



Legislation Details (With Text)

File #: 22-078 **Version:** 1 **Name:** Mountain Vista No. 2 MD
Type: Resolution **Status:** Mayor's Office
File created: 1/13/2022 **In control:** City Council
On agenda: 2/22/2022 **Final action:** 2/22/2022

Title: A resolution of the City of Colorado Springs approving a Service Plan for the Mountain Vista No. 2 Metropolitan District located east of Marksheffel Road and split by Barnes Road

(Legislative)

Presenter:
Hannah Van Nimwegen, Senior Planner, Planning & Development Department
Peter Wysocki, Director of Planning and Community Development

Sponsors:

Indexes: Metropolitan District, Service Plan

Code sections:

Attachments: 1. Resolution, 2. Exhibit 1 - Mountain Vista No. 2 Service Plan, 3. Presentation, 4. Redlined Model Service Plan for Mountain Vista No. 2 MD, 5. Estimated Public Improvements Cost, 6. Financial Plan, 7. Signed Resolution 21 22

Date	Ver.	Action By	Action	Result
2/22/2022	1	City Council	adopted	Pass
2/7/2022	1	Council Work Session	referred	

A resolution of the City of Colorado Springs approving a Service Plan for the Mountain Vista No. 2 Metropolitan District located east of Marksheffel Road and split by Barnes Road

(Legislative)

Presenter:
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Peter Wysocki, Director of Planning and Community Development

Summary:
This service plan would allow the formation of the Mountain Vista No. 2 Metropolitan District ("District"). The primary purpose of the District will be to finance the construction of public improvements; to provide ongoing operations and maintenance services for streets, sidewalks, drainage facilities, utilities, parks, and landscaping; and for covenant enforcement to include trash service. The district is comprised of three parcels intended for residential land uses totaling 138.24 acres in size, along with a potential 39-acre inclusion area.

One deviation from the Special District Policy is being requested. The Special District Policy caps the maximum operating Mill Levy to 10 mills, and 15 mills are being requested. The extra 5 mills are proposed to fund additional operating needs including covenant enforcement.

Included in the proposed Resolution is limiting language requiring an approved development plan for

the subject parcels prior to mill levy certification or debt issuance, as this is defined in the service plan.

This item was discussed by the City Council Budget Committee on January 25, 2022 and presented at the City Council Work Session on February 7, 2022. Further description of these meetings is in the following sections of this memo.

The proposed district is located within City Council District 6.

Background:

This proposed metropolitan district would provide financing for public improvements, operations, and maintenance of 138.24 acres within a development known as Enclaves at Mountain Vista located east of Marksheffel and split by Barnes Road. There is one future inclusion parcel identified in this service plan which encompasses the Barnes Road right-of-way and its intersection with future Banning Lewis Parkway. Pursuant to the Special District Policy, all future district inclusions must be identified and presented with the initial petition and illustrated on Exhibit C-2 to the service plan.

Included as attachments are a clean copy of the service plan including exhibits, along with a “redline” showing edits to the Model Service Plan.

For the anticipated residential district, the proposed service plan allows a Gallagher-adjusted mill levy cap of up to 30.0 mills which aligns with the maximum outlined in the Special District Policy for such districts. However, the maximum Gallagher-adjusted operations and maintenance mill levy cap is proposed at 15 mills which is 5 mills more than the maximum outlined in the Special District Policy. The petitioner is seeking an exception to the policy as part of the subject proposal. The petitioner has requested the 5 additional mills to cover ongoing covenant enforcement and other operations and maintenance costs within the district boundaries.

The combined maximum debt authorization for these Districts is proposed to be \$26,000,000. A public improvements cost summary has been provided (attached) which estimates that public improvements to cost approximately \$17,044,126. Exhibit D of the service plan authorizes the proposed District to perform ongoing operations and maintenance functions for these improvements as well as covenant enforcement.

The service plan limits the issuance of debt in the absence of approvals for the anticipated land uses. Currently, two of the three subject parcels have received conceptual approval for residential land uses. The third parcel, the parcel adjacent to Marksheffel Road, could require a future rezoning but is dependent on the type of residential that is proposed. To address this limitation, the proposed resolution contains language limiting the taxing and borrowing authority of the Districts until an approved development plan is in place for the remainder of the proposed district area. At this time, approximately 600 homes are planned for the subject parcels.

The original Mountain Vista metro district was created in 2006 and encompassed the whole Enclaves at Mountain Vista development. However, there was an oversight in the original 2006 debt authorization election question. This was discovered in 2021 after the original Mountain Vista Metropolitan District had obtained City Council approval authorizing the issuance of up to \$18,000,000 in debt. Ultimately, this resulted in original district not being able to issue the total amount it was authorized for. This error was not caused by City staff. To rectify the issue, the subject

parcels have been excluded from the original Mountain Vista district and are included in the subject request to create a new district.

Language prohibiting the adoption of an ordinance, resolution, rule, or other regulation that restricts an authorized permittee from carrying a concealed handgun in a building under the control of the Districts has been included.

Colorado State Statutes (Section 32-1-203(2)) require new metropolitan districts and their proposed service plans meet a set of four required criteria. The four required criteria are as follows:

- *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.*

Justification for the creation of these metropolitan districts is provided by the petitioners in their submittal letter (attached).

This item was presented to the City Council Budget Committee at the January 25, 2022 meeting. City Councilors which were present asked for additional information and clarification on the circumstances which occurred in 2006, and for specifics of the proposed covenant enforcement and other operations and maintenance needs justifying the additional 5 mills. District representative, Kevin Walker, stated the proposed metro district would take the place of a standard homeowner's association and would present additional information at the Work Session meeting. At the February 7, 2022 City Council Work Session, the district representative further described the circumstances necessitating the creation of another district, and information to justify the additional 5 mills for operations.

Previous Council Action:

The City Council approved the creation of the original Mountain Vista Metropolitan District in 2006, and authorized the issuance of debt for the original district in 2021. However, the subject parcels have since been excluded from the original district in order to be included in the proposed Mountain Vista No. 2 district.

Financial Implications:

There are no direct implications to general City taxpayers and ratepayers outside of the boundaries of this Districts.

Board/Commission Recommendation:

N/A

Stakeholder Process:

This item was presented to the City Council Budget Committee at the January 25, 2022 meeting. The staff-level Special District Committee as also provided with access to this submittal, and there have been no comments or questions from that group

Alternatives:

- Approve the resolution as presented
- Deny the resolution
- Approve the resolution with changes to the service plan

Proposed Motion:

Move to approve a resolution establishing a service plan allowing for the creation of the Mountain Vista No. 2 Metropolitan District.

N/A