



Legislation Text

File #: 21-452, **Version:** 1

A Resolution Approving a Service Plan for the Vistas at West Mesa Metropolitan District for a new residential development located west of Interstate 25 and Fillmore Road

Presenter:

Carl Schueler, Planning Manager- Comprehensive Planning, Planning & Development Department
Peter Wysocki, Director of Planning and Community Development

Summary:

This service plan would allow for creation of the Vistas at West Mesa Metropolitan District (“District”). This would be a small, approximately 6.61- acre metropolitan district serving a residential development located west of I-25 and northeast of the intersection of Centennial Boulevard and Fillmore Road.

The petitioner is requesting an exception from the Special District Policy and the Model Service Plan to authorize Maximum Operational Mill Levy beginning at 10 mills (Gallagher-adjusted) but with an allowance of up to 20.0 mills at the discretion of a the board of directors if and when it has a resident majority. This provision would be consistent with what was recently approved by Council for the Ellston Park Metropolitan District in this vicinity

Covenant enforcement and common area maintenance services are requested to be authorized, with this District essentially “stepping into the shoes” of, and replacing the functions of a traditional homeowners association.

This request was discussed at the July 27, 2021 City Council Budget Committee meeting, and introduced at a Council Work Session on August 9, 2021, at which time there were no outstanding requests for changes or follow-up.

Background:

This proposed metropolitan district would encompass about 6.61 acres and include about 105 townhomes. The maximum combined authorized debt for this district is proposed to be \$4,500,000. To support this figure, the petitioners have provided an attached engineer’s estimate of about \$3,200,000 in eligible costs associated with this development.

This district would be authorized to certify a maximum debts service mill levy or up to 30 mills and maximum operational mill levy of 10.0 mills, both Gallagher adjusted back to 2006. There is specific language allowing the operational mill levy to be optionally increased to 20.0 mills, Gallagher adjusted when the board of directors converts to majority resident representation.

This service plan would allow this district to perform operations and maintenance functions including covenant enforcement, landscaping and common area maintenance. The developer anticipates this district will own and maintain certain small tracts within this development, including tracts for

stormwater detention and common areas/ landscaping.

Planned Unit Development (PUD) zoning has been approved to support this anticipated use and improvements. More detailed development applications are still in process.

This service plan includes the added language regarding concealed carry weapon authority as recently requested by Council.

Statutory review criteria

Colorado Revised Statutes Section 32-1-203(2) includes a total of nine (9) criteria which City Council shall or may use to evaluate the decision to approve or not approve this service plan. All of these are listed in Section X of the service plan. The petitioner must provide evidence satisfactory to City Council regarding first four (4) criteria. These criteria are listed below:

- 1) There is sufficient existing and projected need for organized service in the area to be serviced by the District;
- 2) The existing service in the area to be served by the District is inadequate for present and projected needs;
- 3) The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
- 4) The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
- 5) Adequate service is not, and will not be, available to the area through the City or County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
- 6) The facility and service standards of the District are compatible with the facility and service standards of the City within which the District is to be located and each municipality which is an interested party under Section 32-1-204(1), CRS
- 7) The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.
- 8) The proposal is in compliance with any duly adopted City, regional or State long-range water quality management plan for the area.
- 9) The creation of the District is in the best interests of the area proposed to be served.

The petitioner has addressed these criteria in their transmittal letter.

Staff would note that City and CSU standards typically have to be adhered to for all new City development (Criterion #6, above)

With respect to Criterion # 7, City staff notes that the City's Comprehensive Plan (PlanCOS)

acknowledges the general use and importance of special districts but does not contain specific recommendations regarding related policy or use. Additionally, staff notes that special districts that are otherwise consistent with the Policy have not traditionally been considered as discretionary “incentives” with approvals contingent on providing special benefit in advancing the goals of the Comprehensive Plan. This particular project could be considered an “infill project” and therefore be consistent with that important goal of PlanCOS. Similarly, the housing product being proposed for this site could be considered a relatively affordable option and therefore consistent with the Plan. To the extent the availability of this district could result in lower initial sale prices to prospective home purchasers, this could be a benefit.

Criterion # 8 is not particularly relevant because CSU wastewater facilities are consistent and compliant with relevant water quality management plans.

This request was discussed at the July 27, 2021 Budget Committee. The Committee asked questions about topics including the extent to which this district will be involved in parks (this will be limited), and asked for a clarification on the concealed carry language. Otherwise, there were no comments or requests for additional information

Typically, small open space, small parks and local detention parcels (such as these) would not be accepted for maintenance by the City. With this project, certain local streets may also be modified from the City standard, at least in part to allow a maximization of small lot single-family units on the site, and therefore will be maintained by the District going forward.

With respect to the request for a higher operational mill levy cap, staff notes that this would be a maximum cap, and (unlike debt service mill levies once pledged to debt) a higher levy could be reduced by this district board in the future, either if all the revenues were not needed to meet the budget, or there was a subsequent choice to substitute fees. Also, in the case of this small, single phase, all residential development, it is reasonable to assume the developer would not have a long-term interest in the governance of this district, following buildout and debt issuance.

Attached to support this agenda item are the following documents:

- Transmittal letter including a general response to the Colorado Revised Statutes criteria
- Draft City Council resolution
- Redline version of the Service Plan without exhibits
- Final version the Service Plan with exhibits
- Cost estimates for the public improvements

- Projected operational budget to support the request for an increased operational mill levy

At the July 27, 2021 Budget Committee, staff and petitioners presented PowerPoint summaries (updated versions of which are attached). The Committee asked questions about park maintenance functions, and requested a minor change to the petitioner's PowerPoint to eliminate possible confusion with concealed carry language intent. At the August 9, 2021 Council Work Session, there was discussion of the revised concealed carry permit language, and a comment about the importance of water-wise landscaping, but no requests for changes or additional follow-up. Council recommended this item be placed on the consent agenda.

Previous Council Action:

N/A

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, and no comments or concerns have been provided.

Alternatives:

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

Proposed Motion:

Adopt the Resolution Approving a Service Plan for the Vistas at West Mesa Metropolitan District