

## E. Fiscal Sustainability/General Fund Operations

1. The parties' fiscal impact analysis identifies a \$1,203 annual impact per unit to the City's general fund that results from extending City services (general government, streets, transit, fire, police, parks) to Brown Ranch. This deficit is net of revenues the City expects to receive directly or indirectly from the Brown Ranch development.
2. YVHA agrees to reimburse the City to offset the Brown Ranch impact to the general fund on an annual basis. The payment shall be in the amount of \$1,203 per residential unit that has been issued a certificate of occupancy ~~issued~~ in the Brown Ranch (the "Annual Operating Contribution"). ~~—The Annual Operating Contribution shall be payable on January 31 of each year~~ on the basis of ~~based on~~ the number of units with Certificates of Occupancy or Temporary Certificates of Occupancy as of the previous December 31. The amount of the Annual Operating Contribution shall be adjusted on January 1 of each year in accordance with the Consumer Price Index published by the United States Department of Commerce ("CPI-U") then applicable to Routt County (currently, the Denver-Aurora-Lakewood statistical area) ~~U.S. Consumer Price Index—All Urban Consumers ("CPI") beginning on January 1, 2024 and using the 2023 CPI.~~
3. ~~YVHA agrees to fund the Annual Operating Contribution from the one or more of the following sources:~~
  - a. ~~A real estate transfer assessment imposed on the initial and each subsequent sale of a unit in the Brown Ranch assessed at rate of 1% or more.~~
  - b. ~~Property tax revenues raised by a special district or metropolitan district to be formed by YVHA. If YVHA elects to use this source, YVHA shall provide the City with its plan to form the district(s) and obligate it/them to fund the Annual Operating Contribution prior to the issuance of the first building permit for the project.~~
  - c. ~~YVHA's existing mill levy. If YVHA elects to use this source, YVHA provide the City with its plan to extend the existing mill levy prior to issuance of the first building permit.~~
- 4.3. YVHA's obligation to pay the Annual Operating Contribution shall terminate or be reduced in the event that if the City imposes a new or increased property tax to defray its costs of providing one or more of the services described above. ~~In the case of the City imposing a new general property tax, the Annual Operating Contribution shall be reduced by the amount of revenue accruing to the City from the that general property tax from properties in Brown Ranch. In the case of the City imposing an increased property tax, the Annual Operating Contribution shall be reduced by the amount of revenue accruing to the City from the increase in property tax from properties in Brown Ranch. In the case of the City imposing a new or increased property tax to provide one or more of the specific services referenced above, YVHA's reimbursement obligation shall be reduced by lesser of the tax revenue from Brown Ranch or that portion of the reimbursement payment that is attributable to the relevant service or services per the table attached as Exhibit "H", with the CPI adjustment referenced above.~~

5. ~~The City may elect to reduce service levels in any year for which YVHA does not make the Annual Operating Contribution required by this Subsection 7.E.~~