

Legislation Text

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Agenda Date: 08/20/2019

Subject:

Resolution 39-2019: Approving the RiverPark Metropolitan District Service Plan

Prepared by: Jennifer Henninger, AICP, Community Development Director and
Anastasia Urban, Development Services Manager

PURPOSE:

The city has received a request for approval of a resolution for the RiverPark Metropolitan District Service Plan, which is a type of special district authorized by state statute. Regulations for establishment of a special district are outlined in Title 8, Chapter 11 of the Littleton Municipal Code and Title 32 of the Colorado Revised Statutes.

PRESENTATIONS:

Staff Presenter(s): Jennifer Henninger, AICP, Community Development Director
Anastasia Urban, Development Services Manager

Additional Presenter(s): Tyler Carlson, Evergreen DevCo.
Megan Becher, McGeady Becher P.C.

SUMMARY:

The city has received a formal request to establish a new Metropolitan District for the 33.34 acres located at the southwest corner of Santa Fe Drive and Mineral Avenue. The property is owned by Evergreen DevCo. and is referred to as RiverPark in the GPDG amendment application. Metropolitan Districts or “Metro Districts” are special districts authorized by state statute that can be used for financing, maintenance and operation of public improvements. Metro Districts have been used throughout the state and previously within Littleton.

PRIOR ACTIONS OR DISCUSSIONS:

City code Section 8-11-2 requires specific timelines for consideration of the proposed Service Plan, regardless of other factors such as pending zoning applications, etc. In conformance with the city code timeline requirements, at the July 16, 2019 meeting, the city council set the date of August 20, 2019 for formal consideration of the RiverPark Metropolitan District Service Plan.

ANALYSIS:Staff Analysis

A Metro District is a tool to provide a mechanism for financing improvements. A Service Plan establishes boundaries for the Metro district, identifies the services to be provided by the District, sets the total debt issuance limit, and specifies the maximum debt mill levy along with other provisions specified by state statute. It is important to understand aspects and restrictions associated with Metro Districts and Service Plans:

- Approval of a Service Plan does not grant or modify zoning.

- Approval of a Service Plan does not obligate city financing in any way. In the case of failure or slowing of the development, the city is not at risk financially to support or fund the Metro District.
- Creation of a Metro District is an asset to current and future developers.
- New infrastructure is funded by those who will benefit (constituents within the District) and not all city residents.
- Metro Districts fund permanent operation and maintenance of certain public improvements that are not dedicated to a municipality or other entity.

The RiverPark Service Plan limits the total debt that the District is permitted to issue at \$20 million, with a maximum levy of 55 mills. The types of improvements that the District is proposing to undertake include: construction of public roadways and landscaping, extension of water and sanitary sewer mains, relocation of the Englewood City Ditch, stormwater improvements, and trail construction. Metro Districts can also be used as a financing mechanism for on-going maintenance of improvements and common areas. This Metro District is proposed to cover on-going maintenance of certain improvements, with an anticipated 15 of the maximum 55 mills to be allocated to maintenance. The cost estimates, descriptions and maps of the improvements can be found in Exhibits E, F, and G of the Service Plan.

The Service Plan also provides a financial plan based on a specific development scenario in order to assess the financial viability of the Metro District. The financial plan can be found in Exhibit H and is based on 317 apartments, 180 assisted living units and 54,000 square feet of commercial use. A copy of this draft site plan is provided for reference only, as it is important to note, approval of a Metro District does not approve zoning or a site plan. The RiverPark Service Plan also includes the establishment of a Public Improvement Fee, or PIF. A PIF is a private fee that is collected by businesses on sales transactions and provides an additional source of revenue to fund public improvements and maintenance in the District. In accordance with the law, the PIF does not require approval from the local jurisdiction.

In addition to review by internal staff from the city attorney, community development, finance and public works departments, the city contracted with Pinnacle Consulting Group, Inc. ("Pinnacle") to assist in the review of the proposed Metro District and Service Plan. Pinnacle has extensive experience in all phases of special districts and also presented an overview of Metropolitan Districts to the Littleton City Council at its May 14, 2019 study session.

In consideration for establishment of a Metro District and Service Plan, Title 8, Chapter 11 of the city code governs the criteria for approval of a Service Plan. Section 8-11-3 specifically outlines the procedures for action on the service plan, where the council may:

1. Approve, without condition or modification, the service plan submitted by the petitioners of a proposed special district;
2. Disapprove the service plan submitted by the petitioners of a proposed special district;
3. Conditionally approve the service plan submitted by the petitioners of a proposed special district subject to the submission of additional information relating to or the modification of the proposed service plan.

In order to approve the Service Plan, the city council must adopt a resolution of approval and consider the following criteria as currently outlined in Section 8-11-3 of the city code. It is possible these criteria may be modified with additional conditions through an anticipated future city code update; however this is currently the basis for approval, denial, or conditional approval. The staff assessment of the criteria outlined in Section 8-11-3 is provided below:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.

The subject property is vacant. In order to support development of the site, it will need facilities and services proposed to be provided by the district. There is no other entity or jurisdiction willing or able to provide for the public improvements the District is proposing. The District will manage and coordinate the financing, construction, and installation of water, sewer, roads, drainage and other public infrastructure, and provide maintenance for certain features. Without the District, these organized services will likely remain unavailable, unless the developer is able to pay for and install all of the infrastructure

through other means.

2. The existing service in the area to be served by the proposed district is inadequate for present and projected needs.

The site is unimproved without public infrastructure such as water, sewer, drainage, or roadway improvements. These improvements are required for development of the site; therefore the current service is inadequate.

3. Adequate service is not, or will not be available to the area through other existing Municipal or quasi-Municipal corporations within a reasonable time and on a comparable basis.

The city does not plan to finance or construct the infrastructure needed to develop the subject property. The service area is entirely within the boundaries of the city, therefore county-provided facilities or services are not a reasonable alternative. There are no other quasi-municipal corporations that can or are willing to provide facilities for the project.

4. The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries.

The proposed Service Plan includes a Capital Plan (Exhibit E) that outlines the anticipated improvements and costs to be covered by the District, which include items such as water, sewer, drainage, and roadway improvements. The total estimated cost of these improvements is approximately \$10,700,000; however the Service Plan allows for a total debt cap limit of \$20,000,000. Specifying a higher debt limit beyond the preliminary costs provides flexibility for changes in market conditions and refinements in public improvements and estimated costs when the project construction details are further refined. Therefore, the proposed District is capable of providing economical and sufficient service.

5. The area to be included in the special district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

The Financial Plan (Exhibit H) provides an analysis of how the project would generate revenues to cover the anticipated debt. The financial analysis is based on a target of 50 mills, of which 15 mills would be available for on-going maintenance costs. The Service Plan allows for a maximum levy of 55 mills and a total debt limit cap of \$20,000,000. Therefore, the proposed District is capable of discharging the proposed indebtedness on a reasonable basis.

6. The proposal is in substantial compliance with the City's Comprehensive Plan.

Currently, the "City's Comprehensive Plan" consists of several different documents. Two documents that apply to this specific area, are the Citywide Plan (2014) and the South Santa Fe Corridor and Downtown Study (attached). The Citywide Plan's Goals and Policies that specifically apply to the RiverPark Service Plan include:

1.5 Identify the activity areas such as those around light rail stations that might benefit from public private investment. Partner with private sector individuals and entities to explore, promote, and follow-through with the best prospects.

2.3 Attract desired development and encourage redevelopment in designated activity areas and corridors. (This

property is designated as an Activity area in the Citywide Plan).

The Citywide Plan also refers to the South Santa Fe Corridor Study. Attached is the South Santa Fe Corridor and Downtown Study Recommendations which outlines specific recommendations for the area encompassed by the RiverPark Service Plan. Those recommendations are numbers 14, 15 and 16 which describe the type of development that should go on this property. The concept site plan used to establish the financial analysis for the RiverPark Service Plan contains some of the uses recommended in the South Santa Fe Corridor and Downtown Study Recommendations Report, but is not in a TOD (Transit Oriented Development) layout or density.

Establishment of a Metro District does not grant zoning or imply approval of a site plan, however the Capital Plan and Financial Plan are based on a set of assumptions regarding the development of the subject property. The property cannot be developed without an Approved Development Plan. The RiverPark Service Plan defines an Approved Development Plan as *“A development plan or other process established by the City (including but not limited to approval of zoning, a final plat, development plat or site plan by the City planning commission or by the City Council) identifying, among other things, the public improvements necessary for facilitating development for property within the Service Area as approved by the City”*. Further, specifically relative to the Project, the *“applicable Approved Development Plan must be approved by the City subsequent to approval of the Service Plan, and must be in substantial compliance with the relevant comprehensive, neighborhood, sub-area and master plans identified by the City.”* Based on the Approved Development Plan definition, if approved the Metro District will remain in an inactive status until the subject property obtains zoning approval meeting the definition of the *Approved Development Plan*, which requires compliance with the comprehensive plan. At this time, there are parts of the proposed Service Plan that are in compliance with the documents make up the city’s current Comprehensive Plan.

Council Goal, Objective, and/or Guiding Principle

The RiverPark Metropolitan District Service Plan correlates to Goal 2, Financial Sustainability, by providing an alternate source of financing for public improvements.

Fiscal Impacts

There is not a direct financial impact to the city resulting from the approval of a Metropolitan District Service Plan. Through creation of a Metro District, a mechanism for funding improvements and on-going maintenance is provided to facilitate the development of a property, which ultimately will provide additional revenue to the city.

Alternatives

The city council may approve, deny, or conditionally approve a Service Plan. If the Service Plan is denied, the Metro District cannot be established, which will delay development of the property. The city council may also choose to table the discussion by continuing the agenda item to a date certain.

STAFF RECOMMENDATION:

Staff recommends approval of the resolution approving the RiverPark Metropolitan District Service Plan, based on the current criteria in Section 8-11-3 of the Littleton Municipal Code.

PROPOSED MOTION:

I move to approve the resolution approving the RiverPark Metropolitan District Service Plan.