



Legislation Text

File #: Res 2019-82, **Version:** 1

RESOLUTION APPROVING THE REUNION NATURAL RESOURCE METROPOLITAN DISTRICT SERVICE PLAN AND THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF COMMERCE CITY AND THE REUNION NATURAL RESOURCE METROPOLITAN DISTRICT IN CASE MD-115-19.

Summary and Background Information:

Clayton Properties Group II, Inc. (d/b/a Oakwood Homes) is proposing a Service Plan to create Reunion Natural Resource Metropolitan District. The proposed district is organized as a financing district to provide revenues for various construction and service needs in the Reunion area. City Council approval of the Service Plan is required to allow the district to form.

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As described in the Applicant's narrative, "It is anticipated that the District will enter into one or more intergovernmental agreements with other existing Title 32 metropolitan districts within the master planned Reunion community identifying the nature of the functions and funding to be provided by the District for the benefit of the Reunion community, and the mechanisms by which the District will cooperatively fund the costs of the public improvements and provide services to such other existing districts. The exact structure governing the relationship among the District and the other existing Title 32 metropolitan district has not yet been finally determined." (See Applicant's Project Narrative, which contains initial submittal information and may not reflect the current state of the Service Plan.)

The Service Plan:

- Proposes an initial District Boundary of 24 acres with no additional inclusion area (see Section III, Exhibits A-1 & A-2, C-1 & C-2).
- Authorizes general powers and authority under Title 32 (Special District Act), subject to limitations in the Service Plan (see Sections II, V.A).
- Permits the districts to finance improvements funded by debt to be repaid from fees and mill levies, subject to the limits of the Service Plan:
 - o Total Debt Issuance Limitation of \$26,656,250 (see Sections V.A.15, VI.A), supported by the financial plan (see Exhibit F) and estimated improvements costs of \$373,592,870 (see Section V.B, Exhibit E), which mirror those of the proposed Reunion Village Metropolitan Districts Nos. 1-5, Reunion Center Metropolitan Districts Nos. 1-5, and Reunion Ridge Metropolitan Districts Nos. 1-4.
 - o A Maximum Mill Levy of 50.00 mills is proposed to include both Debt and Operations

and Maintenance mill levies. (See Section VI.C.)

- o No Mill Levy Adjustment is authorized.
 - o Limits the term of mill levies for repayment of Debt for residential properties to 40 years, subject to an extension by a resident-controlled board (see Section VI.D).
 - o Actual debt authorization and mill levy authorization requires TABOR-compliant election.
- Identifies organization and initial operating costs of \$150,000 and a first year operating budget of \$50,000 (see Section VI.I).
 - Requires increased disclosures and reporting, including annual notice to the City (see Section VII), annual mailed notices to property owners (see Section IX.D), holding board meetings within the City (see Section IX.C), disclosures to initial purchasers and potential residential buyers (see Sections IX.A, IX.B).

Approval Standard:

A new metropolitan district wholly within the City's boundary is subject to approval by the City Council pursuant to C.R.S. 32-1-204.5. The service plan must include all items required by C.R.S. 32-1-202 (2).

The service plan must be disapproved unless satisfactory evidence is presented to establish (C.R.S. 32-1-203(2)):

- There is sufficient existing and projected need for organized service in the area to be serviced;
- The existing service in the area to be served is inadequate for present and projected needs;
- The proposed district is capable of providing economical and sufficient service to the area within its proposed boundaries; and
- The area to be included in the district has or will have the financial ability to discharge the proposed indebtedness on a reasonable basis.

C.R.S. 32-1-202(2) requires that a service plan contain:

- A description of the proposed services (*see Sections II, V.A*);
- A financial plan showing how the proposed services are to be financed, including the proposed operating revenue derived from property taxes for the first budget year of the district, which shall not be materially exceeded except as authorized pursuant to section 32-1-207 or 29-1-302, C.R.S. All proposed indebtedness for the district shall be displayed together with a schedule indicating the year or years in which the debt is scheduled to be issued. The board of directors of the district shall notify the board of county commissioners or the governing body of the municipality of any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan (*see Exhibit F*);

- A preliminary engineering or architectural survey showing how the proposed services are to be provided (see *Section V.B.1, Exhibit E*);
- A map of the proposed special district boundaries and an estimate of the population and valuation for assessment of the proposed special district (see *Sections III-IV.A, Exhibits A-1 & A-2, C-1 & C-2*);
- A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the proposed special district are compatible with facility and service standards of any county within which all or any portion of the proposed special district is to be located, and of municipalities and special districts which are interested parties pursuant to section 32-1-204(1) (see *Section V.A.5, V.B.2, XI.F, Exhibit F*);
- A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the district (see *Section VI.I.1*);
- A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the proposed special district and such other political subdivision, and, if the form contract to be used is available, it shall be attached to the service plan (see *Section V.A.15, V.C., X, District Activities IGA*);
- Information, along with other evidence presented at the hearing, satisfactory to establish that each of the criteria set forth in section 32-1-203, if applicable, is met;
- Such additional information as the City Council may require by resolution on which to base its findings pursuant to section 32-1-203.

Staff Responsible (Department Head): Roger Tinklenberg, Acting Director of Community Development

Staff Member Presenting: Brad Callender, City Planner

Financial Impact: N/A

Funding Source: N/A

Staff Recommendation:

The proposed service plan appears to contain the information required by C.R.S. 32-1-202(2) and to support a determination that the requirements of C.R.S. 32-1-203(2) are met.

Policy Issue:

Whether the proposed service plan should be approved pursuant to C.R.S. 32-1-203(2) and C.R.S. 32-1-204.5.

Alternative Motions:

1. Approve the service plan.
2. Approve the service plan with conditions.

3. Disapprove the service plan.