



# Third Creek West – Cowley Financial Request

June 10, 2019

# Purpose

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- The purpose of this presentation is to:
  - Introduce a development plan for the area east of E-470
  - Provide background on Third Creek West
  - Overview projected revenue and necessary funds
  - Request direction from Council



# Third Creek - Background

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- Comprises 1,300 acres and runs from E-470 to DIA border
- Third Creek West is 234 acres of greenfield
- Annexing all 1,300 acres at one time is challenging
  - Cowley offers smaller, more definable areas for annexation
  - Allows installation of critical infrastructure across E-470
  - Leads to economic development in the E-470 corridor



# Third Creek – Development Plan

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- Third Creek West will consist of 324 single-family homes, 188 duplexes, a neighborhood park, commercial, and vertical mixed use lots.
- Potential developments in the mixed use lots include:
  - Additional residential lots
  - Entertainment
  - Hotels
  - Offices
  - Retail stores



# Third Creek – Development Cont.

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- Road building to start late 2019, while major construction will begin in March of 2020
- Residential properties will be constructed first in order to make the commercial properties successful
- Will operate under three metro districts
  - Elections to be held in November of 2019



# Projected Revenue Estimates

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- Based on estimates for construction, ERAGID will receive \$388,228 in annual property tax revenue at build-out.
- These estimates only reflect revenue from the residential lots and do not include commercial or vertical mixed use.
- City development fees & taxes for Third Creek West:
  - \$25,295 of City fees for residential
  - \$604,672 road impact fee
  - \$146,348 for park construction
  - \$139,500 for drainage
  - \$3,664,500 for GF use tax (plus \$1 million – 2K)



# Summary of Regional Expenses 2020

Thrid Creek West Summary of Regional Expenses (Commercial vs Residential GID Expenses)						
	Residential	Commercial	Total	Residential	Commercial	Note
<b>2020</b>						
112th 15" Sanitary	50%	50%	\$ 1,955,000	\$ 977,500	\$ 977,500	Serves whole site Required for whole site loop Accesses both
104 16" Waterline	50%	50%	\$ 1,670,000	\$ 835,000	\$ 835,000	
104th to Himalaya/ Himalaya to 108th	50%	50%	\$ 1,440,000	\$ 720,000	\$ 720,000	
Civil Correction (Need Details)	50%	50%	\$ 315,000	\$ 157,500	\$ 157,500	
Soft Costs	50%	50%	\$ 538,000	\$ 269,000	\$ 269,000	
Subtotal Civil			\$ 5,918,000	\$ 2,959,000	\$ 2,959,000	
<b>Landscape</b>					\$ -	Along commercial front, serves region. Southern portion
					\$ -	
					\$ -	
104th N Side Landcaping	75%	25%	\$ 92,516	\$ 69,387	\$ 23,129	
Himalaya with Side Landscaping	50%	50%	\$ 334,628	\$ 334,628	\$ 167,314	
Soft Costs	50%	50%	\$ 42,714	\$ 21,357	\$ 21,357	
Subtotal Landscape	58%	42%	\$ 469,858	\$ 425,372	\$ 44,486	
					\$ -	
Contingency 20%	53%	47%	\$ 1,277,572	\$ 678,710	\$ 598,862	
<b>2020 Total Expenses</b>			\$ 7,665,430	\$ 4,063,082	\$ 3,602,348	

# Summary of Regional Expenses 2021

	Residential	Commercial	Total	Residential	Commercial	Note
<b>2021</b>						
<b>Civil</b>	GIDR	GIDC				
112th - 16" Water Line	50%	50%	\$ 2,241,000	\$ 1,120,500	\$ 1,120,500	Required for loop Serves commercial along 112th
Soft Costs	50%	50%	\$ 224,100	\$ 112,050	\$ 112,050	
Subtotal Civil			\$ 2,465,100	\$ 1,232,550	\$ 1,232,550	
					\$ -	
<b>2021 Total Expenses</b>			\$ 2,465,100	\$ 1,232,550	\$ 1,232,550	





# Summary of Regional Expenses 2022-23

	Residential	Commercial	Total	Residential	Commercial	Note
<b>2022-2023 Expenses</b>						
<b>Civil</b>						
Himalaya 108 to 112	80%	20%	\$ 721,900	\$ 577,520	\$ 144,380	Also serves commercial parcel at SWC and NWC
Soft Costs	80%	20%	\$ 72,190	\$ 57,752	\$ 14,438	
Subtotal Civil			\$ 794,090	\$ 635,272	\$ 158,818	
<b>Landscape</b>					\$ -	
					\$ -	
					\$ -	
Himalaya Median	75%	25%	\$ 174,056	\$ 130,542	\$ 43,514	For both the north and south sides
Soft Costs	75%	25%	\$ 17,406	13,054	4,351	
Subtotal Landscape	75%	25%	\$ 174,056	\$ 130,542	\$ 43,514	
Contingency	78%	23%	\$ 193,629	\$ 150,062.67	\$ 43,566.58	
					\$ -	
<b>Total 2022-23 Expenses</b>			\$ 1,161,776	\$ 915,877	\$ 245,899	
					\$ -	
<b>Total Expenses</b>			\$ 11,292,306	\$ 6,211,509	\$ 5,080,797	
Bond Issuance - Valuation	60%	40%	\$ 6,200,000	\$ 3,720,000	\$ 2,480,000	98% of residential AV is produced on site
		GAP	\$ 5,092,306	\$ 2,491,509	\$ 2,600,797	

# Financial Request

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- Developer investing \$7 million as advance for metro district
- Requesting to receive \$11.8 million from City' GIDs
  - Two GIDs can issue \$6.7 million in bonds
  - Still need to fund \$5.1 million



# City's Potential Funding Sources

Potential Sources of Funds		Fund Balance	Available	Year	Notes
A.	Fund Balance in General Fund	\$ 11,403,172	\$ 5,701,586	2019	Retain one-half
B.	Fund Balance in 2K O&M	\$ 9,404,547	\$ 4,702,274	2019	Retain one-half
C.	Bond Capacity Under 2K Ballot Authorization	\$ 38,095,000	\$ 19,047,500	2019	Keep ½ for refinancing
D.	2K Program Contingency	\$ 6,200,000	\$ 6,200,000	2019	
E.	CIPP Budget for 96th Avenue	\$ 1,200,000	\$ 1,200,000	2019	Re-direct?
F.	NRDS Grant	\$ 3,000,000	\$ 3,000,000	2019	Must be in 2019
G.	NIGID Fund Balance	\$ 6,600,000	\$ 3,300,000	2019	Retain one-half
H.	ECAGID	\$ 124,000	\$ 6,000,000	2019	Bonds
I.	ERAGID	\$ -	\$ -	2019	repay City loan (15 years)
J.	DIA Noise Mitigation Award	\$ 1,778,217	\$ 1,778,217	2019	\$21,783 Gen Fund
K.	Buffalo Run Metro District	\$ 1,000,000	\$ 1,000,000	2020	
L.	Reunion Metro District	\$ 2,323,000	\$ 2,323,000	2019	Reunion Metro District share (112th
Total			<b>\$ 54,252,577</b>		

# City's Potential Projects

Potential Projects Needing Funding	Source of Funds	Amount	Year	Repayment
2. Purchase land for open space/recreation	DIA Mitigation	\$ 1,800,000	2019	DIA Noise Mitigation
3. 88th Ave. improve. adjoining #2	General Fund?	\$ 400,000	2020	
4. MHGP Regional Detention Pond	General Fund?	\$ 2,500,000	2020	MHGP TIF over time
5. LIHTC Housing	General Fund?	\$ 3,750,000	2020	MHGP TIF over time
6. Building Purchase	General Fund?	\$ 500,000	2020	none
7. Extending utilities east of E-470	Various	\$ 11,292,306	2020	\$5.2M - ERAGID
8. Reunion Center Sports & Enter. District	2K or Gen. Fund?	\$ 4,000,000	2019	none
9. 112th Avenue Widening, Chambers to Parkside Dr.	2K, NIGID or General Fund?	\$ 4,659,299	2020	\$1M - Buffalo Run Metro District
10. Second Creek Channel Improvements	General Fund?	\$ 4,448,046	2019	\$3M - NRDS
11. Second Creek Regional Detention Pond	Multiple sources	\$ 10,949,844	2019	Second Creek Basin Fund & UDFCD
12. 112th Avenue Improvement, Blackhawk to Chambers	Multiple sources	\$ 5,088,960	2020	\$2.323M - Reunion Metro District
13. E. 88th Ave. between Hwy 2 & I-76	2K	\$ 9,985,260	2020	none
14. 120th & US 85 Grade Separation	2K	\$ 7,000,000	2021	none; grants for rest
14. Police Station/Sub-Station	?	?	2021	none
TOTAL		\$ 66,373,715		



# Next Steps

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- Is Council open to using City funds as a loan to the GIDs to help pay for regional infrastructure for Third Creek West?
- What do you need from staff to help you make a decision?





# Questions?

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