



Kristen D. Bear
Of Counsel

303-858-1800
kbear@wbapc.com

October 21, 2022

Jason Rogers, Interim City Manager
City of Commerce City
City Manager's Office
7887 E. 60th Avenue
Commerce City, CO 80022

Dear Mr. Rogers:

Our Firm serves as general counsel to Reunion Metropolitan District. I am writing to follow up on the proposed Chambers Road Intergovernmental Agreement (“IGA”) between the City and the Reunion Metropolitan District (the “**District**”) to clarify and respond to questions raised by City Council during the public meeting held October 17, 2022. Consideration of the IGA was continued to November 7, 2022, and we respectfully request the staff include this letter in the next City Council packet. Legal and engineering representatives from the District will be in attendance to answer any additional questions at the Council meeting on November 7.

Discussions regarding the IGA were initiated in the Spring of 2022 when the City Council provided direction to staff to start design of the Chambers Road Improvements in coordination with the District and its consulting engineer. Since that time, the design has been initiated by the Reunion MD in good faith and is at the level of preliminary design upon which current cost estimates are based. Exhibits showing the plan view and renderings of the bridge over Second Creek are attached for reference. The District has continued to work with City staff on the terms and provisions of the IGA and it is our belief that all staff concerns have been addressed.

As you know, the Consolidated/Master Development Agreement for Reunion was allowed to expire by City Council in December 2021. Since that time, Oakwood Homes has been working diligently to process individual Development Agreements (“DA”) through the City for each of the subdivision filings. It is our understanding that Oakwood proceeded with hope that the City would agree to modifications of its template for development agreements (“DA Template”) to acknowledge the unique character and needs of Reunion. However, Oakwood’s attempt to create a Reunion-specific development agreement was rejected by the City Attorney’s Office and Oakwood was required to utilize the DA Template without edits to address Reunion specific details and issues. Since that time Oakwood has submitted the unedited DA Template for its pending

land use applications, and continued to work with City staff to complete the associated exhibits for those applications.

The IGA was modeled specifically after the 112th Avenue IGA between the City and the District, dated as of November 4, 2019, which split the financial obligations for design and construction of the 112th Improvements between the City and the District. Similar to all other public improvements for which the District was organized to facilitate through financing and construction, the 112th Avenue improvements were funded through bond proceeds provided by one or more of the North Range Metropolitan Districts Nos. 1, 2, 3 and 4 (the “North Range Districts).

With respect to District funding required under the Chambers Road IGA, the District intends to utilize monies available from future bond proceeds. Assuming suitable market conditions, the District intends to refinance the Series 2017 Reunion Bonds (the “Reunion Bonds”) in 2023 and issue bonds from one or more of the “new” metropolitan districts that were approved in 2019 by the City to further serve the Reunion community, specifically Reunion Ridge and Reunion Village Metropolitan Districts. Over the last several months, representatives of the District and the North Range Districts have been meeting as an ad hoc committee, generally referred to as the Reunion bond working group. Discussions have centered on both potential financing scenarios and the manner in which additional bond proceeds would be utilized by Reunion for further regional public infrastructure needs. In fact, the Reunion bond working group has reviewed specific infrastructure projects and detail, bond finance models, and District operational concerns. Although City Council members may or may not be aware of these efforts, it absolutely inaccurate to state on the record that the homeowner elected officials of the respective North Range Districts have not been included and engaged in infrastructure discussions that affect the community. It is further inaccurate to represent that these board members are unaware of the proposed funding mechanisms associated with the District and their intended use.

As referenced above, there are additional “new” metro districts organized to serve Reunion, with service plans approved by the City Council in 2019, which may also contribute funding to the construction of the Chambers Road improvements. Reunion Filing 39, Filing 40, and Reunion Village 8 are not currently included in the legal boundaries of any of the North Range Metropolitan Districts. It is anticipated that Reunion Filing 39 and 40 will be included into the boundaries of one or more of the Reunion Ridge Metropolitan Districts, which will serve further traditional neighborhoods in Reunion. It is anticipated that Reunion Village 8 will be included in into the boundaries of one or more of the Reunion Village Metropolitan Districts, which will serve active adult neighborhoods in Reunion. Each of these new districts will contribute to the funding of the Chambers Road Improvements based on the linear foot of frontage. We currently anticipate costs for the Chambers Road Improvements to be allocated as follows:

Total project cost estimate (112th to 104th Avenue): \$23,287,347

City cost share: \$10,004,236

City 100% costs: \$369,255

Total City cost: \$10,373,491

Chambers Road allocation (LF)	Linear Feet	%
NRMD #1, #2, #3, and #4	2,869	40.59%
Reunion Village #1-4 (Active Adult)	1602	22.67%
Reunion Ridge MD #1-4 (F39/F40)	2597	36.74%
Total	7068	100.00%

Reunion cost share: \$12,913,871

NRMD #1, #2, #3, and #4 cost share: \$5,241,921

Reunion Village MD cost share: \$2,926,984

Reunion Ridge MD cost share: \$4,744,952

Therefore, the projected impact of the Chambers Road Improvements on existing residents in the North Range Districts is approximately \$5.2 million with the balance being paid by new development west of Chambers Road. As noted in the meeting on October 17, the improvements contemplated under the IGA are regional improvements and costs should be borne by existing residents, new residents, and the overall taxpayers of Commerce City. Reunion, along with the North Range Districts, Reunion Village Districts, and Reunion Ridge Districts were specifically organized pursuant to service plans, approved by the City, for the purpose of financing and facilitating the provision of public improvements necessary for the Reunion Development.

It is important to note that due to the lack of a Consolidated or Master Development Agreement, the District is under no current obligation to partner with the City on the construction of Chambers Road. There are currently several proposed subdivision filings in the area, and as the same move forward, in the absence of the IGA, each would only be responsible for payment of regional traffic impact fees and requisite intersection improvements at the time of development. Like other public improvements within Reunion, the District or one of the other metropolitan districts serving Reunion would facilitate construction and financing associated with such intersection improvements. As the City is aware, piecemeal construction of the intersection improvements prior to full construction of the road may necessarily result in “temporary” intersection improvements that may need to be removed. The District believes the IGA is a much better approach to the comprehensive provision of regional improvements given potential “throw away” costs associated with the construction and removal of temporary intersection improvements once the full road project is designed and constructed. In addition, the amount of regional impact fees would be much less than the amount proposed for the Reunion MD cost share. If the City does not approve the IGA and prefers to fund the project using regional traffic impact fees, more City 2K or CIP monies would need to be pledged to make up the difference in the City share. Partnering and collaborating on a regional project will keep overall costs down for all parties and achieves an economy of scale for the project.

2022 Road Impact fee: \$1,181 per single-family home

2023 (Proposed) Road Impact fee: \$2,670 per single-family home

Proposed development with future access to Chambers Road:

Village 8 – 917 single-family homes
Filing 39 and 40 – 287 single-family homes
Filing 38 – (up to) 153 single-family homes
Total homes – 1,357
Total fee (assuming 2023 fee is adopted) - \$3,623,190

As indicated, the initial cost estimate was prepared based on a preliminary design and will be refined once final design is completed. District will also follow all government procurement best practices and construction work will be formally bid out for review by the District Board of Directors. Construction management services is an essential element of the project and may also be bid out if requested by the City. As might be desired or necessary, the District is willing to shift all design and construction bidding responsibilities to the City Public Works Department to alleviate any concerns of the City Council.

Therefore, we respectfully request the City Council's approval the Chambers Road IGA on November 7, 2022. We are available to discuss in more detail prior to the meeting, as necessary.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



Kristen D. Bear
Of Counsel

KBD/maj
Enclosures

cc: Joe Wilson, Public Works Director
Shawn Poe, City Engineer
Christopher Hodyl, Public Works
Mike McGoldrick, Public Works, CIP

CHAMBERS ROAD IMPROVEMENTS E. 104TH AVENUE TO E. 117TH AVENUE

100 50 0 100
ORIGINAL SCALE: 1" = 100'







