



Legislation Details (With Text)

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Title: A Resolution approving a Service Plan for the Banning Lewis Ranch Metropolitan District Nos. 8-11
(Legislative Item)

Presenter:
Peter Wysocki, Director, Planning and Community Development
Carl Schueler, Comprehensive Planning Manager, Planning and Community Development

Sponsors:

Indexes: Metropolitan District, Service Plan

Code sections:

Attachments: 1. RES_BLRMD Nos. 8-11, 2. Service Plan for BLRMD Nos 8-11, 3. FIGURE 1 - Cover Ltr to Colo Springs BLRMD Nos. 8-11 Service Plan Submittal, 4. FIGURE 2 - REDLINE Service Plan BLRMD Nos 8-11, 5. FIGURE 3 - Evolution of BLR Districts Nos 8-11, 6. FIGURE 4 - Consent Letter to BLR Proposed Districts, 7. PowerPoint_BLRMD Nos. 8-11, 8. Signed Resolution 93-18

Date	Ver.	Action By	Action	Result
8/28/2018	1	City Council	adopted	Pass
8/13/2018	1	Council Work Session	referred	

A Resolution approving a Service Plan for the Banning Lewis Ranch Metropolitan District Nos. 8-11
(Legislative Item)

Presenter:

Peter Wysocki, Director, Planning and Community Development
Carl Schueler, Comprehensive Planning Manager, Planning and Community Development

Summary:

This is a request by Clayton Properties Group II Inc., d/b/a Oakwood Homes for approval of a new service plan which would authorize four additional “base” metropolitan districts to be used for remaining future development phases of the Oakwood portion of the Banning Lewis Ranch development. These new districts would be deployed in the area east of Banning Lewis Parkway. Authorities and limitations will be similar to those of the existing remaining BLR “base” districts (District Nos. 2-5). The allowable maximum mill levies would be the same as for the current districts (30.0 for debt service and 20.0 for operations and maintenance, both Gallagher adjusted).

The petitioner notes that two of their original districts (District Nos. 6 and 7) have already, or and proposed to be re-characterized as regional districts. They further note that the use and

management of metropolitan districts has evolved in recent years, to include the use of smaller phased district areas.

This item was introduced at a City Council Work Session on August 13, 2018.

Previous Council Action:

On September 13, 2005, City Council approved the formation and service plan of the Banning Lewis Ranch Metropolitan Districts Nos. 1-7 (the "Districts") by Resolution No. 162-05. City Council subsequently approved an Amended and Consolidated Plan (the "Service Plan") for District Nos. 1-5 and 7, by Resolution No. 52-08 adopted on March 11, 2008. District No. 6 was reserved out in anticipation of a wastewater improvements agreement being entered into among Colorado Springs Utilities and certain BLR developers, and the need for District No. 6 to support the purposes of that agreement. On June 22, 2010 (by Resolution No. 100-10) Council approved an Amended and Restated Service Plan for the Banning Lewis Ranch Regional Metropolitan District (BLRRMD)- (formerly District No. 6) for the unique purpose of authorizing the District to support the regional wastewater system and treatment capacity improvements identified as part of the Wastewater Agreement. Recently on April 24, 2018, in conjunction with changes to the overall BLR Annexation Agreement, Council approved an amendment of the BLRRMD to allow it to be used to generate additional tax revenues for specified regional improvements including but not limited to wastewater improvements (Resolution 39-18).

From 2013 onward, City Council has also approved resolutions authorizing the issuance of new and refinanced debt by Banning Lewis Ranch Metropolitan Districts Nos. 2 and 3 which overlap and fall within this District. Prior to and during the period, the Council has approved a variety of rezoning requests for the Oakwood Homes properties within the District.

This item was presented at the City Council Budget Committee on July 10, 2018

Background:

Metropolitan districts are created under Colorado Statute and City Policy to finance and/or maintain certain public improvements in residential and/or commercial areas, primarily utilizing a property tax mill levy as a revenue source. These districts are separate legal entities from the City.

The existing Banning Lewis Ranch Metropolitan District Nos. 1-5 and 7 were originally created with the expectation they would be deployed across the majority of the BLR property then not already conveyed to separate annexors.

The maximum combined authorized debt proposed for these District would be \$100,000,000. This number was based on a generalized per acre or per dwelling unit estimate of total eligible future local public improvements costs. A factor has been added to address the impact of contingencies and inflation. Actual issuance of debt (or direct reimbursement) will be dependent on available revenues as limited by the mill levy cap. The proposed service plan contains a prohibition on "end user debt service fees" as now required in the Model Service Plans, and requires City approval of all debt issuances.

The draft service plan includes an operations and maintenance mill levy cap of 20.0 mills as compared with the 10.0 mills normally allowed by the Special District Policy. However, this is consistent with the current caps for Districts 2-5, which were authorized at the higher level back in 2008. The justification included enhanced services including district-maintained parks, landscaping

and community centers.

The initial boundaries for these districts will consist of very small parcels. As the development progresses, their boundaries will be expanded to match up with detailed project phasing plans. Much of the area to which these new metropolitan districts will be applied, is currently owned by Walton Colorado LLC. Walton has consented to being identified in future inclusion areas for these new districts (Exhibit C-2 of the Service Plan). A copy of this consent is attached.

Exhibit D of the service plan specifically authorizes covenant enforcement as an operational function of these Districts. This is consistent with the way the current service plan for what will be District Nos. 1-5 is written and approved.

This request was presented to the City Council Budget Committee on July 10, 2018 at which time the proposed district boundary geography was The Committee had a number of informational and clarifying questions.

Financial Implications:

The direct financial obligations associated with these Districts will be limited to the existing maximum mill levy on properties included within it. There will be no direct financial obligations or impacts to the General City or its taxpayers or ratepayers.

Board/Commission Recommendation:

The City's staff-level Special District Committee has been provided copies of these materials. No comments or concerns have been provided.

Stakeholder Process:

N/A

Alternatives:

City Council could choose to approve, deny or modify the proposed resolution.

Proposed Motion:

Move adoption of the resolution approving a request by the petitioners for a Service Plan for the Banning Lewis Ranch Regional Metropolitan District Nos. 8-11.

Resolution approving a Service Plan for the Banning Lewis Ranch Metropolitan District Nos. 8-11.

N/A