

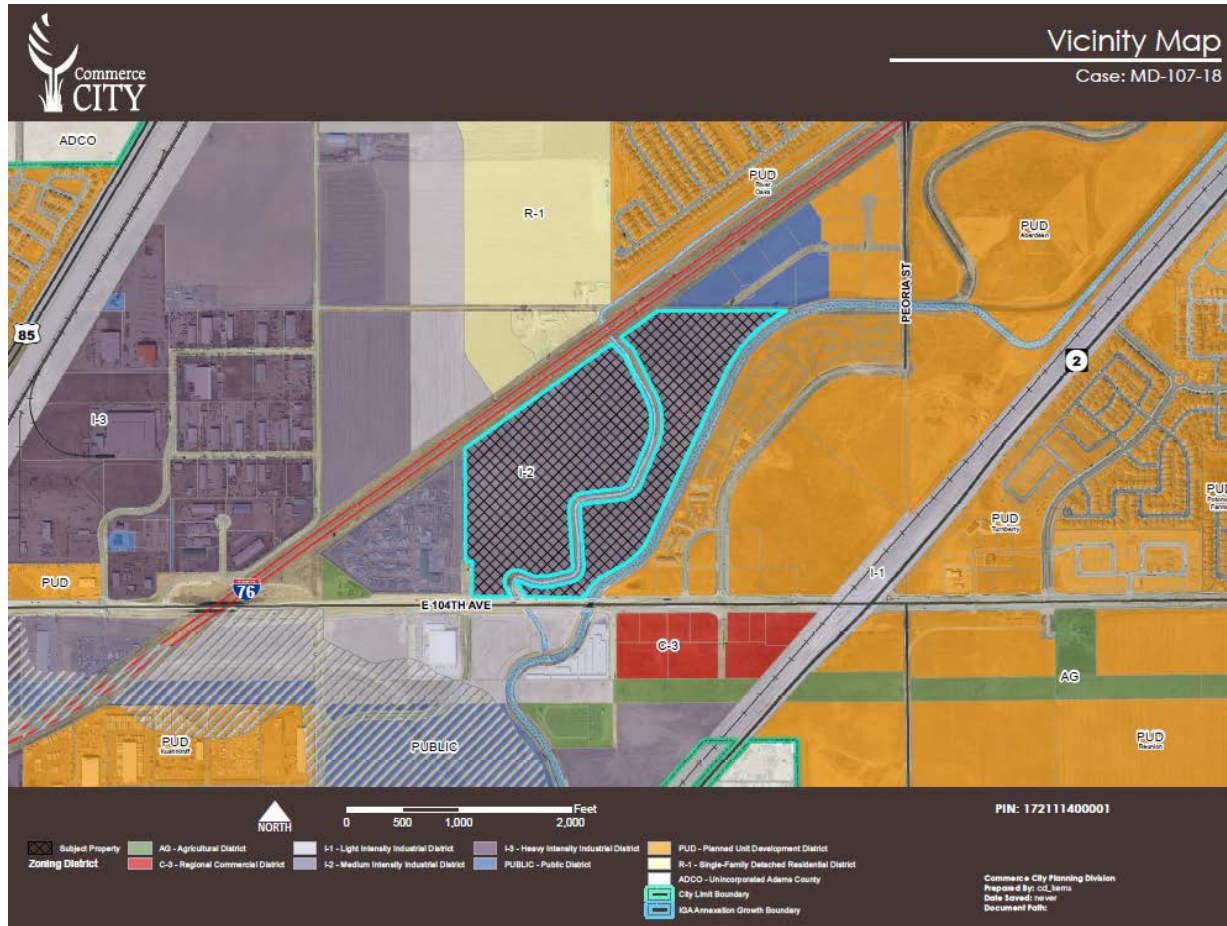


A Service Plan for the Following Metro District:

MD-107-18 Canal Avenue Metropolitan District

City Council
September 17, 2018

Subject Property- MD-107-18



- 90 acres +/-
- Vacant
- I-2 Zoning for Industrial & Commercial Development



Purpose of a Metro District & Service Plan

- The Metro District finances the construction of public infrastructure improvements for the use and benefit of the anticipated taxpayers of the district.
- The Service Plan authorizes the District to issue debt to provide the public infrastructure improvements.
- The debt is paid by the District through fees and tax revenues collected from the mill levy.
 - District debt is not an obligation of the city and does not impact the city's budget.
- Allows developer to be reimbursed while avoiding up front recovery cost on the industrial business(s) structure.



Council Action & Metro District Creation

- This approval is part of the formation process of a metro district.
- With Council's approval, the petitioners will file with the District Court and seek an election in November to officially form the District.
- The petitioners are the landowner but the Burlington Ditch, Reservoir and Land Company has consented.
- Council is reviewing the Service Plan and a proposed IGA attached to the Service Plan that will be executed after the District forms.
- The Service Plan and IGA largely conform to the City's templates.
- The property is entirely within the City.



Proposed Metro District

- Proposed Debt Limit - \$30 mm. 35 Mill levy proposed (50 mils cap per service plan)
- Applicant's Financial Plan finds sufficient property tax and other revenues to discharge of proposed indebtedness
- Medium-intensity Industrial & Office-flex development called Canal Avenue Industrial Park, providing approx. 730,000 sq.ft.
 - **(6) 20,000 sf units:** Office/Flex space for retail building materials & services, contractor operations, vehicle repair
 - **(6) 50,000 sf buildings:** includes small manufacturing, contractor ops., truck/vehicle repair & services, warehouse, storage, and distribution
 - **(2) 135,000 sf buildings:** includes manufacturing, and warehouse/distribution operations



Proposed Metro District

Metro District Name	Public Improvements	Debt Limit	Total Debt Capacity	Organization & Operating Reimbursement	1 st Year Operating & Maintenance
(location in Service Plan)	Sec. V. B.	Sec. V.A. 16	Calculated	Sec. VII.I	Sec. VII.I
Canal Avenue Metro District	\$14,185,000	\$30,000,000	\$30,000,000	\$100,000	\$50,000
Totals	\$14,185,000	\$30,000,000	\$30,000,000	\$100,000	\$50,000



Metro District Review Criteria

To approve the Service Plan, Council must find:

- I. Per CRS 32-1-202(2), the Service Plan includes all required contents;
- II. Per CRS 32-1-203(2),
 - (a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.
 - (b) The existing service in the area to be served by the proposed special district is inadequate for present and projected needs.
 - (c) The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries.
 - (d) The area to be included in the proposed special district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.



Metro District DRT Review

- DRT found that the Service Plan includes all items required by C.R.S. 32-1-202(2).
- Meets City Council Goal #1 of *developing a balanced and vibrant economy to improve socioeconomic status by providing a balanced mix of land uses.*
 - Supports opportunity for 90-acre multi-property industrial-flex park development providing up to 730,000 SF in new industrial facilities
 - Currently, there is only 243,132 SF of industrial-flex built within the City with a vacancy rate at a low 3.2%*
 - In contrast, there is over 7.3 million square feet of industrial-warehouse space built within the City*

* Source: CoStar Realty Information, Inc.



Recommendation

- The Development Review Team (DRT) recommends that City Council **approve** the Proposed Service Plan & the associated IGA:
MD-107-18 Canal Avenue Metro District

