



Legislation Text

File #: Res 2019-86, **Version:** 1

RESOLUTION APPROVING THE CONSOLIDATED SERVICE PLAN FOR THE THIRD CREEK METROPOLITAN DISTRICTS NOS. 1-3 AND THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF COMMERCE CITY AND THE THIRD CREEK METROPOLITAN DISTRICTS NOS. 1-3 IN CASE MD-110-19

Summary and Background Information:

The Cowley Management, LLC is proposing a Consolidated Service Plan to create Third Creek Metropolitan Districts Nos. 1-3. The proposed districts would facilitate the construction of a ±232-acre residential, commercial, and mixed use development called Third Creek West.

The Service Plan:

- Provides for a multiple district structure (see Section V.C.).
- Proposes a District Boundaries that can be modified within the district boundaries. (see Section III, Exhibits A and C).
- 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 is \$60,831,000
 - o A Maximum Combined Mill Levy of 66.333 mills
 - o Authorizes a Mill Levy Adjustment to reflect changes in in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, as of January 2019.
 - 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 \$50,000 and a first year operating budget of \$25,000 (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).

- Requires an opportunity for the City to review and comment (but not approve) the issuance of any indebtedness and refinancing any outstanding indebtedness.

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, Interim Community Development Director

Staff Member Presenting: Robin Kerns, City Planner

Financial Impact: N/A

Funding Source: N/A

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.

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.

Alternatives:

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