

December 29, 2004

Dear Residents:

I am pleased to inform you that the City of Cherry Hills Village has received a final order from the Arapahoe County District Court ordering the exclusion of the City from the South Suburban Park and Recreation District. The exclusion will be effective January 1, 2005.

Upon the effective date of the exclusion, you will notice a couple of changes. First of all, the residents of the City will no longer be residents of the District. This means that the property taxes you pay will be different over time and that you will be entitled to reimbursement for some of your recreation expenses. These two items are explained in more detail below.

The changes in your property taxes will occur over the next several years. During 2005, you will continue to pay the full mill levy to South Suburban. This is due to the fact that taxes are collected in arrears, meaning that the taxes you pay in 2005 are actually 2004 taxes. In 2006, you will pay a portion of the mill levy to South Suburban to cover the outstanding general obligation debt that was approved when the City was still a part of the District. This portion of the mill levy will continue to be collected by the District until the outstanding debt is paid in full in 2019. The amount will be set annually based on the City's proportionate share of the District's assessed value. Also in 2006, the portion of the mill levy not collected by the District will be collected by the City for park and recreation purposes. This measure was voted on and approved by the residents of Cherry Hills Village in November of 2002.

As of January 1, 2005, the residents of Cherry Hills Village will no longer be eligible for in-district rates for recreation activities with the South Suburban Park and Recreation District. Should you elect to participate in a program for residents. This program will allow you to submit for reimbursement of a portion of the recreation fees you pay at public facilities in the metropolitan area. For more information on this program, please visit the City's web site at www.cherryhillsvillage.com.

The City was ordered by the judge to reimburse the District for the physical assets they own within the Village. The judge set that amount at a little over \$9.66 million. The City does not agree with that requirement of the exclusion and will appeal the decision to the Colorado Court of Appeals. However, that action will only be to reduce the amount the City is required to pay and should not have any other effect on the exclusion.

Watch for articles in upcoming Criers for more information or please feel free to call me at (303)783-2722 should you have any questions.

Sincerely,

Cheryl M. Kuechenmeister
City Manager