



## Legislation Text

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**File #:** Pres 20-141, **Version:** 1

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### City Council Budget Retreat

#### **Summary and Background Information:**

As required by the city charter, the city manager is responsible for preparing and submitting to Council a recommended budget for the next fiscal year. The city manager desires the development of the budget to be a consultative dialogue so that the recommended budget reflects the council's goals and priorities. This presentation sets out the city manager's budget proposals for council's consideration and discussion.

#### **Reunion Information**

In 2001, the City entered into an agreement with Shea Homes, Fulenwider, Buffalo Hills Ranch, LLC, and Potomac, LLC to consolidate eight previous agreements that were primarily annexation agreements. Then in 2003 the City entered into an intergovernmental agreement with the Reunion Metropolitan District ("Reunion") based on and supplementing the 2001 agreement.

The 2003 agreement focused on sharing sales and use tax revenue and building permit revenue generated by development within the Reunion boundaries. The purpose was to reimburse Reunion for building public improvements that the City was responsible to build. The revenue share was set at 33% of 3% sales and use tax and 33% of building permit fees. Road impact fees were to be credited to Reunion instead of the land owners. The IGA has a 20 year life that expires on January 1, 2022.

Oakwood Homes has taken over as the master developer from Shea. Representatives of Oakwood/Reunion have requested that the revenue sharing agreement be extended. The City staff need your direction on whether or not to negotiate the terms for an extension of the agreement.

The projects proposed to be funded by the extension of the agreement include:

<b>Transportation Project</b>	<b>Engineer's Estimate ('20 \$)</b>
Chambers Road / North of 104 <sup>th</sup>	\$ 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 of 104 <sup>th</sup>	\$ 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**

**Drainage Project**

Second Creek North Outfall Channel Phase 2.1	\$ 12,610,000
Second Creek O'Brien Canal Relocation Phase 2.2	\$ 6,680,000
Second Creek Regional Detention Pond Phase 2.3A	\$ 9,117,000
Ragweed Draw Regional Detention Pond B	\$ 8,740,000
Third Creek Drainage Outfalls	\$ 615,000
Second Creek Channel Improvements Phase 2.3B	\$ 1,910,000
Ragweed Draw Channel Improvements	\$ 6,690,000
Second Creek Water Quality Pond	\$ 1,375,000

**Sub-Total Drainage** \$ **47,737,000**

**Total** \$ **151,339,000**

*\* estimated hard and soft costs*

Revenue remittance summary:

- Through year-end 2019, a total of \$10.9 million has been remitted to the District
- During the first and second quarters of 2020, an additional \$178,940.53 and \$393,148.66 has been remitted, for a total of \$11.5 million to date
- The three year (2017-2019) average total amount remitted to the District is \$1.2 million
- The five year (2015-2019) average total amount remitted to the District is \$1.0 million These historical averages are important in considering future revenue generation expectations

**Staff Responsible (Department Head):** Roger Tinklenberg

**Staff Member Presenting:** Roger Tinklenberg/Sheryl Carstens

**Financial Impact:** N/A

**Funding Source:** N/A

**Staff Recommendation:** Information is provided for council discussion and to provide guidance to the city manager & staff.