



Legislation Text

File #: Ord ERAGID 07, **Version:** 1

AN ORDINANCE OF THE CITY OF COMMERCE CITY E-470 RESIDENTIAL AREA GENERAL IMPROVEMENT DISTRICT AUTHORIZING THE ISSUANCE OF THE DISTRICT'S LIMITED TAX GENERAL OBLIGATION LOAN, SERIES 2021 AND DECLARING AN EMERGENCY.

Summary and Background Information:

Third Creek West is a 234 acre site located on the east side of E-470 and west of DIA. and once developed will allow for the installation of critical infrastructure across E-470, helping to facilitate economic development in the E-470 corridor, and generate revenue for the City, ECAGID, and ERAGID. The entirety of Third Creek is 1,300 acres, and Third Creek West is the first parcel that will be developed.

At the time of annexation, through the Annexation and Inclusion Agreement for the property, the ERAGID and ECAGID agreed to contribute an approximately \$13.8M combined contribution for regional infrastructure, and the Developer pledged to construct other off and on-site improvements. At the same time, City Council approved the formation of Third Creek Metropolitan Districts Nos. 1-3. The districts will facilitate the construction of the residential, commercial, and mixed-use development. The ECAGID Board has authorized a privately placed loan to obtain funds to fulfill its obligations under the Annexation and Inclusion Agreement. The ECAGID will use a portion of its loan proceeds to fund the Loan authorized by this ordinance in the amount of \$6,800,000 to the ERAGID, as detailed in this ordinance and related intergovernmental agreement.

The Loan terms largely mirror the terms of the ECAGID's private loan, with an interest rate not to exceed 2.13%, pledge of mill levy revenue, and a December 1, 2051, maturity date. The Loan shall constitute a limited tax general obligation (20 mills) of the ERAGID as provided in the Loan Agreement. Payments are dependent on the ERAGID's receipt of pledged revenue. The ECAGID will pay funds in the amount of the loan to one of the Third Creek West Metropolitan Districts on behalf of the ERAGID to fulfill obligations under the Annexation and Inclusion Agreement. Terms of the reimbursement for the work will be established in a future intergovernmental agreement.

In order to effect the Project in a timely manner, including the ability to fix interest rates at historically low rates and allow flexibility to enter the financial market at the most beneficial opportunity for the District, this Ordinance shall become effective immediately after its adoption.

Staff Responsible (Department Head): Roger Tinklenberg, Interim City Manager

Staff Member Presenting: Sheryl Carstens, Director of Finance

Financial Impact:

Annual Debt Service	Year
\$230,010.00	2021

\$306,680.00	2022
\$691,680.00	2023
\$703,787.50	2024
\$705,485.00	2025
\$716,977.50	2026

Funding Source: Commerce City E-470 Residential Area General Improvement District Mill Levy

Staff Recommendation: Approve the ordinance and declare an emergency.

Suggested Motion: I move to introduce and approve Ord ERAGID 07 as an emergency ordinance.