

Vistas at West Mesa Metro District Amended Service Plan

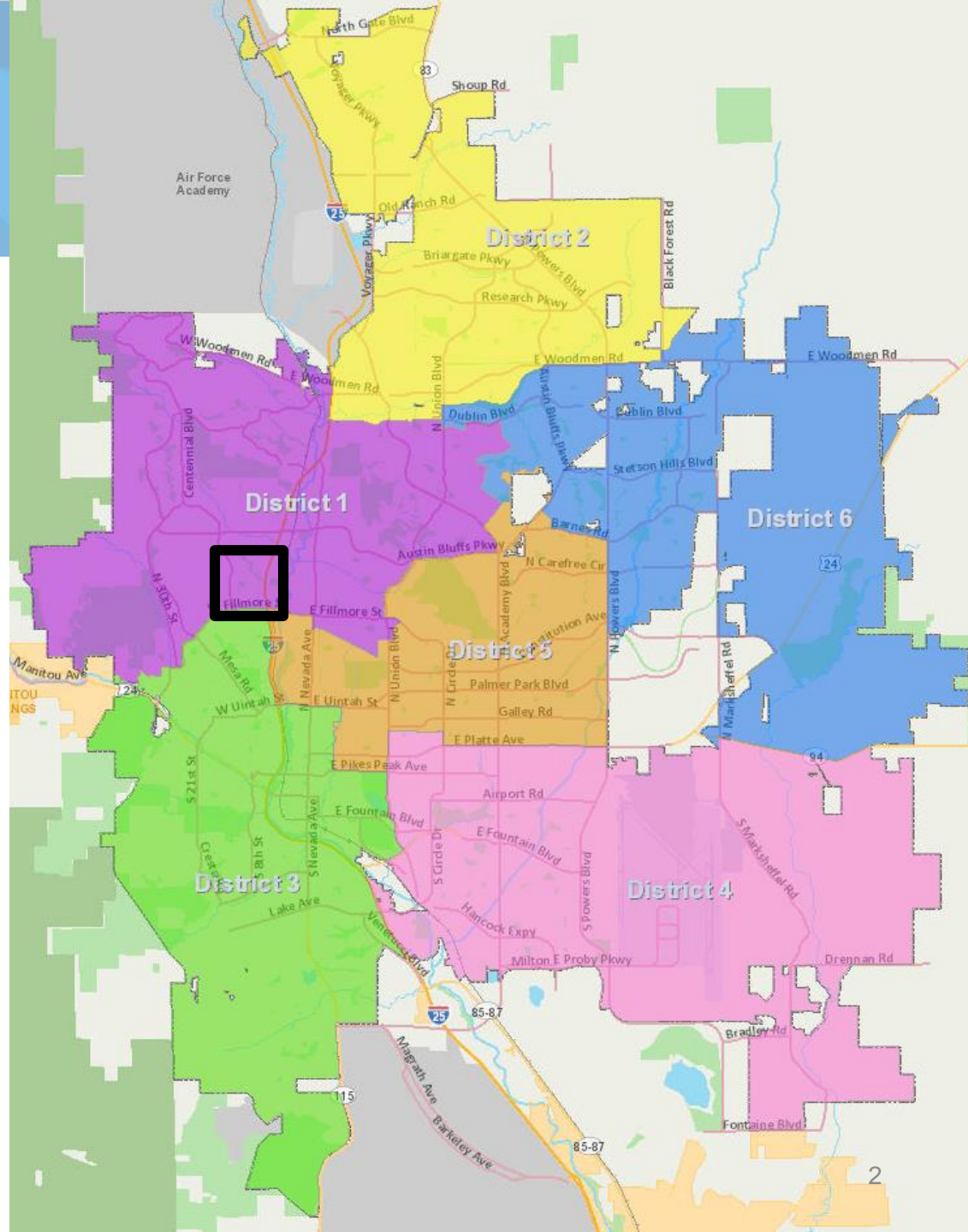
City Council Work Session
January 9, 2023

Carl Schueler, Comprehensive
Planning Manager



Vicinity Map

- Council District 1
- Located north of Fillmore Street and east of Centennial Boulevard



Summary

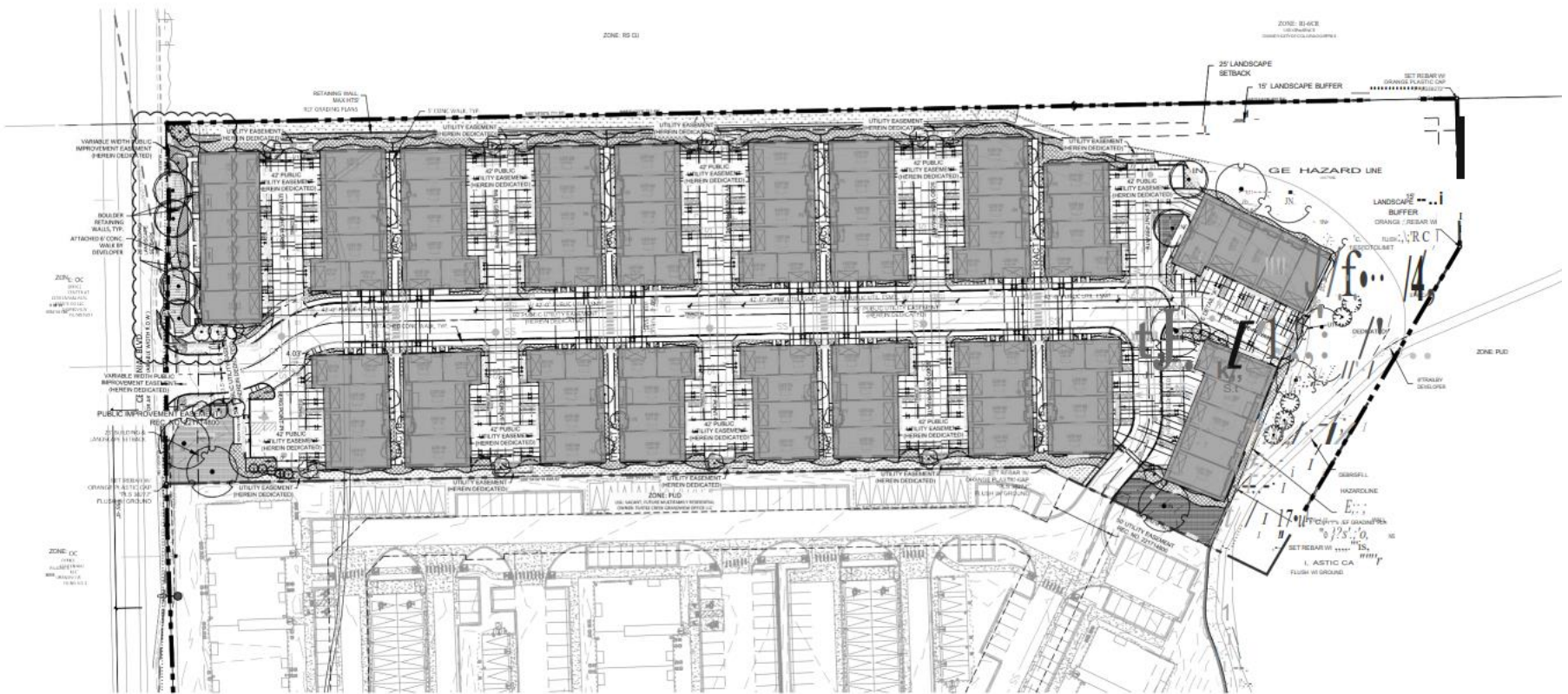


- Amended and restated service plan for a small residential metropolitan district (105 townhomes)
- Would allow increased debt service and operational mill levies, and “pre-authorize” second debt issuance
- Would conform with the new model service plan
- No other significant changes to 2021 approved service plan

District Boundaries



VISTAS AT WEST MESA CITY OF COLORADO SPRINGS, COLORADO PUD DEVELOPMENT PLAN MINOR AMENDMENT



Background



- Service Plan for Vistas at West Mesa was approved in 2021.
 - Debt service mill levy of 30.0 Gallagher adjusted
 - Operational mill levy of 10.0 Gallagher adjusted – with option for 20.0 with a resident board
- First debt issuance authorized by City Council in early 2022- Not to exceed \$1.7M
- Bonds issued late in 2022 (\$1,384,000)
- Project under construction, with some units under contract

What Will Change



- All the language content and limits in new model plan
- Debt service mill levy could increase from 33.398 to 50.00
- O&M mill levy can immediately go from 10 to 20 mills

What Will Not Change



- Authorized functions of District
- Maximum debt limit of \$4,500,000
- District boundaries and development/public improvement assumptions

Supporting Materials



- Transmittal Letter
- Clean and redline versions of the Amended and Restated Service Plan
- Applicant summary of changes from existing service plan
- District Budget Committee PowerPoint presentation

Budget Committee



- December 13, 2022
- Several informational questions and responses
- Follow-up questions on contract purchaser disclosure
 - Including a question on whether there would be penalties for withdrawal from contracts
- Question on tax impacts of change on future property owners

Budget Committee Follow-up



- Contract purchasers have the option to withdraw from contacts (add info on any penalties)
- Tax impacts
 - $\$400,000 \times 7.15\%$ residential assessment ratio \times 16.6 additional debt service mills = About \$475 additional dollars in debt service taxes
 - Based on the same assumptions, approximately 9 extra operational mills* equates to about \$257 annually (about \$21/month)
 - However, in this case there would be a corresponding decrease in the District's monthly assessments

*the current operational ML cap is "Gallagher adjusted" to a little over 11 mills

Summary of all Monthly Operational Costs



- Projected Income from 20 mill O&M Mill levy
\$ 63,224
- Projected Income from annual fee
\$ 124,116
- Monthly unit charge (avg)
\$ 98.51

Next Steps



- January 9, 2023 Work Session
- January 24, 2023 Council hearing
- At least **six** affirmative votes required for debt “pre-authorization”
 - City Charter 7-100(a) -> exceeds 10% of total assessed valuation
- Simple majority for balance of amended service plan