



Legislation Text

File #: Ordinance 40-2017, **Version:** 3

Agenda Date: 01/16/2018

Subject:

An ordinance on second reading amending Title 8, Chapter 11, Section 8-11-2 of the Littleton City Code pertaining to filing of Special District Service Plans

Presented By: Jocelyn Mills, Community Development Director

POLICY QUESTION:

Does city council support an ordinance to amend Title 8, Chapter 11, Section 8-11-2 of the Littleton City Code pertaining to the filing of special district service plans?

BACKGROUND:

Section 8-11-2 was last amended in 1983. The Section sets forth the filing requirements for proposed special district service plans and a fee for the City's review. The fee was set at \$250.00. However, on October 17, 2017, the City Council as part of the budget established a different fee for review of proposed special district service plans. As a result this provision conflicts with the Council action.

On December 19, 2017, city council passed the first reading of the proposed ordinance.

STAFF ANALYSIS:

Pursuant to state law, the city has the authority to review proposed special districts. Most of these are metropolitan districts designed to tax new residents for certain services. The City is proposing amendments to the existing code to address its concerns. First, while the City has no liability for the debt issued by such districts, significant amounts of overlapping debt in an area can negatively impact bond ratings and future debt issuance. Second, financial issues and debt repayment issues by a special district overlapping the City may raise questions about the financial stability of all the local governments in an area.

As a result, the review of these proposed special districts and their service plans is extensive. For example as part of a metropolitan district service plan application review, city staff reviews the proposed service plan, which includes all of the services the metropolitan district is proposing (landscaping, maintenance, infrastructure, etc). Multiple city departments, including Community Development, Finance, Public Works and the City Attorney's Office are involved. The service plan application is also sent out for review by outside referral agencies, as well as adjacent metropolitan districts for review of services. The debt service is reviewed against the proposed services being proposed and a full-financial analysis is conducted. Staff also reviews the service plan to make sure it meets the requirements of Title 32 of Colorado State Statute.

After final review by the city and outside agencies, a metropolitan district service plan application is scheduled before City Council for review and approval. Following City Council action, the applicant and the City Attorney go before district court and then the service plan is scheduled for either a May or November election

cycle.

This extensive review was reflected in the recently adopted fees of October 17, 2017 which provided that the application fee for a special district is not a flat fee, but is a more typical approach with other adjacent cities at 1/100 of 1% of the proposed debt. For example using this calculation, if the proposed debt of a service plan is \$80M then the city application fee would be \$8,000.

The proposed ordinance is designed to address these issues. The ordinance provides that the Fee shall be the amount set by ordinance, therefore the fee in the October 17, 2017 ordinance shall govern. The ordinance also clarifies the language in the code requiring the applicant to address issues of capitalized interest and the lack of resources for debt repayment, should that eventuality occur.

OPTIONS/ALTERNATIVES:

Option A, do not enact the ordinance and have the conflict between the code and the council action of October 17, 2017. Option B, enact the ordinance and bring the code into conformance with the council action on October 17, 2017 adjusting fees for services provided by the City.

FISCAL IMPACTS:

Not applicable

STAFF RECOMMENDATION:

Staff recommends that the Mayor and Council approve on second reading an ordinance to amend Title 8, Chapter 11, Section 8-11-2 of Littleton City Code pertaining to the filing of special district service plans.

PROPOSED MOTION:

I move to approve the ordinance amending Title 8, Chapter 11, Section 8-11-2 of the Littleton City Code pertaining to the filing of special district service plans.