

# Upper Cottonwood Creek Metropolitan District No. 5 Amended Service Plan

**Council Work Session**  
**November 7, 2022**

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# Summary

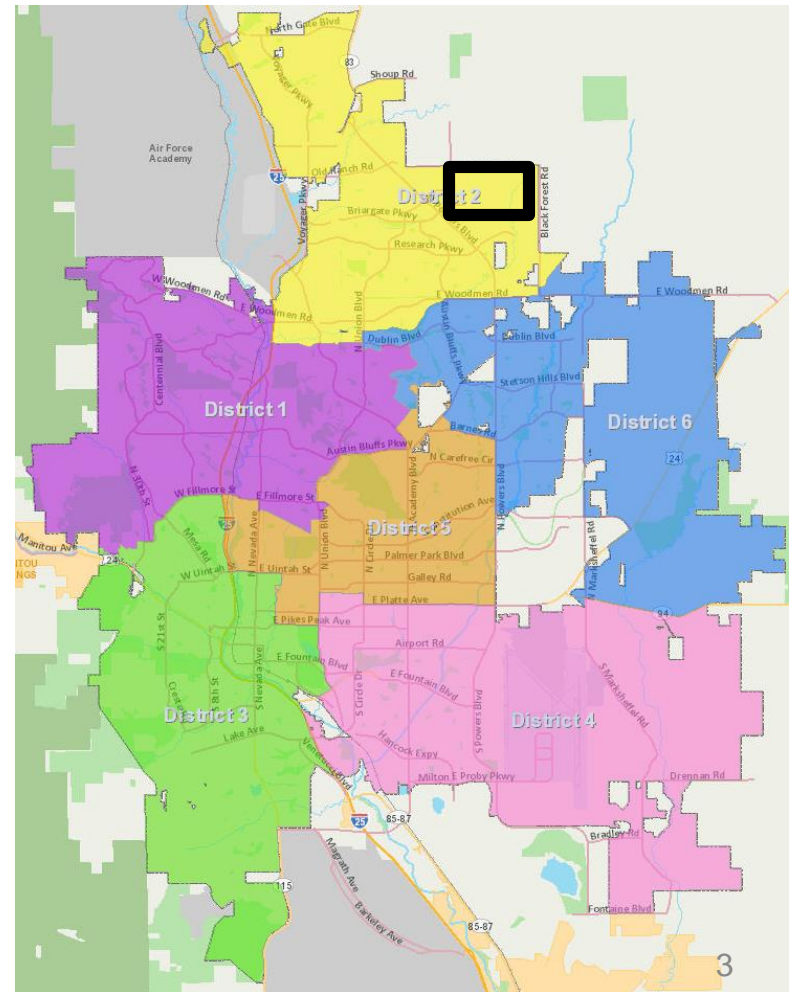
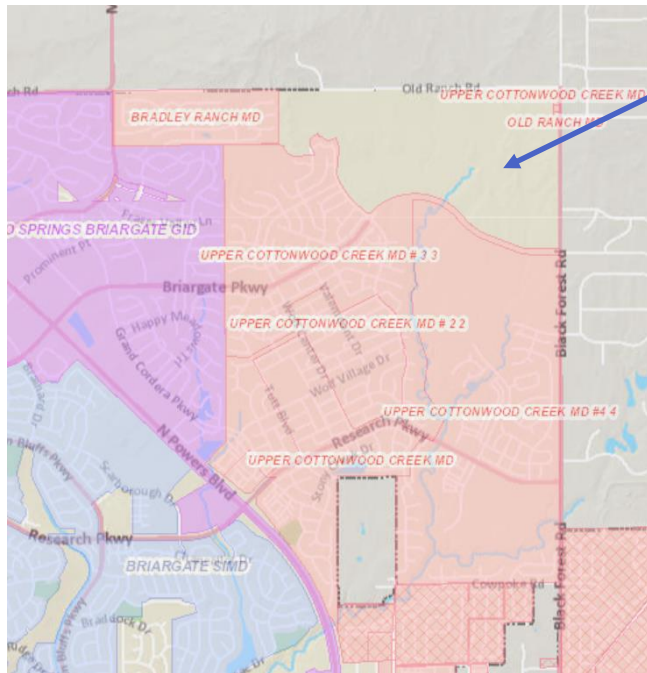


- Amended and Restated Service Plan for a single metropolitan district (District No. 5) which is currently part of a consolidated plan for District Nos. 2-5
- Utilizes new Policy and model service plan
  - Higher residential mill levy caps for just this district
  - No exceptions; but a request for an increase in the district-specific maximum debt authorization amount from \$28.65 Million to \$72 Million
- Includes a complete Exhibit E (improvements and financial plan) supporting “pre-authorization” of future debt without the need to come back to Council

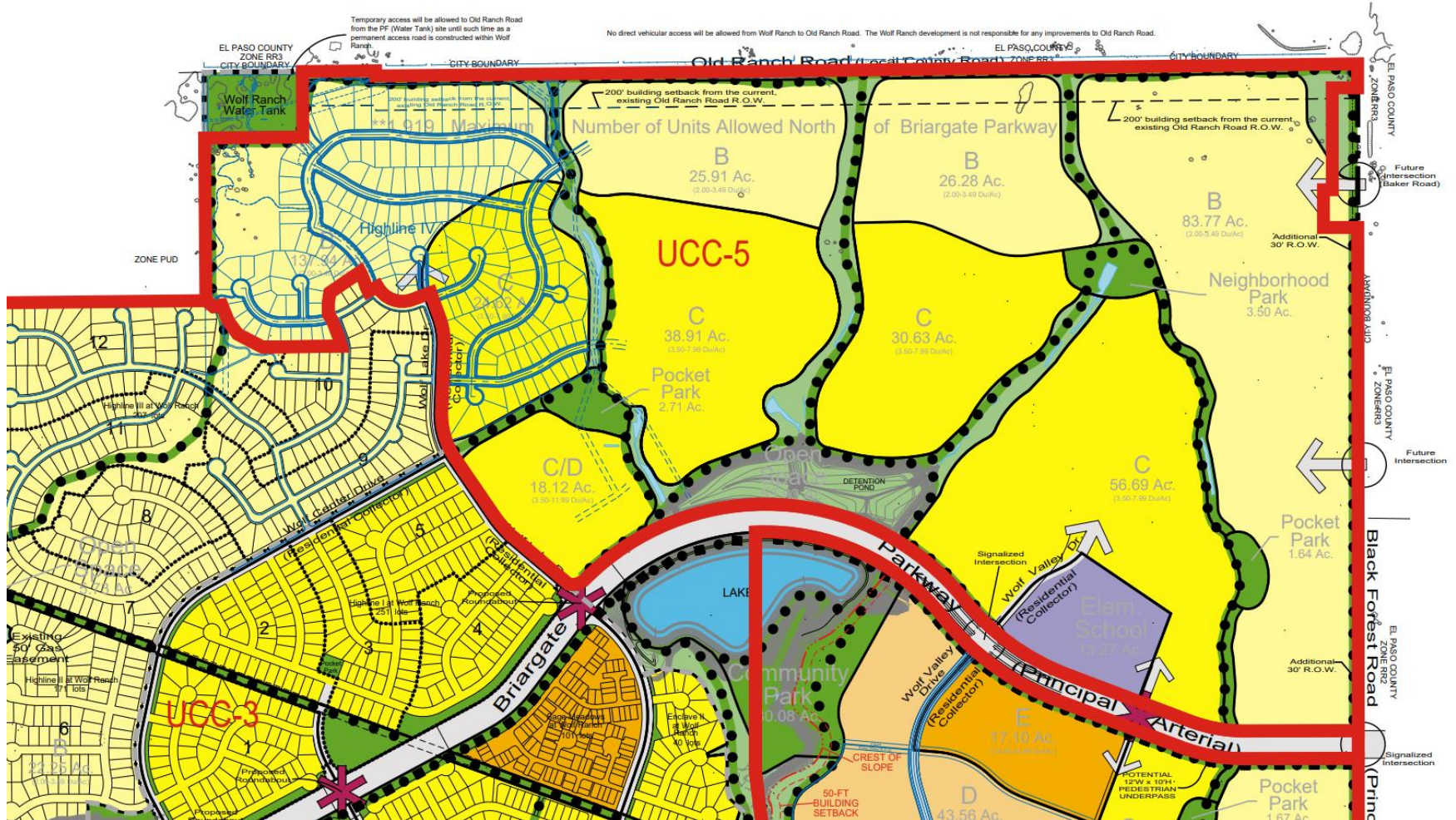
# Location



- Wolf Ranch Development
- Council District 2



# Boundaries



# Background



- District Nos. 2-5 created in 2006
- Districts 2-4 have considerable development and have issued all or some of their debt
- Existing service plan amended in 2016 to increase the maximum operational mill levy from 10.0 to 20.0 mills and in 2021 to reallocate district-specific maximum debt authorizations
- This amended and restated service plan would essentially separate this District from the others

# Summary of this District



- About 413 total acres
- About 1,110 planned dwelling units

# Exhibit E



- Brief summary of improvements costs
- “Anticipatory bond runs” with development absorption and other financial assumptions
  - Near term and potential future issuances
    - Assumed to be privately placed and each with senior subordinate structures

# Potential Bonding



- **Proposed 2024 bonds**
  - Totaling about \$35 Million
- **Proposed 2027 bonds**
  - Totaling about \$18.6 Million
- **Proposed 2031 bonds**
  - Totaling about \$15.75 Million



# Future Bonding Options



- Interest rates, timing and other aspects will vary based on market
- Potential for modification of bond structures

# Process



- Amended and Restated Service Plan
- Would entirely replace the existing plan, but only for this district.
- Majority vote of Council members present required for service plan
  - However, 2/3rds vote of entire Council required for debt “pre-authorization

# What Would Change



- Use of the new model with all of its content- only for this district
- Residential debt service mill levy cap increased from 30.0 (Gallagher adjusted) to 50.0 with no retroactive adjustment
- Residential operational mill levy cap has already increased from 10.0 to 20.0
- Increase in maximum debt limit for this district to \$72 Million
- “Pre-authorization” of future debt based on Exhibit E improvements and financial plans

# What Would Not Change



- Existing service plans and associated limits for other districts
- Operational mill levy cap (technically it goes down a little)
- Authorized ongoing functions (Exhibit D)

# Budget Committee



- October 25, 2022
- Questions and Clarifications
- Agreement to remove Exhibit C-2 (Future inclusion areas)
- Councilman Murray reiterated prior concerns re: ongoing Council oversight

# Next Steps



- Work Session on November 7, 2022
- Hearing on November 22, 2022
- Six affirmative votes needed for debt pre-authorization