

Service Plan for Reagan Ranch Metropolitan District

City Council Work Session
July 13, 2020

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Summary



- New metropolitan districts to serve and provide financing for the proposed Reagan Ranch
- Part of Banning Lewis Ranch
- Consolidated service plan
 - District 1- Initial Residential
 - District 2- Future Residential
 - District 3- Commercial
- Future inclusions of petitioner-owned and other properties
- Mill levy caps consistent with Special District Policy

Summary- Continued



- Future inclusion areas
 - for property under contract (former Powers Dairy)
- District-specific costs and maximum debt authorizations
 - With and without inclusions
 - Potential combined maximum of \$136 Million
 - Regional and District-specific costs of up to \$126 Million

Unique Topics and Issues

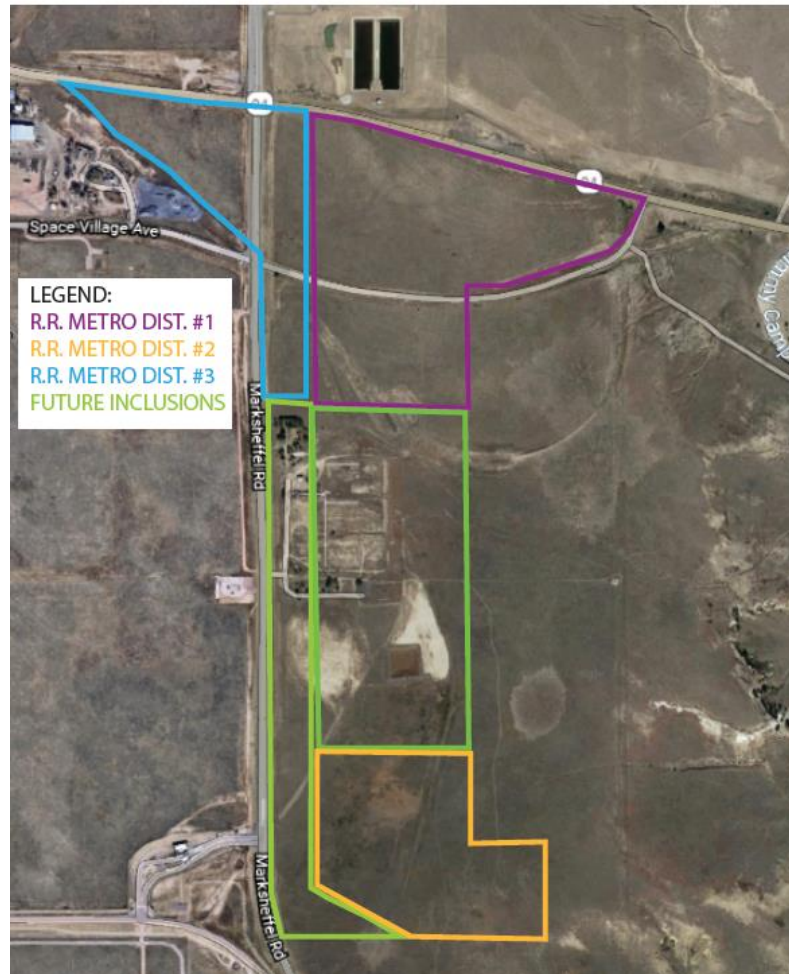


- Development approval status
 - Contingency language in the Resolution
- Future inclusion areas (including ownership status)
- Maximum authorized debt tied to a larger area

Boundary Context



REAGAN RANCH METROPOLITAN DISTRICT NO. 1- 3
INITIAL INCLUSIONS & FUTURE INCLUSIONS



Revised Maximum Debt Authorization Language



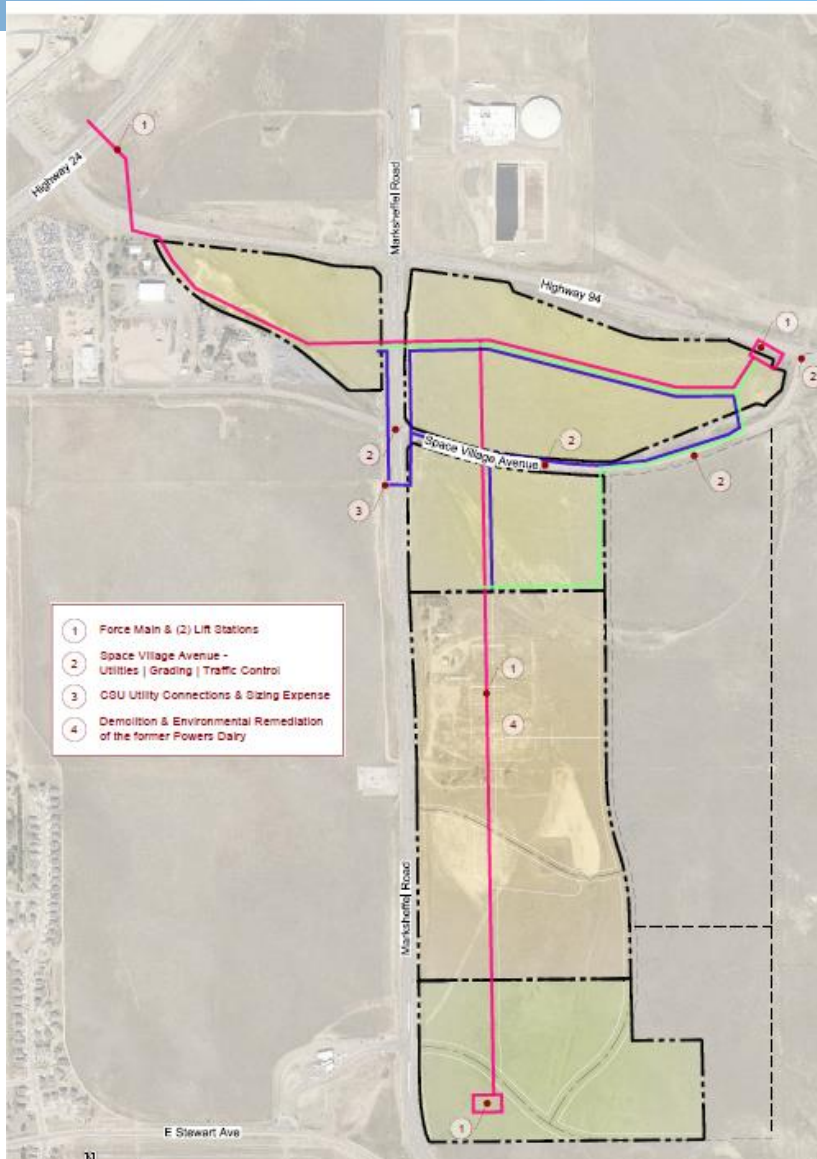
10. Total Debt Issuance Limitation. The issuance of all bonds or other debt instruments of Districts shall be subject to the approval of the City Council. City Council's review of the bonds or other debt instruments of the Districts shall be conducted to ensure compliance with the Service Plan and all applicable laws. District No. 1 shall not issue Debt in the aggregate principal amount in excess of \$51,000,000. District No. 2 shall not issue Debt in the aggregate principal amount in excess of \$36,000,000. Upon the inclusion of the Inclusion Area Boundaries identified for District No. 2 in Exhibit C-2, the Total Debt Issuance Limitation for District No. 2 shall increase to an aggregate principal amount not to exceed \$57,000,000. District No. 3 shall not issue Debt in the aggregate principal amount in excess of \$15,000,000. Upon the inclusion of the Inclusion Area Boundaries identified for District No. 3 in Exhibit C-2, the Total Debt Issuance Limitation for District No. 3 shall increase to an aggregate principal amount not to exceed \$28,000,000. The foregoing shall not include the principal amount of Debt issued for the purpose of refunding or refinancing lawfully issued Debt.

Improvements Costs



- Detail provided
- Regional and District-specific
 - Regional
 - 2 sewage lift stations and force mains
 - CSU connections
 - Space Village Drive
 - Demolition and remediation (former Powers Dairy)

Regional Costs Map



Initial Development Application Area



“Approved Development Plan”



- Can be Master Plan or more detailed
- Assumed to be available at time of service plan approval- but not technically required
- Model Service Plans contemplate changes in approved development over time
- Engineering cost estimate in service plan based on this plan
- Also a logical tie to Colorado Revised Statutes approval criteria

Proposed Resolution Language



Section 6. The Districts shall not certify a debt service mill levy and shall not formally issue any debt, until the land uses contemplated by this Service Plan for each particular district have been included as part of an “approved development plan”, as that term is defined in this Service Plan.

Section 7. In the event the initially included properties to be served by the Districts have not been rezoned to substantially allow for the land uses contemplated by this Service Plan, on or before December 31, 2022, the Districts shall either initiate dissolution of the Districts or petition for an amended service plan.

Budget Committee



- June 9th and 23rd , 2020
- Several questions or comments on 6/9/20
 - Request for disaggregation of costs and for district-specific maximum debt authorizations
- 6/23/20 questions on cost recovery, and eligibility of certain costs

Reimbursement Agreement Language



- Added Service Plan language:

obligation from the District, prior to making such reimbursement for such amounts, the District must receive the report of an independent engineer or accountant confirming that the amount of the reimbursement is reasonable. Further, if a District enters into a reimbursement agreement pursuant to which such District is reimbursed funds from other developers, such funds shall be utilized only for the purpose of repaying and refunding outstanding bonds or debt of the District.

Cost Recovery Language



- Standard Service Plan language:

4. Recovery Agreement Limitation. Should the Districts construct infrastructure subject to a recovery agreement with the City or other entity, the Districts retain all benefits under the recovery agreement. Any subsequent reimbursement for public improvements installed or financed by the Districts will remain the property of the Districts to be applied toward repayment of their Debt, if any. Any reimbursement revenue not necessary to repay the Districts Debt may be utilized by the District to construct additional public improvements permitted under the approved Service Plan.

Colorado Revised Statutes Findings



- There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
- The existing service in the area to be served by the Districts is inadequate for present and projected needs;
- The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and
- The area to be included in the Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Responses included in July 1, 2020 supplemental transmittal

Supporting Materials



- Staff memo
- Draft resolution
- Transmittal letters (original, supplemental and July 1, 2020 additional letter)
- Clean and redline service plans
- Regional improvements map
- Cost Estimates

Recommendation and Next Steps



- Conditional resolution language
- New Business on July 28, 2020