foothills Board member put it, merely a revenue generator for them.”*

Foothills’ Response: It is a fundamental concept that property taxes support governmental services. Foothills is no exception. According to additional information that is being provided to homeowners in your area, MVE is representing that Foothills collects \$120,000 in tax dollars from MVE homeowners. In reality, Foothills collects \$107,247.98. This is based upon the fact that the 2009 assessed valuation for all of the properties in Mesa View Estates is \$26,286,270 and you have a mill levy rate of 4.08 mills. Foothills experienced an overall decrease for 2010 in tax revenue collections, so the actual amount will be even less than the \$107,247.98 for 2010. 59% of the taxes that are collected from the 6th Avenue area stay in the area, which could also be described as 59 cents of every dollar are spent in the area. This is significantly higher than the assertion that only pennies are spent on local services. 41% is used in other areas of Foothills to help provide other programs and facilities as well as maintain and operate regional parks such as Schaefer Athletic Complex, Clement Park and Easton Regional Park. To put this into actual dollars, the average household in the whole 6th Avenue area pays \$153.21 annually in property taxes to Foothills. Therefore, only \$62.82 from each household is being used outside of the 6th Avenue area and on average \$90.39 is being used in the 6th Avenue area. Furthermore, the entire 6th Avenue area pays less in taxes than the rest of the Foothills District and still gets to utilize all Foothills facilities and receive in-district rates at all of our facilities. As mentioned above, the mill levy rate for the 6th Avenue area is 4.08 mills where most of the rest of the district is 7.636 mills.

MVE #4. *“It is not cost effective to Mesa View residents to belong. Non-resident rates for Foothills facilities are not substantially higher than resident rates, so all Mesa View residents could continue to use Foothills facilities and save a considerable amount of money.”*

Foothills’ Response: Here are a few simple examples of the savings that Foothills residents realize if they choose to participate in programs the District offers.

- Swimming Lesson - \$12.00 savings
- 2 Person Household pass at the Peak and Ridge - \$85.00 savings
- 1 Round of Golf - \$3.00 savings
- Youth Baseball Program - \$16.00 savings
- Pottery Class - \$16.00 savings

(Response continued on next page)

Response continued: Given that the average amount of annual taxes that a 6th Avenue household pays is \$153.21, saving a “considerable” amount of money depends on one’s interpretation of considerable. Furthermore, if the MVE is successful at what they have indicated is their desire, the HOA or a new local Mesa View District would have to purchase Estates Park or enter into a long term contractual arrangement, and then maintain it at a higher standard than what it is currently being maintained. Of course, purchasing the park would require either a large cash outlay or the incurrence of debt. MVE also stated a desire to spend more on maintenance and improvements. The expenses associated with acquiring Estates Park and increasing maintenance and improvements would have to be considered as part of any net “savings” that may result.

MVE #5. *“Avoid a tax increase: Foothills is in such a dire economic situation that they will need to seek a mill levy increase in the next election cycle. We already don’t get what we pay for, so it seems unfair to have to pay even more.”*

Foothills’ Response: Foothills did not pursue an increase in the mill levy in 2009, and may not pursue an increase in 2010 either, but this is yet to be determined. If a mill levy increase were to pass, MVE residents would still be paying less in taxes than the rest of the District, as they are now. As mentioned above, the level of service that is being provided in the 6th Avenue area is the same as it is being provided throughout Foothills.

MVE #6. *“A local Mesa View district to replace Foothills would allow some of our current HOA dues to become tax deductible, saving money for our owners.”*

Foothills’ Response: Depending on each individual’s tax situation, property taxes are deductible items. Therefore, the taxes being paid to Foothills have always been tax deductible. In addition, a “local Mesa View district” is not a foregone conclusion, nor a simple option. Jefferson County would have to approve the formation of a new local government entity, and may not favor exclusion from Foothills only to be replaced by a smaller taxing entity. There are also costs associated with forming a special district. Prior to any exclusion, the District must consent to the formation of a new park and recreation district. In addition, if residents of MVE are successful at excluding from the Foothills, Estates Park would not transfer to the MVE HOA. If a new “local district” is formed and wishes to own the park and maintain it, they would have to purchase the property at fair market value if Foothills is willing to sell. Therefore, the new local district would likely have debt to pay for and also would incur higher costs of maintaining the park. There are also costs of operating a governmental entity separate from maintaining a park.

Our executive director, a board member and the Foothills’ legal counsel met with members of the MVE HOA Board on a couple of occasions to try to address concerns and see if there could be some resolution to some of the perceived problems. On more than one occasion, it came up that there was a desire to possibly build a swimming pool or a member’s only clubhouse/community center in Estates Park. Regardless of the amount of money it would take a new ‘local district’ to purchase and maintain Estates Park, it is only a small portion of what it will cost the homeowners if a swimming pool or small community center is built in the park. One example of a small district in Jefferson County that passed a mill levy for similar improvements is the Normandy Estates Metropolitan Recreation District. Their mill levy is 15 mills, which is almost 4 times the amount that you are currently paying!

MVE #7. *“We cannot currently make improvements to the park, even minor ones. We would like to upgrade the porta-potty to true restroom, for example.”*

Foothills’ Response: Over the years, there have been many examples where a local HOA or neighborhood has had a desire to make improvements in a park or landscaped area and have approached Foothills with funding to assist with these improvements. If the MVE would like to discuss and provide funding for improvements to Estates Park, we would be more than willing to discuss working with them to address their needs. Foothills has a very successful Adopt-a-Park program for these very purposes. The repair of the potholes in the Estates Park parking lot was accomplished through the collaborative efforts of Foothills and MVE. For information purposes, a restroom for a park could easily cost \$300,000 or more, not to mention the continued costs in utilities, cleaning and vandalism, etc. From national standards for local park and recreation agencies, restrooms typically are not put into neighborhood parks, and none of our neighborhood parks in the rest of the District have a restroom. Capital repairs like the playground would be a higher priority in our opinion and would have been addressed had the mill levy increase passed. The District has recently submitted grant applications to replace the playground and to resurface the tennis courts at Estates Park if it remains a part of the Foothills’ neighborhood park inventory. We will know the outcome of these grant applications in early February, 2010.

MVE #8. *“The park was never fully developed as we were promised, such as finishing the baseball diamond area down in the weed pit. They have no funds to fulfill these promises, despite us being a revenue center for them.”*

Foothills’ Response: Foothills received Estates Park from the developer after it was completed. If there were promises made for other improvements, they were unfulfilled by the developer. However, we have looked at the master plan that was given to us when the park was deeded to Foothills and there is not a baseball diamond conceptualized in any area of the park. The area that is referred to as a “weed pit” is actually a regional detention pond at the lower portion of the park that was required by the County and installed by the developer. Installing a baseball diamond in this area would require added irrigation, upsizing the water tap and would be difficult now to have Denver Water approve using potable water for added irrigation, not to mention the fact that this would require additional expense that would be incurred by the proposed newly formed local district.

MVE #9. *“Our HOA already spends a substantial amount of money maintaining the park because Foothills is unable to do so, as their responsibility. Our HOA has paid for toilet fees, weed mitigation, pothole repair, snow removal, etc. We feel if we are paying for it, we should own it.”*

Foothills’ Response: As mentioned before, Estates Park is treated the same as all other neighborhood parks in terms of the level of service that we provide. We acknowledge that MVE may have a desire for a higher level of service than what can be provided within our budget, and we applaud and thank them for taking the initiative for items that they desire. As discussed previously, we have recently worked with MVE on a project to repair a pothole and make other repairs to the parking lot at Estates Park. Foothills funded 50% of the repairs as did MVE, and this program is available to other HOA’s throughout the District. In addition, as emphasized previously, transfer of ownership of the Estates Park is not part of an exclusion process. MVE or a new park and recreation district must buy the park (at no less than fair market value) if Foothills even has a desire to sell.

MVE #10. *“Real estate agents agree that the poor condition of the park is damaging our property values. It damages values both by being unsightly and because prospective homebuyers do not know that Foothills owns the park. They understandably assume our HOA is responsible and thus conclude we have a poor homeowners association that does not take care of our neighborhood. We want to stop this drag on our home values and turn it into an asset.”*

Foothills’ Response: As mentioned before, we are consistent with how we maintain all of the neighborhood parks in the District. We agree that there are capital items that need to be addressed throughout Foothills to improve the aesthetics and usability of parks. As mentioned before, we have submitted grant applications that hopefully will be successful, and will give us the ability to replace the playground and resurface the tennis courts. On the MVE website, there are a variety of pictures that depict “Life in the Estates.” Many of these pictures are of Estates Park or of events that are in Estates Park. Several marketing brochures have highlighted Estates Park with statements such as:

- “And just a few steps to The Estates Park”
- “Beautiful family home backing to greenbelt and across from the Estates Park in the prestigious Estates neighborhood.”
- “Your family will love the large flat yard with the Estates Park only steps from your backyard.”

Additionally, a real estate agent who is also a MVE board member highlights Estates Park in a video on a website promoting living in Mesa View Estates.

Conclusion

In conclusion, if Foothills in the past has been perceived as dismissive or unresponsive to MVE or any other HOA, this is unfortunate. The Foothills Park & Recreation District has been under a new Board of Directors, Executive Director and Management team since May 2008. This newly formed Board of Directors and management team, with input from District staff and residents, have worked diligently to find better ways of doing business, seeking creative solutions, and finding internal efficiencies all to help reduce costs. In this same time period, the District has been very receptive to working better with all areas of our District including the MVE HOA. We have a proven track record of working with many agencies to improve facilities in various areas. We have also tried to accomplish the goals that both of our entities have for Estates Park. As mentioned before, we have met with MVE to work out some of the issues that they felt that we have, and we even developed a proposal to give MVE greater operational control, yet they refused the proposal. We have recently submitted grant applications in order to try to secure funding for a new playground and to resurface the tennis courts in Estates Park. We will know if this will be successful in early February. This is all in the spirit of attempting to have greater fiscal responsibility and to work creatively to find solutions to some of our capital needs. We look forward to working with Mesa View Estates on these and future improvement projects.

If you have any additional questions about Foothills Park & Recreation District, please refer to our website at www.foothills.org or call (303) 409-2100.