



# Reunion Consolidated Development Agreement

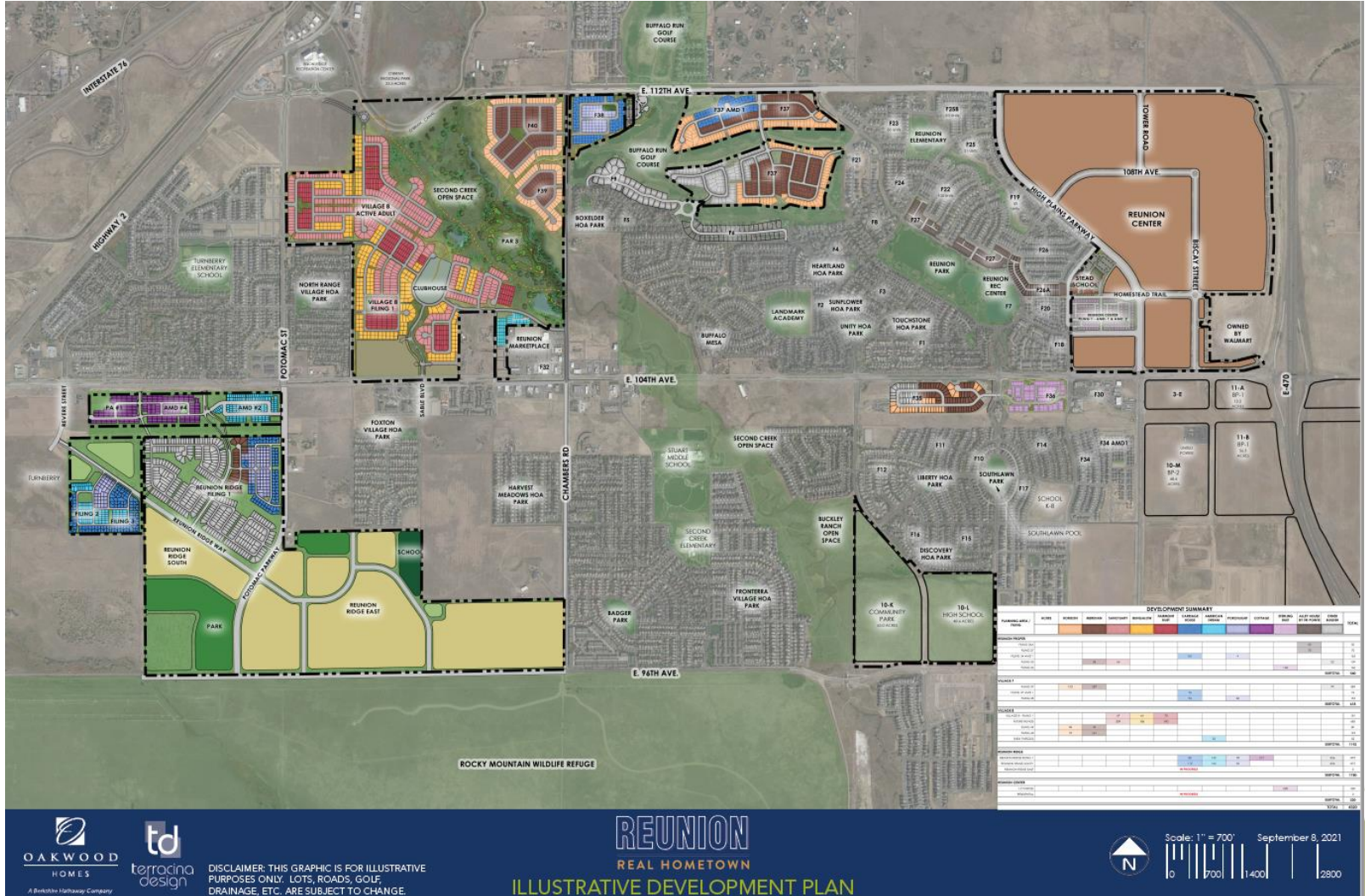
City Council Regular Meeting: October 4, 2021

# Objective of Tonight's Discussion

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- Provide a brief history of Reunion and the Consolidated Development Agreement
- Provide a summary of Capital Infrastructure Projects
- Direction on Financing Alternatives and Solutions for Capital Infrastructure Projects
- Discuss terms and conditions that staff from both parties agree on for an extension
- Outline terms and conditions requiring further deliberation and direction from City Council

# Reunion Overall Map



# Background

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- Consolidated Development Agreement
  - Incorporated Annexation and golf course agreements from 1989-2000
  - Buffalo Hills Ranch PUD Zone Document July 17, 2000
  - Agreement executed December 17, 2001, recorded Jan. 23, 2002
  - Expiration date December 17, 2021
    - Includes financing mechanisms for Public Improvements
  - Major Amendment approved Feb. 25, 2002, recorded March 8, 2002
    - Building Permit Restriction / Public Improvements



# Background Cont'd

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- Purpose of the Agreement
  - Develop the master planned community as intended in the zoning which include a variety of land uses from residential to commercial/retail
  - Establish a financing strategy for the investment and delivery in the design and construction of infrastructure to support Reunion and the region
    - Key Takeaway – Public Private Partnership for the success of the northern range



# Purpose of the Extension

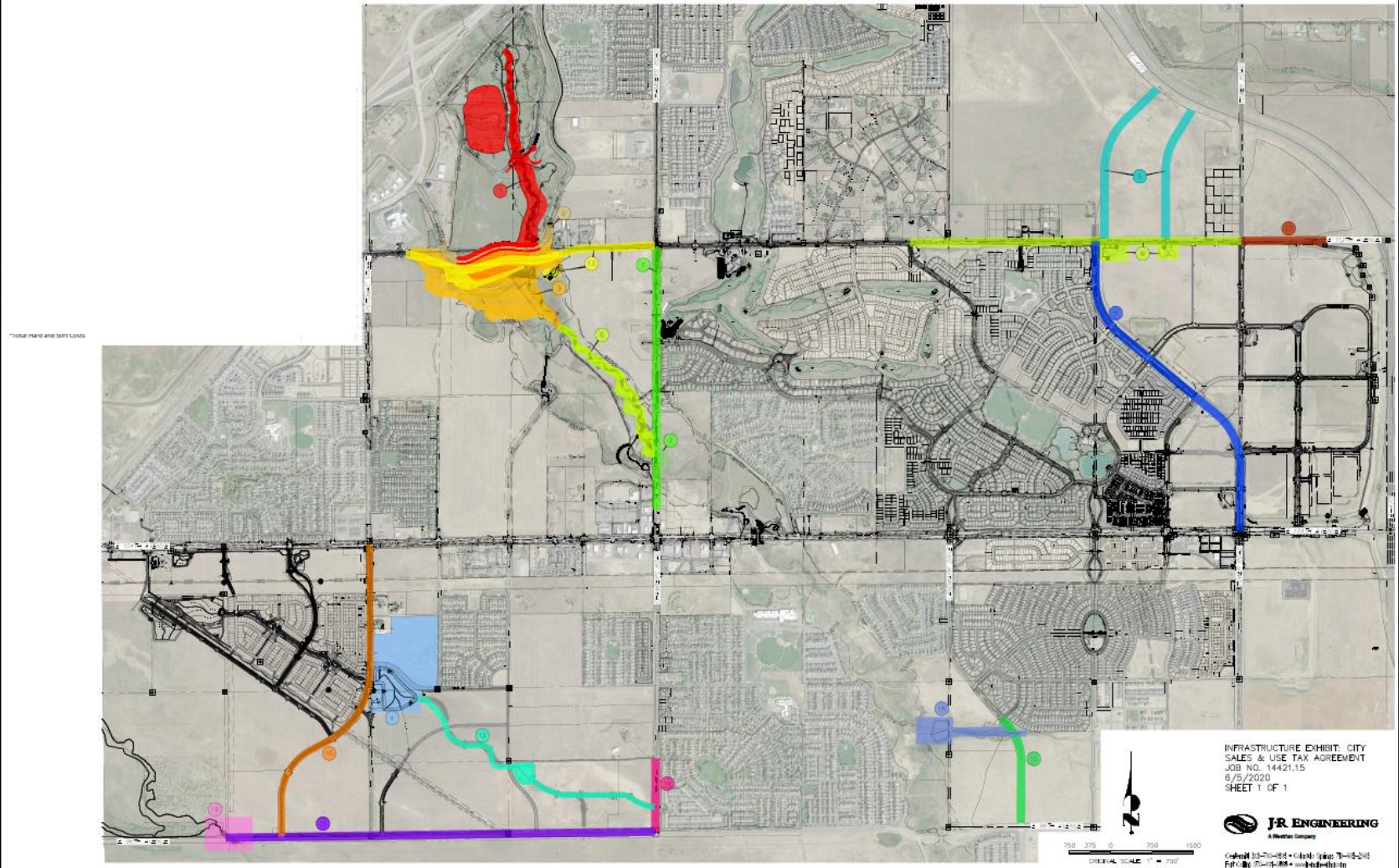
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- Establish a joint list of capital infrastructure projects with relative prioritization to deliver in the near- and long-term.
- Establish a financial strategy that is a balanced solution between the City, developer, and Reunion Metro District to advance projects in a collaborative and transparent manner.



# Capital Infrastructure Projects

## COMMERCE CITY SALES & USE TAX AGREEMENT CONCEPTUAL INFRASTRUCTURE EXHIBIT



# Capital Infrastructure Projects Cont'd

Updated	9/9/2021					
Project No.	Transportation Project	Engineers Estimate (2020 \$)	Change June 2020-Jan 2022*	Adjusted Estimate 2022	(plus) Design	Total Project Cost Estimate 2022
7	Chambers Road / North	\$ 18,223,726	\$ 1,913,491	\$ 20,137,217	\$ 908,376	\$ 21,045,593
8	112th Avenue Phase 3	\$ 17,977,500	\$ 1,887,638	\$ 19,865,138	\$ 850,000	\$ 20,715,138
9	High Plains Parkway	\$ 16,643,550	\$ 1,747,573	\$ 18,391,123	\$ 832,178	\$ 19,223,300
10	Potomac Parkway	\$ 14,581,875	\$ 1,531,097	\$ 16,112,972	\$ 729,094	\$ 16,842,066
11	96th Avenue	\$ 18,018,000	\$ 1,891,890	\$ 19,909,890	\$ 900,900	\$ 20,810,790
13	112th Avenue Phase 2	\$ 10,493,373	\$ 1,101,804	\$ 11,595,177	\$ 327,373	\$ 11,922,550
14	Chambers Road / South	\$ 5,274,885	\$ 553,863	\$ 5,828,748	\$ 263,744	\$ 6,092,492
15	Landmark Drive	\$ 7,542,150	\$ 791,926	\$ 8,334,076	\$ 377,108	\$ 8,711,183
16	First Creek Bridge at 96th Avenue	\$ 5,082,000	\$ 533,610	\$ 5,615,610	\$ 254,100	\$ 5,869,710
17	112th Avenue Phase 4	\$ 5,980,500	\$ 627,953	\$ 6,608,453	\$ 299,025	\$ 6,907,478
	<b>Sub-Total Transportation</b>	<b>\$ 119,817,559</b>	<b>\$ 12,580,844</b>	<b>\$ 132,398,403</b>	<b>\$ 5,741,897</b>	<b>\$ 138,140,300</b>
	<b>Drainage Project</b>					
1	Second Creek North Outfall Channel Phase 2.1	\$ 14,561,550	\$ 1,528,963	\$ 16,090,513	\$ 627,500	\$ 16,718,013
2	Second Creek O'Brien Canal Relocation Phase 2.2	\$ 7,719,400	\$ 810,537	\$ 8,529,937	\$ 338,000	\$ 8,867,937
3	Second Creek Regional Detention Pond Phase 2.3A	\$ 10,528,285	\$ 1,105,470	\$ 11,633,755	\$ 454,000	\$ 12,087,755
4	Ragweed Draw Regional Detention Pond B	\$ 10,094,700	\$ 1,059,944	\$ 11,154,644	\$ 504,735	\$ 11,659,379
5	Third Creek Drainage Outfalls	\$ 710,325	\$ 74,584	\$ 784,909	\$ 35,516	\$ 820,425
6	Second Creek Channel Improvements Phase 2.3B	\$ 2,206,050	\$ 231,635	\$ 2,437,685	\$ 110,303	\$ 2,547,988
12	Ragweed Draw Channel Improvements	\$ 7,726,950	\$ 811,330	\$ 8,538,280	\$ 386,348	\$ 8,924,627
18	Second Creek Water Quality Pond	\$ 1,375,000	\$ 144,375	\$ 1,519,375	\$ 68,750	\$ 1,588,125
	<b>Sub-Total Drainage</b>	<b>\$ 54,922,260</b>	<b>\$ 5,766,837</b>	<b>\$ 60,689,097</b>	<b>\$ 2,525,151</b>	<b>\$ 63,214,249</b>
	<b>Total</b>	<b>\$ 174,739,819</b>	<b>\$ 18,347,681</b>	<b>\$ 193,087,500</b>	<b>\$ 8,267,048</b>	<b>\$ 201,354,548</b>



# Existing Funding Sources

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- City CIPP and General Fund
- Northern Infrastructure General Improvement District (NIGID)
  - Pending November Ballot
- North Range Metro District No. 2 and No. 3
- Reunion Metro District(s)
  - Reunion Ridge No. 1-4; Reunion Village No. 1-5; Reunion Center No. 1-5; Sports/Entertainment/Cultural District; Natural Resources District

# Financial Strategy

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- Option 1: Development Agreement Extension
  - Reunion Metropolitan District builds projects
  - Current financing structure
    - Sales and Use Tax Revenue Share: 33% of 3% of Sales and Use Tax
    - Transportation and Drainage Impact Fee Credits
- Pros/Cons
  - Pros
    - Strategic approach to the delivery of infrastructure projects
    - Maximization of private sector funding for improvements
    - Project timing will mesh with development need
    - Least requirement of City staff time & attention
    - Presents no cash-flow challenge for City
    - Requires least amount of accounting reconciliation & payments
  - Con
    - Revenue sharing percentage impacts on the General Fund

# Financial Strategy Cont'd

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- Option 2: New Development Agreement
  - City builds projects
  - Reunion reimburse City for Reunion share/responsibility
  - Reunion pays transportation and drainage fees, credited towards Reunion share
- Pros/Cons
  - Pros
    - City defines prioritization and construction through the CIPP program
    - Doesn't need accounting reconciliation and payments to Reunion
  - Cons
    - Funding available to deliver infrastructure in a timely matter to address local and regional network impacts
    - Timing of reimbursement to mitigate impacts on General Fund or CIPP
    - Requires staff time and attention when they have full work load
    - Project timing may not mesh with development/neighborhood need

# Financial Strategy Cont'd

- Option 3: Site Specific Development Agreements and IGA w/Reunion MD
  - 112<sup>th</sup> Avenue IGA Model
  - Reunion pays transportation fees; reimbursed when Reunion MD builds the project
- Pros/Cons
  - Pros
    - Acceptable delivery model that demonstrated a balance; pro between timing & need
    - Presents no cash-flow challenge for City
    - Least requirement of staff time & attention
    - Requires least amount of accounting reconciliation & payments
  - Cons
    - Lack of strategic coordination with other infrastructure improvements
    - Will require accounting reconciliation & payments
    - Requires Engineering staff time & attention when they already have full work load
    - Presents a cash-flow challenge for City
    - Project timing may not mesh with development need

# Agreeable Terms and Conditions

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- Streets and Crossings
  - Supportive conceptually of the terms; refinement of language in regards to technical details is still required
- Storm Drainage
  - No changes to previous language which remain acceptable to staff
- Public Facility Extension
  - Based on direction from Council on financing strategy, retention of some form of language and concept is acceptable to staff
- Subdivision Exemption
  - No changes to previous language which remain are acceptable to staff
- Reimbursement Agreements
  - Supportive conceptually of the terms; refinement of language to indicate length of time to reimburse Oakwood is still required
- Impact Fees
  - Supportive conceptually of the terms; refinement of language to indicate fees will be as City Council adopts from time to time is still required

# Terms Requiring Direction/Feedback

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- Vested Property Rights
  - Existing Agreement: 20 year vesting period duration on the PUD Zone Document
  - Proposed Concept: Not to exceed 10 year vesting period on site specific development plans/permits
- Statutory Districts
  - Propose adoption of new restrictions to the model service plan for the formation of new Metro Districts or when Metro District seek amendment to existing service plan
- Public Improvements
  - Proposed financing strategies alternatives (outlined in earlier slides)
    - Staff Recommendation: Preferred Solution: Option 1
    - Alternative Solution: Option 3

## Council Direction

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Staff seeks the following from Council:

1. Support for an amended and restated Consolidated Development Agreement (as presented)

Or,

2. Enter Executive Session to discuss negotiating terms, conditions, and position on Development Agreement structure



Questions?

