



Legislation Text

File #: 21-342, **Version:** 1

A resolution approving a service plan allowing for the creation of the Freestyle Metropolitan District Nos. 1-4 located in the north-central area of Banning Lewis Ranch

(Legislative)

Presenter:

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Summary:

This service plan would allow the formation of the Freestyle Metropolitan District Nos. 1-4 (“Districts”) to finance public improvements costs and provide services for a part of the Nor’wood ownership within the north central part of Banning Lewis Ranch Master Plan. The districts would be located adjacent to the Mountain Vista development. District No. 1 is anticipated to function as the commercial district, with District Nos. 2-4 anticipated to be residential districts.

This item was discussed by the City Council Budget Committee on June 22, 2021 and introduced at a Council Work Session on July 12, 2021. At the Work Session Council asked for this service plan to be revised to insert language to specifically limit these District’s ability to restrict otherwise allowable use of concealed weapons as addressed in Colorado Senate Bill 21-256. This additional language is now inserted as a new paragraph V.A.17:

“Concealed Carry Prohibition. The District shall not adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying a concealed handgun in a building or specific area under the direct control or management of the District as provided in C.R.S. § 18-12-214.”

As also discussed at Budget Committee, Council discussed the topic of the current service plan language addressing an expectation that the interest rate of debt should not exceed 18%, and whether a lower rate should be substituted. At this point, it is staff’s recommendation that this topic be addressed uniformly as a potential model service plan and/or Special District Policy change, rather than in the context of a single service plan.

Background:

These proposed metropolitan districts would provide property tax-based public improvements financing and services for this part of Nor’wood Development Company’s holdings within the north-central area of Banning Lewis Ranch. The overall proposed district area encompasses about 854 acres with about 509 acres to be included initially, and approximately 345 additional acres identified as future inclusion areas.

This would be a consolidated service plan with four (4) districts created. District No. 1 will serve as the commercial district, with Districts 2-4 serving as the residential districts. Overall, the petitioner anticipates a few thousand dwelling unit will ultimately be constructed in these districts over a buildout period of potentially a decade.

For the residential districts (Nos. 2-4), the service plan allows a service mill levy cap of up to 30.0 mills Gallagher-adjusted back to 2006. District No. 1 would have a Gallagher-adjusted cap of 50.0 mills, provided that it does not contain residential uses. The maximum Gallagher-adjusted operations and maintenance mill levies would be 10.0 mills for all the districts.

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.

The combined maximum debt authorization for these Districts is proposed to be \$185,000,000, based on about \$162,000,000 in estimated public improvements costs.

The petitioner has also provided a summary of anticipated costs broken down by category of infrastructure and by district, with assumptions also made for the future inclusion areas.

Exhibit D of the service plan authorizes the Districts to perform ongoing operations and maintenance functions including covenant enforcement, parks, streetscapes, monumentation, and stormwater facility ownership and maintenance, either on property owned by the Districts or on other public properties.

Included as attachments are a clean copy of the most recent version of the service plan including exhibits, along with a “redline” showing insertions into the Model Service Plan.

Although the properties proposed for these metropolitan districts are part of an overall circa- 1988 master plan for Banning Lewis Ranch (BLR) and are subject to a more recently approved amendment to the original annexation agreement for BLR, the current zoning of the property does not yet match the uses and improvements proposed to be financed and maintained by these districts. A master plan amendment and one or more planned unit development (PUD) zoning applications are anticipated, with the potential for some significant land use changes when compared with the original 1988 zoning. Because the City’s model service plan defines and ties to an “approved development plan” there is specific language in the draft City Council resolution, limiting the taxing and formal debt powers of these districts until such time as an approved development plan is in place

Included in the Model Service Plan are findings from Section 32-1-203(2), Colorado Revised Statutes that need to be made in conjunction with approval of the Service Plan. In the case of this petition, a specific case could be made by the petitioners that, in the absence of these districts, the ongoing operations and maintenance of the project would be more challenging, and all of the contemplated public improvement amenities and services would not be provided or available.

Colorado Revised Statutes include four criteria for which an affirmative finding must be made in order to approve this service plan, along with five other criteria which may be considered. These are all included within the body of the City’s Model Service Plans and this particular service plan. 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.

The petitioner's transmittal letter addresses these required criteria and findings.

This item was discussed by the Budget Committee at their June 22, 2021 meeting. The Committee discussed the continued appropriateness of the language concerning the expected 18% maximum interest rate for issued debt, contained in the model service plan. However, it was noted that under the service plan and Special District Policy, Council has an opportunity to review the rate at the time of issuance.

The Committee also discussed potential future resident/ taxpayer communications concerns associated with separate and distinct metropolitan districts (Mountain Vista and Freestyle) that will ultimately have adjacent boundaries. There was general discussion of how these new areas of development and these metropolitan districts pertain to fire and police protection facilities and capacity.

Previous Council Action:

These would be new metropolitan districts for this area and property. The subject properties were annexed, master planned and originally zoned in 1988. The overall Banning Lewis Ranch Annexation Agreement was amended by City Council in 2018.

This item is currently expected to be heard by Council at their July 27, 2021 meeting.

Financial Implications:

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

Board/Commission Recommendation:

N/A

Stakeholder Process:

The staff-level Special District Committee has been provided with the materials associated with this request. Comments or concerns from the Committee have been addressed in these documents.

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 of the City of Colorado Springs approving a service plan allowing for the creation of the Freestyle Metropolitan District Nos. 1-4

N/A