

First Amendment to First Amended and Restated Service Plans for West Globeville Metropolitan District Nos. 1 & 2

Laura Wachter, Director of Capital Planning and Programming
Manuel Jimenez, Fox Park Development
Shelby Noble, PSC

Requested City Council Actions

- Requested Council Action on #24-1168
 - Consider approving the respective First Amendments to the First Amended and Restated Service Plans for the West Globeville Metropolitan District No. 1 and West Globeville Metropolitan District No. 2 in Council District 9.
 - September 23 – City Council First Reading of Ordinance Approving Amendments to Service Plans
 - September 30 – City Council Public Hearing and Final Consideration on Ordinance Approving Amendments to Service Plan





Metro District Overview

Laura Wachter, Director of Capital Planning and Programming
Department of Finance

Why Use Metropolitan Districts?

- Generates independent sources of revenue to finance the costs of constructing, operating and maintaining public improvements
 - Allows growth to pay its own way
- Provides improvements and services municipalities/counties often cannot provide due to funding constraints under TABOR
- Allows for efficient municipal financings for capital improvements
 - Costs typically spread over 30 years with significantly lower costs of capital
 - Tax-exempt municipal bonds

Metropolitan Districts Overview

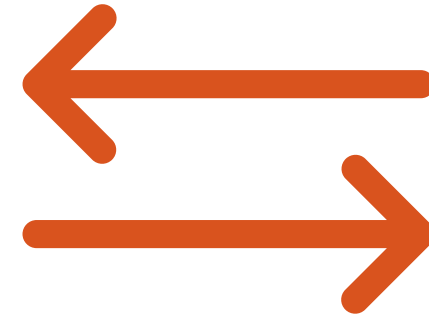
- **Legal authority:** Colorado Revised Statutes Sections 32-1-101 through 32-1-1807. Metro Districts are separate political subdivisions of the state. District has a perpetual life.
- **Creation:** Service Plan approval by City Council, district court order, and election
- **Service Plan:** The governing document that outlines the purpose, organization, powers, and financing plan for the district. Service Plan is reviewed by City staff
- **Powers:** To provide services for the district: fire protection, parks and recreation, safety protection, sanitation, street improvements, television relay and translation, transportation and water improvements, and mosquito control.
 - Acquire, construct, finance, install, operate, and maintain improvements
 - Power to issue general obligation bonds as allowed by a debt election
- **Revenues:** Through levy of ad valorem tax, special assessments, rates, fees, tolls, or charges
- **Board of Directors:** 5-member Board of Directors voted by the electors

Common Powers of Districts

- Levy and Collect Ad Valorem (Property) Taxes
- Issue Debt
- Impose and Collect Fees, Rates, Tolls and Charges
- Enter into Contracts and Agreements
- Acquire, Sell and Lease Property
- Adopt Rules and Regulations
- Create SID if authorized in Service Plan

Service Plan Amendment

- Primary purpose is to expressly provide authority to metro districts to create Special Improvement District (SID).
- SIDs can be created under Colorado State Law
- City Council approves amendments to metro districts' service plans



About Special Improvement Districts

- Title 32 allows metropolitan districts the power to establish SIDs
- SIDs must be located within a metropolitan district's boundaries and governed by the same board however, the SID's boundaries may be different that the metropolitan district.
- The metropolitan district issues assessment lien bonds, repaid by the special assessments imposed by the SID on the property benefiting from such improvements.
- The assessments create a governmental lien against each lot until fully paid, which is senior to all private liens and mortgages.
- Once the parcel(s) within the SID are sold, the proportional assessment is removed.

City Actions Needed to Authorize SID

- Section 32-1-1101.7, C.R.S. provides that a metropolitan district may establish a SID within its boundaries if the power to levy assessments is authorized in such special district's service plan.
- The Districts' respective current service plans are silent on assessments; as such the Districts will be seeking a very short and simple amendment to their current service plans authorizing them to establish SIDs and levy assessments. The service plan amendments that are being proposed will have language consistent with what is now in the City's updated standard service plans.
- Approval of these service plan amendments will involve review by City staff and Committees and require a City Council public hearing.



West Globeville Metro Districts Nos. 1 & 2 Overview

Manuel Jimenez, Fox Park Development

West Globeville Metropolitan District Nos. 1&2 Map



Environmental Remediation



- 500,000 cubic yards of contaminated soil exported from the site.
- 150,000 cubic yards of clean dirt imported to the site.
- EPA-Residential-Grade Cleanup Recognition

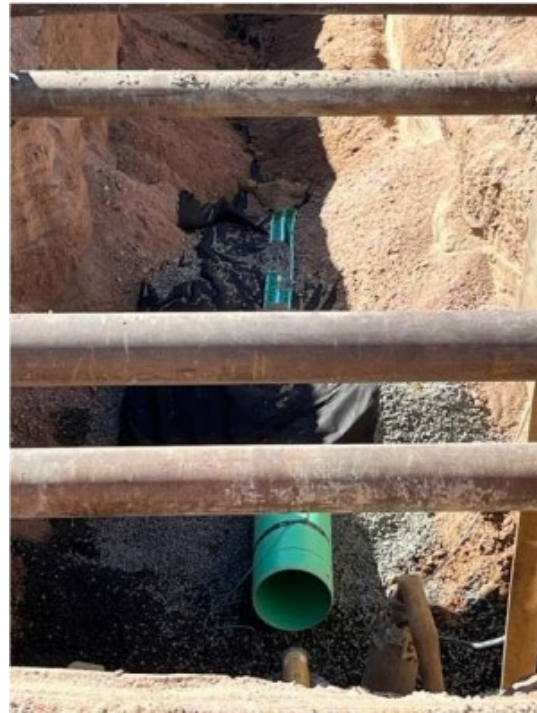
Horizontal Permits, Entitlements & Agreements

	2022	2024
Zoning Codes	C-RX-12, C-MX-12, C-RX-8	No Changes
Subdivision Plat	Submitted	Approved & Recorded
Phase 1 Site Development Plan	Submitted	Approved
Phase 2 Site Development Plan	Not Submitted	Submitted
Infrastructure Master Plan (IMP)	Submitted	Approved
Development Agreement	Executed	No Changes
Redevelopment Agreement	Executed	Amended
Community Benefits Agreement	Executed	No Changes
Metro District Service Plans	Approved	No Changes

On-site Infrastructure – Phase 1 (2024)



Sanitary Sewer
Pipe Installation



Sanitary Pipe Backfill and
Bedding



Fox Way Sanitary Layout and
Existing Utility Potholing

Community Engagement

- Over 25 meetings and counting
- Community Benefits Agreement
 - Globeville First
 - GES Coalition
- Community Contribution Agreements
 - Birdseed Collective
 - Habitat for Humanity



Proposed West Globeville Metropolitan District Nos. 1&2 SID

- Issue \$22M of debt to fund Phase 2 improvements
 - sidewalks, landscaping, utility loop, stormwater detention
 - design of two offsite improvements: 38th/park Roundabouts & Huron Bridge (require per DA).
- Prior to transfer of such property during a sale:
 - SID related assessments on a property will be fully satisfied
 - Any related debt incurred paid off.
 - This create a short-term funding mechanism that allows the project to move forward that does not burden future landowners or residents.
- No City-owned property would be subject to SID-related assessments

Need for SID

- Environmental remediation efforts were approx. \$10M more expensive than estimated.
- Developer was required to clean this site up to EPA-residential-grade standards instead of a typical voluntary clean up.
- Soft costs of phase one, particularly design, are overburdened with costs from future phases that the City has required to be included in phase one submittals.
- Permitting delays have resulted in two issues:
 - Cost escalations
 - The project progress has been delayed overall and this has created a diminished capacity for the Metro District to obtain financing in the near term.

Next Steps

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Questions?