

Memorandum

To: Robin Kerns
City of Commerce City

From: Mark Bush
Buffalo Ridge Metropolitan District

Date: September 29, 2017

Re: Service Plan Amendment

Summary

The purpose of this memorandum is to request approval from the City of an amendment to the Buffalo Ridge Service Plan (the "Service Plan"). Specifically, to increase the debt authorization amount from its current level of \$25,000,000 to \$43,000,000.

Background

The Service Plan for the Buffalo Ridge Metropolitan District (the "District") was first approved by the City in July 1996. The district consists of approximately four hundred and forty three acres (443) and is generally described as the area: south of 120th Avenue, west of Buckley Road, east of the O'Brian Canal and north of 112th. The front nine of the Buffalo Run golf course rests within the development project, but is not included within the boundaries of the District. The land for the golf course was donated to the City by the ownership group of the Villages of Buffalo Run project, which consist of the same boundaries as the District.

At build out, Buffalo Ridge will include over 1,500 residential units (a mix of single family, apartments and attached housing) and 38 acres of commercial/ retail land. Currently, around 800 single family homes have been built, and 8 acres for commercial use are under development. Additionally, 123 apartment units and 162 townhome units are being processed through community development with goals of commencing development in late 2017 or early 2018.

The District, to date, has completed extensive infrastructure improvements including partnering with the City on the construction of Chambers Road and its associated landscape and median improvements, regional 2nd creek storm water infrastructure, portions of the future High Plain Parkway, and park and landscape improvements.

The District originally set the mill levy at 42.5 mills. The District has never raised that mill levy and as a result, has one of the lowest mill levies in the newlands area of Commerce City. The third amendment to the service plan will be completed without a raise of the 42.5 mills.

The assessed valuation is currently \$29mm, with a projected value of \$58mm at buildout.

District History and Present Request

The Service Plan was approved by the City Council in July 1996. The type of improvements and services authorized in that original plan remain the same in 2017. At formation, the District voted for a total of \$52mm of debt authorization. At that time, the Service Plan debt authorization was \$9.9mm.

There have been two previous Service Plan amendments. The first amendment was approved by the Council in 2002 and the second in 2004. The first amendment raised the Service Plan limit to \$16mm and the second to \$25mm. These two amendments were approved on the consent agenda of the Council. As you can see, the District has been active for a long time, over two decades now. These amendments were completed as the District and City requirements increased for the scope of improvements necessary to service the area. This was coupled with strong material and labor cost increases over the lengthy time period.

The voted authority is in place for the District to issue up to \$52mm in debt. We are now seeking the Service Plan authority to issue up to \$43mm in debt. City Council approval is needed for a Service Plan amendment.

This current request is based upon the same dynamic as the previous two. The District's last increase was done in 2004, thirteen years ago. Over that time frame, the District endured a six year housing recession. The passing of time, and a strong market rebound have caused a significant increase in construction costs. The costs to complete infrastructure have doubled since (if not more). Monies simply do not go as far as originally projected.

We have identified public improvements that are vital to the completion of the project. Most notably, finishing the improvements on the south side of 120th Ave. 120th Ave is a principal arterial with significant traffic counts that fundamentally remains in quasi - rural condition. It lacks curb and gutter, competed additional through lanes, sidewalk, and landscaping. Not only have our homeowners expressed a desire to have 120th built out, but improving 120th would also greatly accelerate commercial development along the street. The commercial land inside the boundaries of the District has struggled to attract any users, with landowners telling the District that commercial development decision makers are not comfortable with the status of the road.

In the past we have simply submitted an Amendment to the Service Plan, with the process taking a few weeks to complete.

With the history of our District and the Villages at Buffalo Run development, we appreciate your allowing a hybrid submittal package and hopefully a streamlined process.

Included in this package are:

- Development Review Application

- Aerial Displays of the District Boundary
- Answers to the Submittal Requirements from the “Metropolitan District Facts to Know”. As you are aware, many of the submittal requirements listed are for a new district approval, parallel to a new subdivision or PUD.