



Legislation Text

File #: 16-510, **Version:** 1

Resolution approving a service plan allowing for the creation of the Silver Hawk Metropolitan District.

Presenter:

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Summary:

This service plan would allow formation of the Silver Hawk Metropolitan District.

Previous Council Action:

This would be a new single metropolitan district. City Council approved residential rezoning for this property in January, 2016. This service plan was first introduced at the Informal City Council on August 22, 2016. On September 13, 2016, this hearing was continued to this October 11, 2016 meeting. At the September 26, 2016 Informal City Council meeting, updates were provided.

Background:

This would be new, single district metropolitan district conforming to the City's currently adopted Model Service Plans and Special District Policy. No deviations from the standard documents are being requested or offered as of the date of this staff report. This will be a small exclusively residential district consisting of about 14.75 acres, which includes 70 planned single-family dwellings, in the Soaring Eagles Filing No. 1 development area.

The maximum approved debt authorization would be \$3,619,984. Consistent with the City's Special District Policy and Model Service Plans, the maximum allowable Gallagher-adjusted debt service mill levy will be 30.0 mills and the maximum operational mill levy will be 10.0 mills.

Pursuant to the Special District Policy, all future district inclusions must be identified and presented with the initial petition and illustrated as Exhibit C-2. The petitioners do not propose to include any future properties. Therefore, Exhibit C-2 is not required and has not been provided.

This service plan does contemplate the District providing some ongoing operations and maintenance functions including maintaining landscaping and common areas.

The petitioners have provided an estimate of eligible public improvements costs totaling approximately \$2.9 million. This includes grading, roadway, utility and other local improvements.

The attached City Council resolution includes a finding that "the existing service in the area to be served by the proposed special district is inadequate for present and projected needs". This and other findings are required by Colorado Revised Statutes 32-1-204.5. Throughout the state and in this area, it has been customary to create metropolitan districts for the predominant, and in some

cases sole purpose of financing for public infrastructure, rather than ongoing operations and maintenance. Therefore, the finding concerning adequacy of service would need to be tied back to financing of infrastructure as a “service”.

Included as attachments are a clean copy of the proposed service plan along with a “redline” showing the limited changes made subsequent to this item being introduced to Council on August 22, 2016. Since that meeting, the petitioners gave updated their executive summary document (also included as an attachment). The petitioners have now provided the form of an additional disclosure they use in association with these districts. Staff has also included a document with the relevant statutory findings, annotated to provide some staff comments and background. Also attached is a projected 3-year budget provided to City Council by the petitioners on September 26, 2016.

The draft City Council resolution contains a finding that the “existing service in the area to be served by the district is inadequate for present and projected needs”. This finding is required by Colorado Revised Statutes 32-1-204.5 along with a number of others. Across the state, municipalities have commonly created districts with the predominant or even sole function of providing financing for eligible public improvements rather than for ongoing “services”. Therefore, the basis of the finding would logically need to include public financing as part of the services.

City staff has also provided an annotated copy of all of the applicable statutory criteria, with some limited staff background and comments. At the hearing, the petitioners may desire to elaborate on these criteria and findings.

Approval of this service plan could be considered consistent with the City Strategic Plan - language - Create an environment that promotes job creation and stimulates strong, diverse, and sustainable economic development and opportunity for all of our citizens.

This would arguably be considered an infill project as contemplated by the City’s 2016 Comprehensive Plan Infill Supplement.

As part of the Informal City Council presentation on September 26, 2016, there was discussion of the expectation that this metropolitan district would replace the traditional role and function of an home owners association (HOA) for this] development. Separately, the petitioners have provided sample actual HOA budgets from other developments they have been involved in, for the purposes of comparing alternative HOA fees.

Financial Implications:

There are no direct implications to general City taxpayers and ratepayers outside of the boundaries of this district. The required mill levy caps effectively limit the financial tax exposure of property owners to no more than a combined total of 40.0 mills, Gallagher-adjusted. However, as the Council is aware, property owners within the district will be obligated to pay the additional mil levy associated with the metro district.

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 concerns.

Alternatives:

City Council has the options of approving or denying this service plan. Council could also approve the service plan with changes.

Proposed Motion:

Move to approve a resolution of the City of Colorado Springs approving a service plan for the Silver Hawk Metropolitan District with a maximum debt authorization of \$3,619,984.

N/A