



Feb. 15, 2012

To: Willy Powell, Eagle Town Manager  
Ed Woodland, Mayor  
Eagle Town Trustees

Re: Impact of Eagle River Station TIF financing on Cemetery District

We recently received an e-mail from a citizen (Brandi Resa) asking why the Cemetery Board did not seek an exemption from the TIF funding arrangement with the Eagle River Station developers. The question caught our Board off-guard, because we had not been aware that the financial arrangement between the town and the developer would affect the Cemetery District's future property tax revenues. With the help of our staff and the town staff, we looked into the situation. As we understand it, the Cemetery District would continue to receive taxes based on the assessed valuation of the ERS property today. However, for the next approximate 20 years (or until the ERS infrastructure is paid off) the District would not receive the benefit of increased revenues as the value of the developed property increases.

In researching why the District was unaware of this tax revenue arrangement, we learned that notice was given via a legal notice printed in the newspaper in late 2007 or early 2008. Frankly, the Cemetery Board, which consists of three citizen volunteers appointed by the County Commissioners, did not see the legal notice. If the notice had come in the form of a letter to the District, we would have definitely been aware of the situation, and would have requested to discuss the issue with the Town Board.

The Cemetery District, formed in 1945, operates on a very modest mil levy (.2370), generating just enough revenue annually for the caretaking of the cemetery. The District's property tax revenues for 2011 were about \$44,500. Because of decreasing property values, we are estimating that the District's property tax income for 2012 will be about \$32,500. We expect a lower level of revenues for the next several years. Our only other source of income is the sale of plots and burial fees, which varies from \$600 - \$2,000 annually. We also have about \$200,000 in CDs in the bank. Our only paid employees are a part-time caretaker and a part-time administrator.

The cemetery district is very reliant on property tax revenues. The Board has been discussing the future expansion of the cemetery onto an adjacent parcel of land (deeded to the cemetery as part of the Terrace subdivision approval agreement). Although it is not an immediate project, it would most likely happen during the next 10-20 years. The planning, development and landscaping of that parcel would quickly deplete our savings. That is why we are concerned about future revenues.

The purpose of this letter is to ask the Town if there would be any chance for reconsideration of the TIF financing arrangement as it applies to the Cemetery District. We would be remiss in our duties if we did not ask for such consideration.

To be clear, the Cemetery District understands that the town's actions were legal. The Cemetery Board did not see the legal notice and was unaware of the implications. We did not understand that the Town could make a decision impacting the Cemetery District's future property tax revenues.

The town has always been a helpful partner and a good neighbor to the Cemetery District, which is very much appreciated. We expect that relationship to continue into the future.

As a Board, the Cemetery District has no desire to take a stand on the Eagle River Station political issue. We are simply concerned with the status of our future property tax revenues, and want to do what we can to ensure that our budget will allow for proper care and expansion of the cemetery, which is a necessary community asset.

We look forward to the Town's response.

Sincerely,

Kathy Heicher  
Marlene Kunkel  
Patricia Hammon  
Sunset View Cemetery District  
Board of Directors