



## Legislation Details (With Text)

<b>File #:</b>	19-426	<b>Version:</b>	1	<b>Name:</b>	Sands MD Nos. 1-3
<b>Type:</b>	Resolution	<b>Status:</b>		<b>Status:</b>	Failed
<b>File created:</b>	7/23/2019	<b>In control:</b>		<b>In control:</b>	City Council
<b>On agenda:</b>	10/8/2019	<b>Final action:</b>		<b>Final action:</b>	10/8/2019
<b>Title:</b>	Resolution Approving an Amended and Restated Service Plan for The Sands Metropolitan District Nos. 1-3 and The Sands Metropolitan District No. 5.				

**Presenter:**  
Carl Schueler, Planning Manager- Comprehensive Planning, Planning & Development Department

**Sponsors:**

**Indexes:** Metropolitan District, Service Plan

**Code sections:**

**Attachments:** 1. Resolution, 2. Exhibit 1- The Sands 1-3 and 5 (Ridge) Amended and Restated Service Plan - Final II - Oct 1 2019, 3. Attachment 1- Transmittal Letter- Executive Summary- 08-26-2019, 4. Attachment 2-2018 IGA-Resolution 76-18, 5. Attachment 3- The Sands 1-4 - 1986 Service Plan, 6. Attachment 4- RedlineSP-The Sands 1-3 and 5 Sep 12 2019, 7. Attachment 5- Financial Plan- 9.3.2019, 8. Attachment 6- Ridge at Sand Creek PUD 2.7.19, 9. Attachment 7- Ridge at Sand Creek - Engineer Estimate, 10. PowerPoint

Date	Ver.	Action By	Action	Result
10/8/2019	1	City Council	denied	Fail
9/23/2019	1	Council Work Session	referred	

Resolution Approving an Amended and Restated Service Plan for The Sands Metropolitan District Nos. 1-3 and The Sands Metropolitan District No. 5.

**Presenter:**

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

**Summary:**

This amended and restated service plan will have the effect of bringing the existing Sands Metropolitan District Nos. 1-3 under the authority of a City Council-approved metropolitan district service plan, and would authorize creation of an additional District No. 5 which would encompass the Ridge at Sand Creek property. This proposed amended and restated service plan is generally consistent with the City’s Model Service Plan other than with respect to mill levy caps and other provisions agreed to as part of an IGA executed between the City and the Sands Metropolitan Districts Nos 1, 2 and 3, in June of 2018.

At the September 23, 2019 Work Session introducing this item, a request was made to specify the amounts of the overall maximum authorized indebtedness allocated to District No. 5 and District Nos. 1-3 respectively. A revised service plan is now attached, specifying that the maximum debt authorization for District No. 5 will be \$4,545,972 and the combined maximum for District Nos. 1-3

will be \$23,994,131, with a collective maximum of \$28,540,103 for all of the Districts.

**Background:**

The existing Sands Metropolitan District Nos. 1-4 were originally created in unincorporated El Paso County in 2016, under the approving authority of the Board of County Commissioners. Consistent with the above-referenced 2018 IGA, the petitioners are filing an amended and restated service plan for the Sands District Nos. 1-3 using the City's Model Service Plan. These properties have now been annexed into the City. The properties in the Sands Metropolitan District No. 4 remain in the unincorporated County, and the original County service plan will remain in force and effect only for that district.

The existing District No. 1, 2 and 3 properties total about 114 acres planned for about 312 dwelling units. The District No. 3 site is about 10.8 acres, and is in the process of being planned for commercial uses.

With this amended and restated service plan, the petitioners are proposing to include additional properties, which were not previously part of the Sands Metropolitan Districts as approved by the County in 2016. This newly added property (known as the Ridge at Sand Creek) with constitutes District No. 5 in the amended and restated plan. The owner of this property consents to inclusion and incorporation within this amended and restated plan. This approximately 19-acre property is being proposed for 90 single-family lots. This is currently zoned PIP (Planned Industrial Park), and an application for Planned Unit Development (PUD) rezoning to allow residential uses is currently in process. Because of the discretionary nature of this pending land use action, contingency language is included in the proposed Council resolution. It would require these districts to file for an amended service plan effectively dissolving this district and removing it from this consolidated plan in the event residential zoning has not been approved within one year of Council approval.

This "Amended and Restated Service Plan for The Sands Metropolitan District Nos. 1-3 and The Sands Metropolitan District No. 5 (a.k.a. The Ridge at Sand Creek)" therefore does not address or include existing District No. 4 because its property will remain in unincorporated El Paso County.

Pursuant to the 2018 IGA, the Gallagher-adjusted debt service mill levy caps for Districts Nos. 1 and 2 will be 40 mills compared with the normal cap of 30 mills as currently included in the Colorado Springs Special District Policy and Model Service Plans. The debt service mill levy cap for District No. 3 (the commercial district) will be 50 mills which is consistent with the City Special District Policy, Similarly, for District No. 5, the debt service cap will remain at the customary 30 mills for a residential district- Gallagher adjusted, because these properties are not subject to the IGA.

The maximum combined authorized debt for all four districts is proposed to be \$28,540,103.

To support this figure, the petitioners have provided a recent engineer's estimate of \$2,655,703 in eligible costs associated with the Ridge at Sand Creek (proposed District No. 5) combined with the original estimate of approximately \$ 16,252,083 in total costs for District Nos. 2 and 3 as submitted to the County with their 2016 service plan.

Attached to support this agenda items are the following documents:

- Draft City Council resolution
- Original County service plan adopted by the Board of County Commissioners by Resolution No. 16-349 (this includes the improvements costs estimates for Districts 1-3)
- 2018 IGA
- Redline version of the Amended and Restated Service Plan
- Final version the Amended and Restated Service Plan
- Engineering cost certifications for the Ridge at Sand Creek (District No. 5)

At the September 10, 2019 City Council Budget Committee discussion centered around the fact that District No. 5 will be located about two miles away from the remaining districts. It was clarified that bonding obligations of District No. 5 would be strictly segregated from those of District Nos. 2 and 3. Further questions we asked regarding operational budget and funding equity, between the individual districts, and about the process to eventually qualify electors for the operating district (District No. 1) following substantial completion of the developments. Budget Committee members asked for examples of other metropolitan districts in the city that were not contiguous, and why the option of creating a separate district was not being pursued. The petitioners responded that, among other factors, it is more economical for them and future taxpayers to first create and then to operate consolidated districts.

**Previous Council Action:**

On April 10, 2018 Council received an informational briefing regarding issue and options concerning the Sands Metropolitan Districts as they were creating in the unincorporated County and their relationship the then pending Sands annexations. On July 10, 2018 City Council approved an IGA with the Sands District Nos. 1, 2 and 3 by Resolution 76-18. On July 10, 2018, Council approved the annexation of properties in the Sands District Nos, 1-3 (The Sands Addition Nos. 1, 2, 3 and 4) by Ordinances 18-58, 18-59, 18-60, 18-61, 18-62, 18-63 and 18-64, and also approved zoning and development plans for those properties.

**Financial Implications:**

There are no direct implications to general City taxpayers and ratepayers outside of the boundaries of these applicable metropolitan districts.

**Board/Commission Recommendations:**

N/A

**Stakeholder Process:**

The staff-level Special District Committee has been provided with the materials associated with this request, and no comments or concerns have been provided.

**Alternatives:**

City Council has the options of approving or denying this amended and restated service plan. Council could also continue the item with specific direction provided to staff and the petitioners.

**Proposed Motion:**

Adopt the resolution Approving an Amended and Restated Service Plan for The Sands Metropolitan District Nos. 1-3 and The Sands Metropolitan District No. 5 (A/K/A The Ridge at Sand Creek).