



Legislation Text

File #: 22-297, **Version:** 1

A resolution approving the administrative dissolution of the Gold Hill Mesa Metropolitan District No. 3 located near the intersection of U.S. Highway 24 and 21st Street

Presenters

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Summary:

The attached resolution will authorize the administrative dissolution of the Gold Hill Mesa Metropolitan District No. 3 ("District"), which is finalized through a District Court process. This metropolitan district is no longer active, and the District board of directors, the current property owner, and the expected future property owners are in concurrence with its dissolution.

This metropolitan district was intended to function as the commercial district as part of a 3-district consolidated service plan for Gold Hill Mesa metropolitan districts. District No. 2 is largely built out and functions as the residential district, with debt issued. District No. 1 functions as the operating district. Although it certified mill levies for over a decade, District No. 3 has never been developed and has not issued debt. More recently, the developers of this project have requested and had the City create a Business Improvement District (BID) that will encompass the future commercial development for the Gold Hill Mesa property.

This property is located in City Council District No. 3.

This agenda item was discussed by the City Council Budget Committee on May 24, 2022.

BACKGROUND:

The original service plan for the Gold Hill Mesa Metropolitan District Nos. 1-3 "Districts" was approved by City Council in 2006, following limited approvals in 2004. In 2006, the intended structure was for District No. 1 to function as the operating and controlling district for the entire Gold Hill Mesa development, with District No. 2 encompassing all of the residential development and District No. 3 encompassing all of the commercial development. Subsequently, the original single family and the attached residential portion of this project has been largely built out and included in District No. 2. District No. 3 has not been developed to date. The developers of this project have more recently had the City create the BID which is expected to include the future commercial properties as these develop. The developers have also created two additional metropolitan districts to encompass the future residential phases on the north side of this project. Part of the reason for creating additional districts was to match up with urban renewal timing. The first southerly phase of this project is included in one urban renewal area, while future phases are included in a separate newly designated urban renewal are, with a longer tax increment financing (TIF) clock. The bottom line is that the original District #3 is no longer needed, as its purposes will be performed by the BID.

Although Gold Hill Mesa District No. 3 did certify mill levies for approximately a decade, these limited

revenues have been shifted to other districts, and District No. 3 no longer certifies any levies. This District and has never issued any formal debt.

District No. 1 is proposed to remain. It has significant responsibilities and controls associated with the IGA between this district and District No. 2. This includes certain developer advances, that have not yet been converted to formal debt. Currently, District No. 2 has a number of resident board members, whereas District No. 1 has a board comprised entirely of developer representatives.

This item was presented to the Budget Committee on May 24, 2022. At this meeting there was discussion and clarification about the existing and future boundaries of the districts, the role of the City in metropolitan district dissolution and a request for a “business case” for why this district is being dissolved in favor of a new BID.

With metropolitan district dissolution, the final and formal dissolution order is executed by District Court. In this case, City Council is essentially providing a resolution requesting and supporting this action. The service plan for these metropolitan districts requires them to petition for dissolution once their purposes have been accomplished.

With respect to the business case for using the BID rather than this existing commercial metropolitan district, the developers have indicated that since new residential metropolitan districts made sense to be created to match the timing of improvements, revenues and financing for this phase of the project, creation of a new BID would also be a better ongoing structure for the commercial phases of the project. BIDs have certain authorities that metropolitan districts do not have (e.g. marketing, façade improvements, signage) that would be beneficial in this case. Additionally, the applicants note that this approach eliminated a need to update/amend the original service plan, which otherwise would have been required. The ownership group for this project also changed in 2017.

A PowerPoint presentation provided by the applicants describes the existing and proposed future district boundary conditions. Also attached are a transmittal letter and a resolution of the board of directors of the District requesting administrative dissolution.

PREVIOUS COUNCIL ACTION:

City Council approved a service plan for the Gold Hill Mesa Metropolitan District Nos. 1-3 on July 11, 2006 (Resolution 99-06). City Council has also authorized an issuance of debt by District No. 2 in 2011, followed by an authorization for refinanced and additional debt by that district in 2022. Council has also approved two different urban renewal plans for this property, and in 2021 Council approved a Business Improvement District along with two additional metropolitan districts for the currently undeveloped parts of this property (Resolution 100-21).

Financial Implications:

N/A

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 no comments have been received.

Alternatives:

City Council could choose to approve, not approve or modify the proposed resolution. Staff recommends approval.

Proposed Motion:

Move to adopt a resolution approving the administrative dissolution of the Gold Hill Mesa Metropolitan District No.3 located near the intersection of U.S. Highway 24 and 21st Street.

Summary of Ordinance Language

N/A