



Request to Extend Reunion Sales & Use Tax Reimbursement Agreement

June 15, 2020

Overview

- Purpose
- Background
- Overall Agreement Goals
- Projects to be funded
- Recommendations
- Next Steps



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Purpose

- Oakwood Homes representatives have requested that the City extend the existing agreement to reimburse a portion of the sales and use tax generated within the Reunion development in exchange for Reunion building public improvements
- These public improvements are normal City responsibilities
- Staff needs Council direction regarding the request

Background

- In 2001 the City entered into an agreement with Shea Homes, Fulenwider, Buffalo Hills Ranch, LLC, and Potomac, LLC
 - It consolidated eight previous agreements (mostly annexation agreements)
 - The consolidated agreement covered a wide range of topics
- The City entered into an intergovernmental agreement with the Reunion Metropolitan District in 2003 to supplement the above consolidated agreement



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Background (continued)

- The 2003 intergovernmental agreement with Reunion Metropolitan District focused on the sharing of sales & use tax and building permit revenue
 - Reimbursement for Reunion building public improvements that were responsibility of City
 - Revenue share was set at 33% of 3% tax and 33% of building permit fees
 - Also road impact fees were to be credited to Reunion rather than to the land owners



Background (continued)

- The 2003 intergovernmental agreement has a 20-year term commencing on January 1, 2002
- Therefore it expires January 1, 2022
- The agreement enabled Reunion to build the segment of East 104th Avenue adjacent to the initial Reunion development

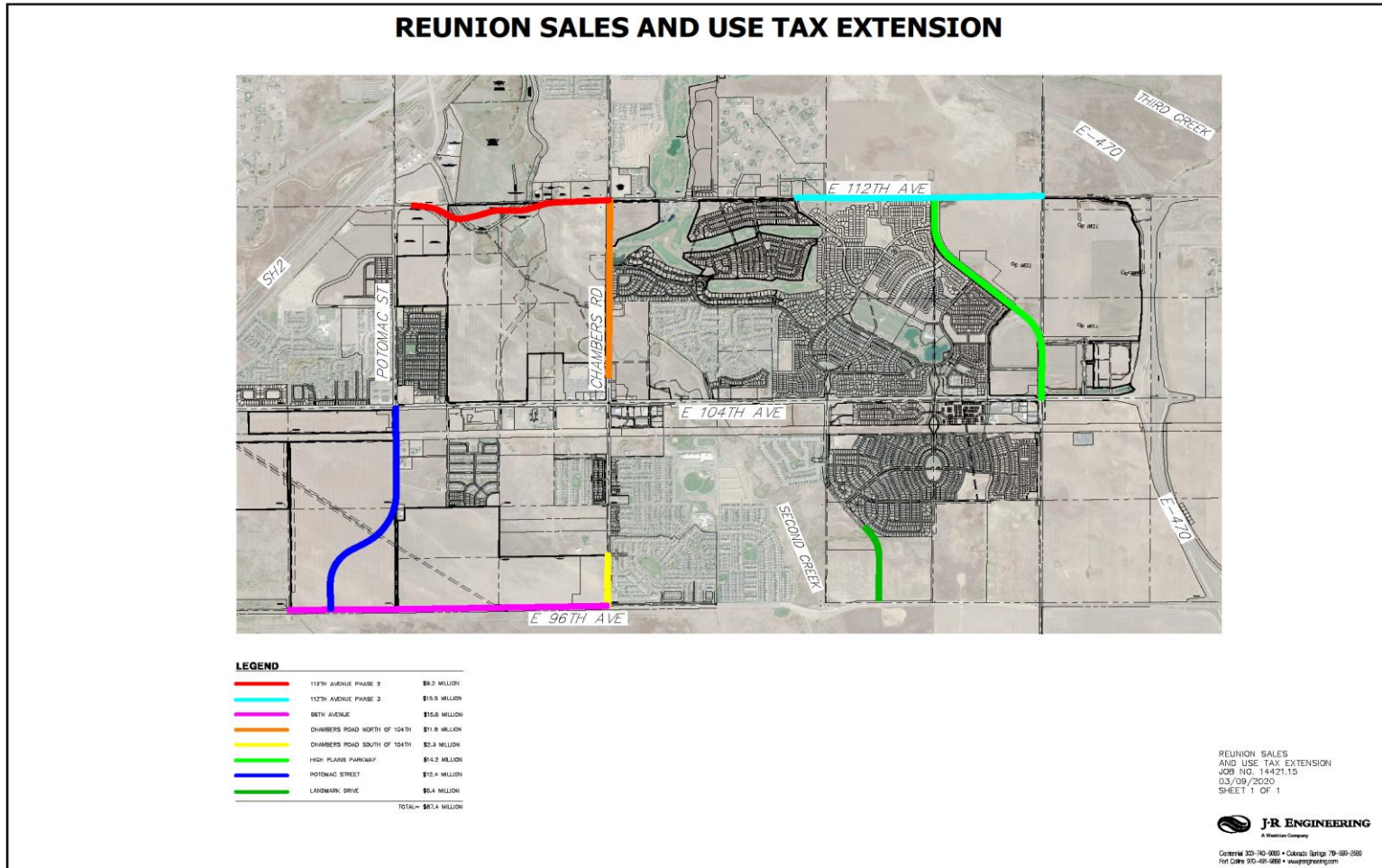
Overall Agreement Goals

- Provides a funding mechanism for Reunion to build public improvements that are City responsibility
- Allows Reunion to build those public improvements on a schedule that is compatible with Reunion's development
 - Projects can be built when needed
 - Projects do not need to wait on City's project schedule / workload
- Provides needed public improvements without the City needing to directly fund or manage the projects



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Road Projects Proposed



Updated Cost Estimates

Improvement Type	Estimate Cost (\$)
Chambers Road / North	\$ 15,670,000
112th Avenue Phase 3	\$ 15,500,000
High Plains Parkway	\$ 14,410,000
Potomac Parkway	\$ 12,625,000
96th Avenue	\$ 15,600,000
112th Avenue Phase 2	\$ 9,200,000
Chambers Road / South	\$ 4,567,000
Landmark Drive	\$ 6,530,000
First Creek Bridge at 96th Avenue	\$ 4,400,000
112th Avenue Phase 4	\$ 5,100,000
Sub-Total Transportation	\$ 103,602,000
Potential Drainage Sub-Total	\$ 47,737,000
Potential Total	\$ 151,339,000



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Recommendations

- Because an extension of the sales & use tax agreement:
 - Provides a funding mechanism for Reunion to build public improvements that are City responsibility
 - Allows Reunion to build those public improvements on a schedule that is compatible with Reunion's development
 - Projects can be built when needed
 - Projects do not need to wait on City's project schedule / workload
 - Provides needed public improvements without the City needing to directly fund or manage the projects
- Staff recommends approval to move forward conditionally



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Next Steps

- If Council directs, negotiate extension 2020
- Present proposed Agreement to Council 2021
- Begin new IGA January 2022



Questions & Discussion
