



Legislation Details (With Text)

File #:	20-501	Version:	1	Name:	Mountain Vista Metro Dist
Type:	Resolution	Status:		Mayor's Office	
File created:	8/27/2020	In control:		City Council	
On agenda:	5/25/2021	Final action:		5/25/2021	
Title:	Resolution authorizing issuance of debt not to exceed \$18,000,000 by the Mountain Vista Metropolitan District located east of Marksheffel Road and South of Barnes Road.				
	Presenter: Carl Schueler, Comprehensive Planning Manager, Planning & Community Development Department				
Sponsors:					
Indexes:	Issuance of Debt, Metropolitan District				
Code sections:					
Attachments:	1. RES Mountain Vista, 2. Power Point- Mtn Vista, 3. Bond Resolution - 04-09-21, 4. Indenture - 04-09-21, 5. Mountain Vista MD Financial Plan 02.23.21, 6. Opinion letter_MtnVista, 7. Mountain Vista MD 2021 Bond Project Costs and Map, 8. Signed Resolution 77-21				

Date	Ver.	Action By	Action	Result
5/25/2021	1	City Council	adopted	Pass
5/10/2021	1	Council Work Session	referred	

Resolution authorizing issuance of debt not to exceed \$18,000,000 by the Mountain Vista Metropolitan District located east of Marksheffel Road and South of Barnes Road.

Presenter:

Carl Schueler, Comprehensive Planning Manager, Planning & Community Development Department

Summary:

This is a request to approve issuance of formal debt by the Mountain Vista Metropolitan District in an approximate aggregate amount of \$16,280,000 and not to exceed \$18,000,000 in the form of General Obligation Limited Tax Bonds, Series 2021A(3) to be repaid from a combination of property tax and associated revenues. The City's Special District Policy and the District's service plan require that City Council's approval be obtained prior to issuing any debt.

The net revenues from this issuance will be used to reimburse eligible public improvements costs.

The bonds are anticipated to be tax-exempt, externally marketed and to carry an average interest rate of 5.25%.

Approval of this debt issuance will require a 2/3rds majority of the entire City Council (at least six affirmative votes) pursuant to City Charter Article 7-100.

This agenda item was discussed at an April 27 City Council Budget Committee meeting. There were no outstanding questions or requests, other than a request for a summary of public improvements

costs (now attached).

Background:

The Mountain Vista Metropolitan District was originally created in 2006 and provides financing and a source of reimbursement for qualifying public improvements within this approximately 306-acre development. This predominantly residential development is located within the Banning Lewis Ranch Master Plan and has only begun vertical development within the past few years. A total of about 904 single-family and attached dwelling units are anticipated at buildout, which is expected to occur in the 2027 timeframe

The bonds would be unrated and marketed with an expected total interest rate of 5.25% (average coupon rate).

The bonds have a term of 30 years, with an anticipated maturity date of 2051.

The anticipated par amount of the bonds is \$16,280,000. The District's draft bond resolution includes a "not-to-exceed" cap of \$18,000,000. This limit is incorporated within the draft City Council resolution.

The debt service mill levy available to service these bonds is limited to a "Gallagher adjusted" 30 mills (along with associated specific ownership tax). The current debt service mill levy is 33.398 mills.

This will be the first issuance of debt by this District. Its 2006 service plan includes a maximum debt authorization of \$25,000,000.

These Series 2021 bonds will be structured to be "callable", such that a future potentially resident board might possibly be in a position to refinance these obligations subject to future financial conditions. The call date is June 1, 2026.

Financial projections are attached along with a summary of the public improvements costs to be reimbursed from the bond proceeds available for the project fund.

This District filed for "in-active" status with the State of Colorado in late 2010 (presumably as a result of the 2008 recession) and maintained this status for several years. However, the district is now active and developing.

The City Council Budget Committee discussed this request at their April 27, 2021 meeting.

Included as attachments are the following documents:

- Draft Council resolution
- District bond resolution
- Draft indenture
- Financial projections
- Draft opinion from District general counsel
- Summary of costs to be financed

Financial Implications:

Pursuant to the District's Service Plan, the City Special District Policy, and the loan documents, the

issuance of this debt does not constitute a financial obligation of the City. The documents will contain the “limited default” provisions required by the City’s Special District Policy. These bonds will be marketed to third party investors.

The bond resolution is structured so that any risk beyond the maximum capped mill levy and the associated specific ownership tax will not accrue to the property owners.

City Charter Article 7-100 requires that the total debt of any proposed district shall not exceed ten percent (10%) of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire Council.

Board/Commission Recommendation:

N/A

Stakeholder Process:

The staff-level Special District Committee has been provided with the materials associated with this request. As of the date of this staff report, there have been no comments or questions from the Committee on this request.

Previous Council Action:

City Council approved a consolidated service plan for the Mountain Vista Metropolitan District (Resolution 127-06), on August 22, 2006.

Alternatives:

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

Proposed Motion:

Move adoption of the resolution approving the authorization for the Mountain Vista Metropolitan District to issue debt in the form of general obligation limited tax bonds in a combined principal (par) amount not to exceed \$18,000,000.

N/A