

Kroenke Sports & Entertainment Metro District Nos. 1-5

Laura Wachter
Director of Capital Planning and
Programming
Department of Finance



Keirstin Beck and
Matt Mahoney
Kroenke Sports & Entertainment



Megan Becher
McGeady Becher P.C.



Requested City Council Actions

- Requested Council Action on #24-1169
 - Consider approving the creation of the Kroenke Sports & Entertainment (KSE) Metro District Nos. 1-5 in Council District 3, and respective service plans
 - October 14 – City Council First Reading of Ordinance Approving Service Plan
 - October 21 – City Council Public Hearing and Final Consideration on Ordinance Approving Service Plan

Agenda

Metropolitan District Overview – Laura Wachter, Department of Finance

Proposed KSE Metropolitan Districts – Megan Becher, McGeady Becher P.C.

Questions & Answers





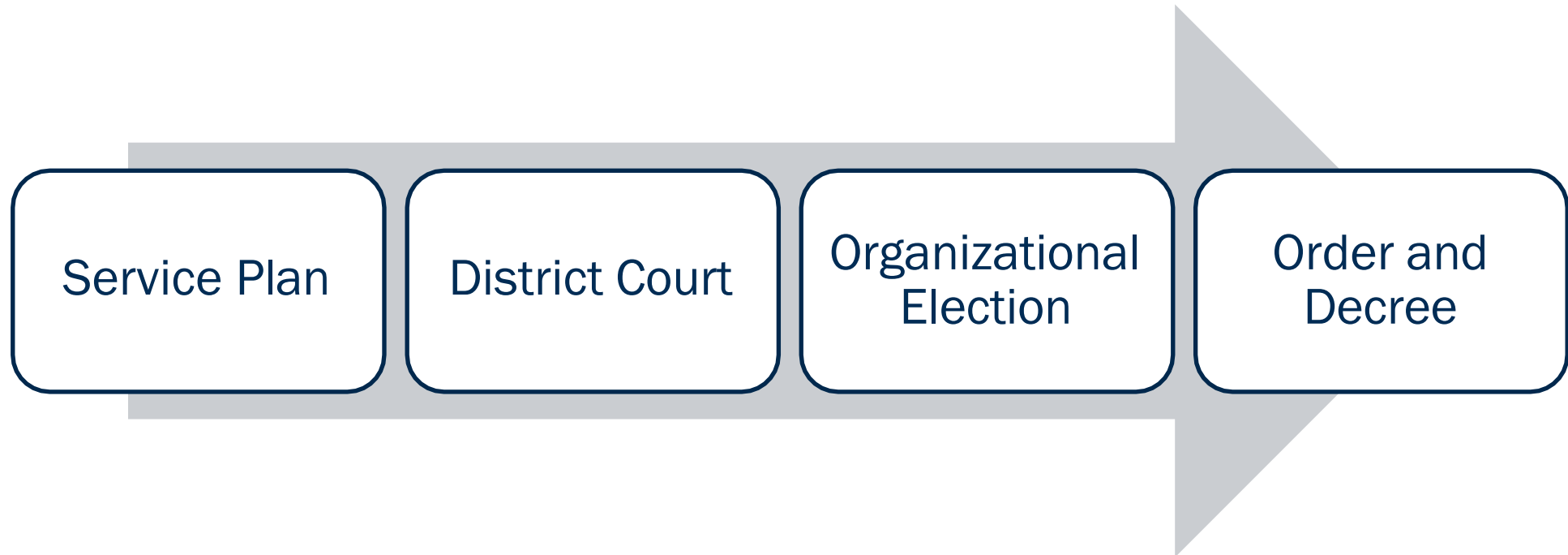
Metro District Overview

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

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

Formation Steps



District Election

- New metro districts handle their own elections
 - City ballot deadlines do not apply
 - City Council does not refer a question to the ballot
- City Council role
 - Approval of the Service Plan - required before the District Court process can start
- District Court process
 - Statutorily, District Court responsible procedurally for directing the District Election
 - Metro district files an organizational petition with the District Court to hold a district election
 - District Court holds a hearing and Orders the Election
 - Hearing must occur before election day

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

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



Proposed KSE Metro District Nos. 1-5

Megan Becher
McGeady Becher P.C.

Proposed Development



Approximately 78-acre development surrounding Ball Arena, at least 12% of which will be open space for public use



10-12 million gross square feet of mixed-use, office, retail and housing



Will connect with The River Mile, the Stadium District, Auraria Campus, Downtown, and the Sun Valley Eco District



Pedestrian and bike crossings over Speer Boulevard, Auraria Parkway, and the CML Light Rail line



Multiple District Structure

One (1) Maintenance District –

Kroenke Sports and Entertainment Metropolitan District No. 1

- Will overlap the entirety of the project and will own, operate, and maintain the public improvements not otherwise dedicated to the City or others. The Maintenance District will not impose a Debt Mill Levy or Finance Capital Costs.

Four (4) Financing Districts –

Kroenke Sports and Entertainment Metropolitan District Nos. 2-5

- Each will coordinate to provide for (i) the acquisition, construction, and financing of the public infrastructure; and (ii) the costs of administration, operation, and maintenance of the public infrastructure constructed, owned, operated, and/or maintained by the Maintenance District

Estimated Public Improvement Costs

- District Financed Improvements*
 - Wynkoop Crossing Pedestrian Bridge
 - Mile High Light Rail Pedestrian Bridge
 - Signature Park and open spaces
 - Public water, sanitation, road, safety protection, drainage, and parks and recreation improvements throughout the project.

*Preliminary and subject to change

STREET, PARKING, AND SAFETY PROTECTION	
New Roadway Pavement & Curbing	\$ 24,340,000
Existing Roadway Reconstruction	\$ 4,330,000
Street and Walkway Lighting	\$ 8,130,000
Street Signage and Wayfinding	\$ 1,670,000
Traffic/Pedestrian Signals and Cameras	\$ 8,370,000
Concrete Sidewalks, Pavers, and Hardscape	\$ 53,130,000
Street Landscaping	\$ 26,960,000
Earthwork	\$ 19,260,000
Removals/Demolition	\$ 7,920,000
Electrical	\$ 11,560,000
Wynkoop Crossing Pedestrian Bridge	\$ 110,710,000
Mile High Light Rail Pedestrian Bridge	\$ 61,320,000
RTD Station Modifications	\$ 39,920,000
Parking Structures	\$ 156,110,000
SUBTOTAL	\$ 533,730,000
SANITARY SEWER AND STORM DRAINAGE	
Storm Pipes, Inlets, and Manholes	\$ 24,090,000
Underdrain Systems	\$ 6,600,000
Water Quality Systems	\$ 28,820,000
Sanitary Sewer Lines and Manholes	\$ 11,970,000
Utility Removal/Demolition	\$ 6,490,000
SUBTOTAL	\$ 77,970,000
DOMESTIC WATER SYSTEMS	
Domestic Water Lines, Valves, and Fire Hydrants	\$ 9,840,000
Utility Removal/Demolition	\$ 3,240,000
SUBTOTAL	\$ 13,080,000
PARK AND RECREATION INFRASTRUCTURE	
Signature Park	\$ 48,670,000
Park - Open Space B	\$ 4,260,000
Park - Open Space C	\$ 8,140,000
SUBTOTAL	\$ 61,070,000
GRAND TOTAL	\$ 685,850,000

District Finance Plan

- DEBT / DEBT SERVICE MILLS
 - Maximum Debt Amount - \$1,250,000,000
 - Intended to include principal and interest of anticipated debt issuance
 - Supported by the following revenue sources:
 - Debt Service Mills – Maximum of 50 mills, adjusted for legislative and Constitutional changes
 - Specific Ownership Taxes related to Debt Service Mills
 - Imposition Term limited to 40 years from initial imposition
 - Capital Fees may be imposed upon persons or business entities that construct homes or commercial structures for resale (not upon residents or business owners or tenants)
- OPERATIONS / OPERATIONS MILLS
 - Operations Mills - Maximum of 20 mills, adjusted for legislative and Constitutional changes
 - Operations mills may be imposed in an amount up to 70 mills until such time that debt is issued
- AGGREGATE MILL LEVY LIMIT
 - Total Operations and Debt Mills combined on any one property cannot exceed 70 mills, adjusted for legislative and Constitutional changes
- There exists the potential of a regional mill not to exceed 5 mills pursuant to an IGA between CCD and one or more of the Financing Districts

Service Plan Approval Requests

As a result of the length of buildout and the magnitude of density and development within the Project, Applicant is requesting the following:

- Ability to impose Aggregate Mill Levy of 70 Mills, including a maximum of 20 mills for operations

KSE Metropolitan Districts Boards

- Initial Board Structure
 - Each district will have 5 board members
 - Each initial board member will be a developer representative
 - Specific initial board members have not been identified at this time but will be determined at organizational election

Metropolitan District Protections

- Debt Issuance Limitations
 - Electoral authorization and through City-approved Service Plan
- Statutory Limitations on Developer Debt
- Public Bidding Requirements
- Sunshine Law, Audit, Disclosure and Filing Compliance
- Websites Mandated
- Annual Meeting and Reporting Requirements
- Physical Notice of Elections Provided

**2023 ANNUAL REPORT
THE RIVER MILE METROPOLITAN DISTRICT NOS. 1, 2, AND 3**

As required by Section 32-1-207(3)(c), C.R.S., the following report of the activities of The River Metropolitan District No. 1 (“**District No. 1**”), The River Mile Metropolitan District No. 2 (“**District No. 2**”), and The River Mile Metropolitan District No. 3 (“**District No. 3**”, and together with District No. 1 and District No. 2, the “**Districts**”) from January 1, 2023 to December 31, 2023 is hereby submitted.

A. Boundary changes made:

No boundary changes were made or proposed for the Districts during 2023.

B. Intergovernmental Agreements entered into or terminated:

The Districts did not enter into or terminate any intergovernmental agreements during 2023.

C. Access information to obtain a copy of rules and regulations adopted:

To date there have been no rules and regulations adopted by the Districts, but to the extent any rules and regulations may be adopted, copies can be found at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, CO (303-592-4380) or on the Districts’ website, at: <https://rivermilemetropolitandistricts.specialdistrict.net/>.

D. Summary of litigation involving the Districts’ public improvements:

The Districts’ public improvements were not involved in any litigation in 2023.

E. Status of the Districts’ construction of public improvements:

The Districts did not construct any public improvements in 2023.

F. Conveyances or dedications of facilities or improvements, constructed by the Districts, to the City and County of Denver:

The Districts did not convey any facilities or improvements to the City and County of Denver in 2023.

G. Final assessed valuations of the Districts for the report year:

District No. 1:	\$30.00
District No. 2:	\$23,978,380.00
District No. 3:	\$1,764,030.00

H. Current year’s budget:

Copies of the Districts’ 2024 budgets are attached hereto as **Exhibit A**.

I. Audited financial statements for the reporting year (or application for exemption from audit):

Copies of District No. 1 and No. 2’s 2023 Audits and District No. 3’s 2023 Application for Exemption from Audit are attached hereto as **Exhibit B**.

J. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any debt instrument:

To our knowledge, there are no uncured events of default by the Districts which continue beyond a ninety (90) day period.

K. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period:

To our knowledge, the Districts have been able to pay their obligations as they come due.

Questions?

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