

(Text of 5/3/21 Staff E-mail to Budget Committee)

Budget Committee Members and Guests:

At your April 27, 2021 Meeting, there was direction for staff to follow up on some background and clarifying information related to this particular item:

I have attached few items, and below is a summary (I have not re-attached any of the original or updated district submittal items- so please let me know if you need any of these)

- 1) Schedule: for now this item is slated for the **5/24/21 Work Session** and 6/8 Council hearing
- 2) Legislative vs. Quasi-judicial Items: Generally, district-related Council items are considered legislative vs. land development applications, which are considered quasi-judicial. There is a PUD zone change request (and other applications) in process for this site. The City Attorney's Office can advise Council members in detail, but questions on the land development application side should be deferred to that separate hearing, and after the Planning Commission process.
- 3) Site Context: Committee members asked for more context on the location of the proposed district. Attached is a map/graphic I made to highlight the location. Basically, this site is at the bottom (toe) of Fillmore Hill, along Chestnut Street, north of Fillmore. The project site is highlighted in yellow. At the Committee meeting there was some confusion between this site and the project to repurpose the old batch plant site at the top of Fillmore Hill along Centennial. At one point, Penrose Hospital had proposed to use that site for a new facility. Currently it is planned for 300+ units of multi-family. I have marked its location.
- 4) Project Site: The site proposed for this district is proposed for higher density single-family residential development essentially tucked in behind non-residential and multi-family uses closer to Fillmore and Chestnut. Attached is a recent version of the site plan taken from the PUD plans under review. As noted at Budget Committee, the current plan is for essentially all the tracts (detention, open space, landscaping, streets etc.) to not be dedicated to the City. Oftentimes, (but not always) local streets in single-family developments would end up being dedicated to the City whereas the other tracts in a case like this (detention, common areas, small open space, landscape tracts etc. would not be dedicated.
- 5) Additional Facilities to Maintain: As noted at the last Budget Committee meeting, the main distinction with this development is it is proposed to have a higher than typical array of properties and facilities to commonly maintain, due to a number of factors, in part tied to the site and proposed uses. To accommodate this number of small-lot single-family units on a somewhat topographically constrained site, there is a proposed retaining wall along with narrower non-standard street cross sections. Therefore, my understanding is at this time, Engineering staff are recommending the streets remain "private".
 - a. Mr. Ed Houle, the developer and petitioner for this district. has provided an e-mail describing some background up to this point, along with positions supporting his request.
- 6) No Staff Requirement for a Metropolitan District – Although in this case, the development would be responsible for ongoing maintenance of a number of tracts and improvements, staff has not required the formation of a metropolitan district for ongoing maintenance. It is simply one option. Another would be a homeowners association.
- 7) Alternatives to a Cap of 34 O&M Mills- In lieu of an increased cap of up to 34 operational mills, the developer could either create a separate HOA with assessments, have the metropolitan

district impose fees (which are not potentially tax-deductible, or have some combination. The petitioners can provide their input on the relative advantages of the options.

- 8) 34 Mills Would be a Cap and Not a Requirement- Unlike with debt service mill levies which oftentimes end up as pledged revenues for debt (and therefore cannot be decreased while the debt is outstanding), staff's understanding is that, once voted in, operational debt can adjusted up and down (up to the cap) as actually needed to meet annual budget needs. Given this district/development scenario (small, one district, and all residential) it is reasonable to assume the district board would become eligible for resident control within a relatively few years, and (following substantive buildout and debt issuance) this developer would no longer have an incentive to remain involved. A resident board would then have the need to provide for sufficient annual O&M revenues, but could for example, later choose to reduce taxes and substitute fees.

Please let me know if you have any other requests for information or clarification prior to the planned 5/24 Work Session on this item.

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