



# Request to Extend Reunion Sales & Use Tax Reimbursement Agreement

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June 15, 2020

# Overview

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



# Purpose

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- 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

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- 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



# Background (continued)

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- 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)

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- 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 104<sup>th</sup> Avenue adjacent to the initial Reunion development



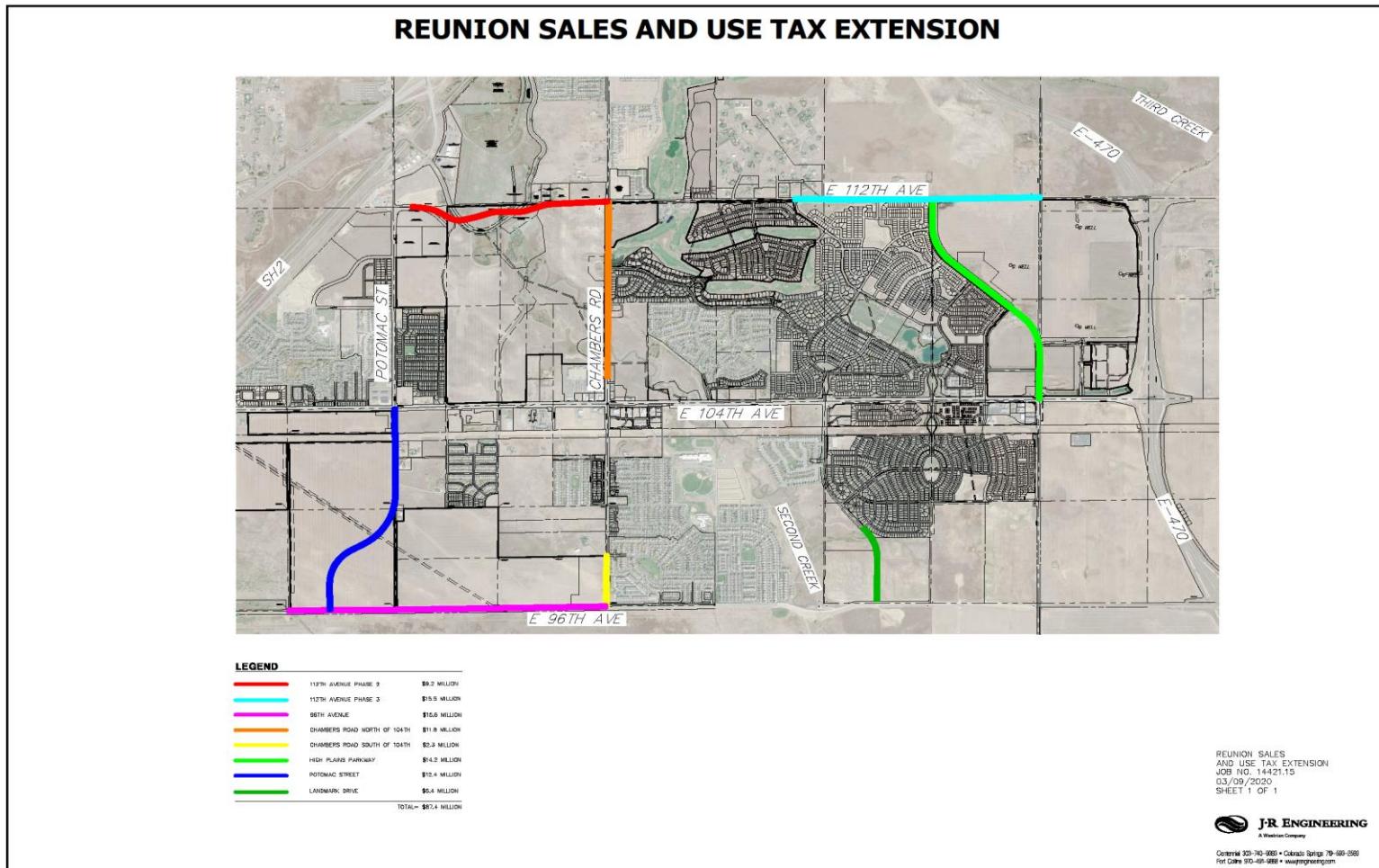
# Overall Agreement Goals

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- 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



# Road Projects Proposed



# Updated Cost Estimates

<b>Improvement Type</b>	<b>Estimate Cost (\$)</b>
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
<b>Sub-Total Transportation</b>	<b>\$ 103,602,000</b>
<b>Potential Drainage Sub-Total</b>	<b>\$ 47,737,000</b>
<b>Potential Total</b>	<b>\$ 151,339,000</b>



# Recommendations

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- 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



# Next Steps

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





# Questions & Discussion

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