



## Legislation Details (With Text)

**File #:** 18-0338      **Version:** 1      **Name:** Pikes Peak Heights MD  
**Type:** Resolution      **Status:** Mayor's Office  
**File created:** 7/12/2018      **In control:** City Council  
**On agenda:** 9/11/2018      **Final action:** 9/11/2018

**Title:** A Resolution approving a service plan allowing for the creation of the Pikes Peak Heights Metropolitan District

(Legislative)

**Presenter:**  
Carl Schueler, Planning Manager- Comprehensive Planning, Planning and Development Department  
Peter Wysocki, Planning and Development Director

### Sponsors:

**Indexes:** Metropolitan District, Service Plan

### Code sections:

**Attachments:** 1. RES\_PikesPeakHeightsMD, 2. RES\_PikesPeakHeightsMD\_redline, 3. Service Plan Pikes Peak Heights MD, 4. Figure 1\_Ltr to City Clerk GMR 6-28-2018, 5. Figure 2\_District summary memo, 6. Figure 3\_redline\_PikesPeakHeightsMD, 7. Figure 4\_District-HOA\_Cost\_Comparison, 8. powerpoint\_pikespeakheightsMD, 9. Signed Resolution 101-18

| Date      | Ver. | Action By            | Action   | Result |
|-----------|------|----------------------|----------|--------|
| 9/11/2018 | 1    | City Council         | adopted  | Pass   |
| 8/27/2018 | 1    | Council Work Session | referred |        |

A Resolution approving a service plan allowing for the creation of the Pikes Peak Heights Metropolitan District

(Legislative)

### Presenter:

Carl Schueler, Planning Manager- Comprehensive Planning, Planning and Development Department  
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### Summary:

This is request by Schuck Communities. This service plan would allow formation of the Pikes Peak Heights Metropolitan District which would provide public financing for improvements and maintenance in this planned residential development. The petitioners are requesting an increase in the normally allowed operations and maintenance mill levy cap in from 10.00 to 15.00 mills based on an intent not to utilize a home owners association for this project.

### Previous Council Action:

There have been no prior special district related actions applicable to these properties. Much of the property is zoned R-1 (6000) which supports single-family uses, but not the specific housing use mix being proposed for this property. A PUD zoning and other land use applications are currently in process.

This item was discussed the City Council Budget Committee on August 14, 2018 and introduced at a City Council Work Session on August 27, 2018, as further described below.

**Background:**

The proposed Pikes Peak Heights Metropolitan District (the “District”), is planned to assist with financing the public infrastructure necessary to develop the property and to provide ongoing operations and maintenance functions including common area maintenance and covenant enforcement for an approximately 67 acre property for which 193 dwelling units are being proposed. A significant portion of the property consist of floodplain and/or planned park, open space of trail corridor. The now vacant property could be considered to be part of a larger infill area, noting that the Eastborough subdivision immediately to the southeast, has been developed for almost 50 years.

The Service Plan conforms to the City’s Model Service Plan with respect to mill levy caps and other financial limitations. The maximum debt service mill levy will be 30.0 mills and the maximum operations and maintenance mill levy will be 15.0 mills, both subject to Gallagher adjustments which can be applied retrospectively back to 2006. Because the intent is for this metropolitan district to operate in lieu of an HOA, the expectation is that it would charge significant monthly fees for ongoing functions, similar to those utilized under an HOA model.

The maximum debt authorized to be issued by the District will be limited \$7,000,000, provided that the foregoing shall not include the principal amount of Debt issued for the purpose of refunding or refinancing lawfully issued Debt. This figure has be calculated based on an engineering estimate for eligible public improvements (for the proposed project) of about \$5.3 Million.

Because a significant rezoning request is in process for this property, the petitioner has agree to include language in Section VIII of their service plan limiting the powers and activities of the District until such time as the current development applications have been acted upon.

This proposal was also presented to and discussed by the City Council Budget Committee on August 14, 2018. Discussion centered primarily on the requested 15 mills for operations and maintenance and the expected use of this district for covenant enforcement, and in lieu of a home owners association.

At the August 27, 2018 City Council Work Session concerns were expressed regarding specific justification for the requested 15.0 mill Operational Mill Levy Cap. The attorney for the petitioner has subsequently provided a brief comparison of the potential costs of district only versus a district/HOA structure. This analysis is included as an attachment.

A draft City Council resolution is attached along with a copy of the proposed service plan to be approved with exhibits. Also attached is a “redline” service plan showing text insertions and deletions compared with the City’s Model Service Plan.

**Financial Implications:**

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

**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 provided.

**Alternatives:**

City Council has the options of approving or denying the proposed 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 Pikes Peak Heights Metropolitan District.

A resolution of the City of Colorado Springs approving a service plan for the Pikes Peak Heights Metropolitan District.