

Denargo Market Metropolitan District Nos. 1-3: Service Plan Amendments

FinGov Committee | 3/7/2023

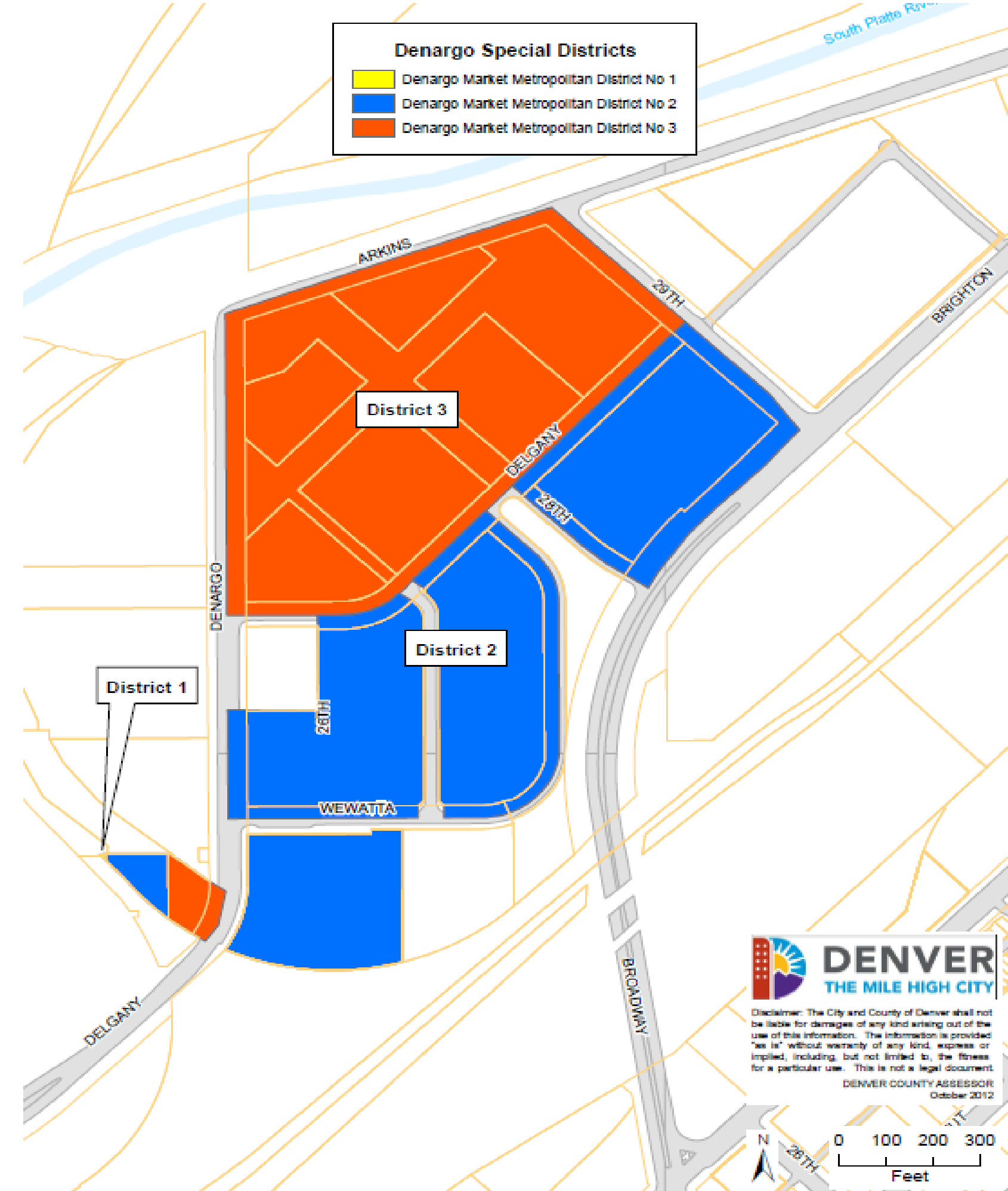
Department of Finance

Ordinance Request

First Amendments to Service Plan for the Title 32 Districts, Denargo Market Metropolitan District Nos. 1-3 in Council District 9.

History and Location

- **Original Service Plans approved in March of 2010.**
 - The 3 Districts were originally created to provide for the construction, financing, operation and maintenance of certain public improvements for the Denargo Market project.
 - District #1 was and still is the management district; District #s 2 & 3 were and still are the financing districts.
 - Original improvement costs anticipated to be ~\$22M.
- **Original District powers include:**
 - Street improvements, traffic and safety controls, water improvements, sanitation improvements, stormwater drainage improvements, parks and rec improvements, transportation, and mosquito control.
 - Streets within the Districts are District owned and maintained which accounts for large portion of District's operating budget.



Current District Financial Details

- Districts' Current Mill Levy Limitations:
 - Debt plus O&M cap of 50 mills
 - Debt Mill Cap of 40 mills
 - Operating Mill Levy Cap of 10 mills
 - Regional Mill Levy Cap of 10 mills
- District Service Plans authorize the Districts to issue debt up to \$22.6M.
 - District #2 has debt issued of appx. \$10.9M from a 2016 loan (~\$9.8M remaining balance as of Y.E. '22, loan matures in '46).
- Districts expend funds on typical expenses like accounting, management, insurance, legal, debt repayment, maintenance, landscaping, and utilities.

Reason for Service Plan Amendment Request

- In 2021 the developer processed a rezoning and received an approved amended and restated GPD for the remaining north portion of the Denargo Market project.
 - The amended and restated GPD increased the zoning density for the project, which requires more intense public infrastructure investments and greater public amenities, specifically for park related improvements.
 - The developer and Districts have additionally executed a development agreement with the City which controls the infrastructure improvements; parks and open space requirements; TDM requirements; environmental requirements; and affordable housing requirements.

Service Plan Amendments

- Updated the description of the Districts including approved zoning, population estimates, updated estimates of assessed and market value.
- Updated the estimated costs of improvements from \$22.6M to ~\$68M.
 - Acknowledges cost increases to be adjusted for inflation in accordance with an Engineering News Record cost index or another index as approved by the Managers of DOTI and Parks.
- Explicitly allow the Districts to provide programming services including farmers' markets.
- Increase the Districts Operating Mill Levy maximum to 15 mills, all other limits to remain, including Debt plus O&M Mill Levy cap of 50. No additional mill levies.
- Update to the Financing Plan, and debt authorization for each District to authorize \$142M of debt authorization. Aligns with proposed 2023 TABOR election plans.
- No other material changes to Service Plans.

Next Steps in Legislative Process

Monday, March 20, 2023: First Reading at City Council

Monday, March 28, 2023: Public Hearing and Second Reading at City Council