



Legislation Text

File #: ID-429-20, **Version:** 1

Department of Community Development

Reference: Prairie Corner Metropolitan District Service Plan

To: Mayor Gregory Mills and Members of City Council

Through: Marv Falconburg, AICP, Acting City Manager

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Date Prepared: August 17, 2020

PURPOSE

Pursuant to Article 1, Title 32, Colorado Revised Statutes, as amended, the City of Brighton has the authority to approve service plans for special districts (also known as metropolitan or simply metro districts) that are organized within the City's boundaries. City Council now has before it a proposal for a service plan for a new metropolitan district known as the Prairie Corner Metropolitan District (the "District") covering a portion of the greater Prairie Center development known as Prairie Corner.

STRATEGIC FOCUS AREAS

- Recognizable and Well-Planned Community
- Financially Responsible
- Supportive, Sustainable Infrastructure
- Strong Regional Relationships and Partnerships

BACKGROUND

The formal applicant, the districts' organizer is Prairie Corner Development Partners, LLC (the "Applicant"), and their team is additionally comprised of legal counsel from Collins Cockrel & Cole and the engineering firm of R&R Engineers-Surveyors, Inc. The Applicant's Financial Plan was formed by Stifel, Nicolaus & Company, Inc.

The proposed District will encompass 10.73 acres located at the northeast corner of the intersection of Interstate 76 and Eagle Boulevard/144th Avenue (the "Property"). The Applicant is proposing commercial uses and this is in line with the Comprehensive Plan's future land use designation for the Property of Mixed-Use Commercial as it is complementary to the greater mix of uses in the area. The Property is currently zoned C-3, General Retail and Services.

The Applicant is seeking the formation of the district to assist in the funding of needed improvements to serve the Property such as roadway and access improvements. Given the location of the Property there are additional unique situations that will require substantial funding. These include the extension of water and sewer services, a force main, a lift station for sewer service, as well as, the creation of stormwater and drainage facilities to serve the Property. It will be the responsibility of the District to maintain certain improvements as outlined by the Utilities Department.

The submission uses the adopted Model Service Plan and the Applicant is not asking for any deviations from it.

The Property is currently included within the boundaries of the Prairie Center Metropolitan District No. 1, but this district is not going to move forward with assisting the Prairie Corner development team. As such, the Property will be excluded from the existing district if the new District is formed.

Approval by the City Council is the first step of several that new districts organized within the City limits of Brighton must complete before becoming a legal entity, but this current step is the City's only review prior to formation. The City Council will only see the service plan again if there is a proposal for a substantive amendment or as outlined under any special conditions in the service plan or accompanying intergovernmental agreement.

CRITERIA BY WHICH COUNCIL MUST CONSIDER THE ITEM

Per the Special District Act, Article 1, Title 32 of the Colorado Revised Statutes, service plans must include the following items:

- Description of services,
- Financial information,
- Preliminary engineering or architectural survey showing how the services, are to be provided,
- Map of boundaries,
- Estimated population at build-out,
- Estimated assessed valuation at build-out,
- General description of facilities to be constructed,
- Estimated costs of land acquisition, engineering, legal and administrative costs, and costs related to the organization and initial operation of the district,
- Description and form of any proposed Intergovernmental Agreements (IGAs), and
- Other information set by State Statutes or required by the approving jurisdiction(s).

PUBLIC NOTICE AND INQUIRY

Notice of the public hearing was published in the August 12, 2020 edition of the Brighton Standard Blade by the applicant as directed by state statute for Metro District Service Plans. As of the date of this report, City staff has not received any public comment on the matter.

STAFF ANALYSIS / SUMMARY OF FINDINGS

City staff has reviewed the service plan along with Butler Snow, LLP and Ehlers & Associates, Inc. Butler Snow offers specialization in metro district formation and Ehlers offers experience in metro district financial review.

The submitted service plan addresses all items required by State Statute to be included in service plans, and it aligns with the Model Service Plan adopted by City Council. Specifically mill levy caps, audit, reporting, meeting location, and notification requirements are outlined according to the Model Service Plan.

The daytime "population" at build-out is estimated by the Applicant to be approximately 668 people. Note: There are no residential units proposed to be developed within the metro district boundaries.

The Financial Plan (Exhibit D) to the Service Plan outlines that the District will need to spend approximately \$4.36 million for the installation of infrastructure and will need the borrowing authority of \$6.465 million. The maximum debt authorization in the aggregate principal amount will equal \$6.465 million.

The City's Development Review Committee has reviewed the infrastructure cost estimates and finds them acceptable. *See Exhibit E of the Service Plan for further detail.* The Utilities Department is satisfied with the ability of the infrastructure items to be constructed to serve the Property and the maintenance responsibilities as outlined. The City's Finance Department Director and the City's consultants for districts have reviewed all documents submitted as part of the application as well.

In regards to requests for additional notification of new or potential property owners within the boundaries of the District relating to district taxes, the Applicant has included recently used additional language for the IGA and Service Plan. At the time of the District's organization, and as the mill levies are amended, the additional notice (Exhibit A of the IGA) will be recorded and included in the title work of the property. The additional notice will provide a summary of the taxes levied on a property with an estimated value for review.

City staff finds that in the area of the proposed District there is sufficient existing and projected need for organized service, the existing service is inadequate for present and projected needs, the proposed District is capable of providing economical and sufficient service, and it has the financial ability to discharge the proposed indebtedness on a reasonable basis.

STAFF RECOMMENDATION

City Staff is recommending adoption of the resolution approving the service plan for the Prairie Corner Metropolitan District and the accompanying intergovernmental agreement as it believes that the proposed service plan meets the requirements of Title 32-1-202(2) C.R.S. City staff is recommending that approval is conditioned on the District being first excluded from its present district. *Please see the attached draft resolution for further detail.*

OPTIONS FOR COUNCIL CONSIDERATION

The City Council has the following four (4) options before it, to:

- Approve the Resolution as drafted;
- Approve the Resolution with changes;
- Deny the Resolution as drafted with findings to justify the denial; or
- Continue the item to a later, specified date.

ATTACHMENTS

- Draft City Council Resolution
- Service Plan with Exhibits (includes IGA)
- Proof of Newspaper Publication
- Draft City Staff Presentation