



Legislation Text

File #: 23-308, **Version:** 1

A Resolution of the City Council of the City of Colorado Springs, Colorado approving the Amended and Restated Consolidated Service Plan for Hancock Metropolitan District Nos. 1 & 2, for a district located in the Vicinity of Hancock Expressway and Chelton Road in Southeastern Colorado Springs.

Presenter:

Mike Tassi, Assistant Director, Planning and Community Development Department
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Summary:

The attached resolution will approve the Amended and Restated Consolidated Service Plan for Hancock Metropolitan District Nos. 1 & 2 (The District).

There is an existing service plan for the District. The City's Special District Policy (the "Policy") requires an existing service plan to be "amended and restated" if an existing district desires to utilize the parameters set in the recently adopted Policy. Copies of associated supporting materials are attached that was created in 2021.

This property is in City Council District No. 4

Background:

Metropolitan districts are created under Colorado Statute and City Policy to finance and maintain certain public improvements utilizing a property tax mill levy as the revenue source. These districts are a separate legal entity from the City, with independently elected boards.

The public improvements proposed to be funded by future bond issuances are eligible improvements. A detailed summary of these costs is provided as an attachment (exhibit D of the Amended and Restated Service Plan)

The recently adopted Special District Policy allows for a one-time approval of a service plan that does not require an additional City Council meeting to authorize debt issuance. In this case the proposed amended and restated service plan limits the maximum debt to \$8,257,000, which is the same amount of potential debt identified in the original service plan that was approved by City Council in 2021.

Exhibit D of the Service Plan contains the anticipated cost of the improvements and the financing model. The anticipated improvement costs are \$5,730,033 which is lower than the proposed maximum debt. The applicant explains in their cover letter that the \$8,257,000 maximum debt is to "...account for uncertainty in the future surrounding actual Public Improvement Costs at the time of construction." Also, it is important to note, that neither of these numbers have changed since the Council approval of the original service plan.

The financing model (Exhibit D of the Service Plan) reflects a \$12,255,000 initial bond issuance, which is higher than the proposed maximum debt. The applicant's intent is to show that the modeling suggests that the District can support more debt than what is actually proposed. To be clear, the maximum debt would be set by Council through approval of this request. Both the resolution and the Amended and Restated Service Plan show a maximum debt of \$8,257,000. Any increase to this amount would require a Council approved amendment.

The Amended and Restated Service Plan includes the maximum residential mill levy total of 70 mills (50 mills + 20 mills for operations), and a commercial mill levy of 60 mills (50 mills plus 10 mills for operations). There may be future URA money and/or PIF money that will be pledged to pay off this debt; however, that is not part of this request.

In conclusion, the proposed Amended and Restated Service Plan complies with the City's Special District Policy; therefore, staff recommends approval of this resolution.

Financial Implications:

Pursuant to the District service plan and the City Special District Policy, the proposed maximum debt does not constitute a financial obligation of the City.

City Charter Section 7-100 provides that the total debt of any special district may not exceed ten percent (10%) of the total assessed valuation of the taxable property within the district unless such debt is approved by at least a two-thirds vote of the entire Council.

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.

Previous Council Action:

Council approved a service plan for the Hancock Metropolitan District Nos. 1 & 2 on May 11, 2021 (Resolution 67-21).

Alternatives:

City Council could choose to approve, deny, or modify the proposed resolution.

Proposed Motion:

Adopt a resolution rescinding resolution 67-21 and approving the Amended and Restated Consolidated Service Plan for Hancock Metropolitan District Nos. 1 & 2, for a district located in the Vicinity of Hancock Expressway and Chelton Road in Southeastern Colorado Springs.

N/A