



Legislation Text

File #: 22-096, **Version:** 1

Resolution approving a First Amendment to the Service Plan for the North Meadow Metropolitan District Nos. 1-5 to allow for a Maximum Combined Debt Authorization of \$200,000,000 and for the Removal of District-specific Debt Authorizations

Presenter:

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Summary:

This service plan amendment would allow the North Meadow Metropolitan Districts Nos. 1-5 (Districts) to increase their combined maximum debt authorization from \$145,000,000 to \$200,000,000 and would remove the existing specific maximum debt caps for individual districts.

Since these Districts were created in early 2021 the developer has recalibrated their improvements cost estimates. They would also like to issue debt with a multiple district pledge of revenues. The district-specific debt authorization caps in the current service plan will not allow this.

This property is located in City Council District No. 6.

This item was discussed by the City Council Budget Committee on February 22, 2022, with several questions asked (refer to discussion below).

Note: The debt authorization agenda item which follows this one, is contingent on approval of this service plan amendment.

Background:

These five related metropolitan districts were recently created to provide public improvements and ongoing operations and maintenance services for the Percheron development located in the northern part of Banning Lewis Ranch along Woodmen Road. District No. 1 is expected to function as a small operating district. District Nos. 2-4 are anticipated to be residential districts with District No. 5 operating as the commercial district.

Based on cost estimates available in early 2021, this service plan was approved with an overall combined debt authorization cap of \$145,000,000. Additionally, district-specific caps were assigned as follows:

District No. 1	no authorization
District No. 2	\$21,000,000 or \$51,000,000
District No. 3	\$45,000,000
District No. 4	\$18,000,000 or \$41,000,000
District No. 5	\$23,000,000

The differential amounts related to whether these particular districts did or did not ultimately expand their boundaries throughout their entire depicted inclusion areas. Altogether, the maximum individual caps would sum up to \$160,000,000, thereby providing some district specific flexibility while maintain the overall \$145,000,000 cap.

With this change, the overall cap would increase from \$145,000,000 to \$200,000,000 and there would be no individual caps. As noted, among other things, this change will allow District No. 5 to issue a higher amount of debt than currently , with a pledge from two of the other districts.

The applicants have provided updated cost estimates to support a higher overall cap. In addition to the current proposed 2022 bond documents, they have also provided an example of what a future 2032 bond issuance could look like, in support of the requested increase in the overall debt cap.

Procedurally, this amendment would be processed in the form of a limited amendment document to be adopted by resolution. The resolution refers to the original 2021 service plan, which will remain in force and effect except as specifically amended by the new document. The complete original service plan is included as an attachment.

This item was discussed at the February 22, 2022, City Council Budget Committee meeting. Members asked for clarifications including the basis for the increase in the overall cap from \$145 Million to \$200 Million, along with the original reasoning behind district-specific caps. It was noted the district-specific caps do potentially allow for a closer nexus with the improvements and those properties directly benefiting from and responsible for them. However, these relationships may be difficult to predict and model at the early stages of large-project development.

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 (although in an expedited fashion). No comments or concerns have been received as of the date this cover memo was last updated.

Previous Council Action:

On March 23 of 2021, City Council approved a consolidated service plan (“Original Service Plan”) for the Districts (Resolution 44-21).

Council has taken various other land use and related actions pertinent to the property including approval of an updated master plan and zoning.

Alternatives:

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

Proposed Motion:

A Resolution Approving a First Amendment to the Service Plan for the North Meadow Metropolitan District Nos. 1-5 to Allow for a Maximum Combined Debt Authorization of \$200,000,000 and for the Removal of District-specific Debt Authorizations