



City of Arvada City Council Agenda

**MAY 24, 2021
WORKSHOPS**

Councilmembers:

**Marc Williams, Mayor
Dot Miller, Mayor Pro-Tem
Bob Fifer, At large
Nancy Ford, District 1
David Jones, District 4
John Marriott, District 3
Lauren Simpson, District 2**

Staff Members Usually Present:

**Mark Deven, City Manager
Lorie Gillis, Deputy City Manager
Rachel Morris, City Attorney
Don Wick, Director of Public Works
Sharon Israel, Director of Utilities
Ryan Stachelski, Dir. of Community & Economic Development
Bryan Archer, Director of Finance
Rob Smetana, Manager of City Planning & Development
Ben Irwin, Chief Communications Manager
Kristen Rush, City Clerk**

Info: 720-898-7550

**THIRD FLOOR CONFERENCE ROOM
EXECUTIVE SESSION
5:00 P.M.**

Legal Advice, Pursuant to C.R.S. 24-6-402(4)(b) Relating to the Jefferson Parkway Public Highway Authority

**CITY COUNCIL CHAMBERS
6:00 PM**

1. CALL TO ORDER/ROLL CALL OF COUNCILMEMBERS
2. WORKSHOPS
 - A. Metro Districts
 - B. Staff Updates
3. ADJOURNMENT



REPORT TO CITY COUNCIL WORKSHOP

AGENDA ITEM
2.A.

TO: THE HONORABLE CITY COUNCIL

DATE: May 24, 2021

SUBJECT: Metro Districts

Report in Brief

Metro districts and their use of financing to fund public infrastructure and district operations have been a topic of discussion over the past several years. With the use of metro districts increasing in and around Arvada, it is important to insure that the City's foundational documents related to metro districts reflect both the current best practices related to the use of metro districts and that the ordinance and model service plan reflect the City Council's vision for what the City's documents should contain before the City considers new metro districts in Arvada.

During this workshop we will discuss an updated draft to the City's model service plan and seek feedback as to the proposed content. This feedback will support the consideration of changes to the ordinance.

Background

Metro districts are an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or District Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan.

It is intended that districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of each district. The primary purpose of the districts will be to finance the construction of these Public Improvements. The districts are not being created to provide ongoing operations and maintenance services other than as specifically set forth in the District Service Plan.

In late 2019 and through 2020, the City Council directed the City team to review the City's position and practices related to special districts. This direction was the result, in part, of the City's team's November 2019 review of two bond issues proposed by the Vauxmont Metropolitan District. As a result of this review, the team determined there were potential opportunities to tighten future practices and increase communications regarding the City's consideration and approval of special district refinancing.

In addition, the Denver Post reported on the property tax impacts of metro districts in November 2019 and January 2020. These articles fueled discussions and provided for additional debates regarding the value, costs, and long term impacts associated with the establishment of metro districts. In February 2020, Council members Marriott and Ford and City team members Lorie Gillis and Bryan Archer attended a panel discussion on metro districts hosted by the Metro North Chamber of Commerce.

Presentation of the updated draft of the model service plan is intended to ensure that the Council has the background and information necessary for any future consideration of metro districts. Additionally we want to ensure residents have the information and understanding that meets their needs. Therefore, we believe that enhancements to the City's metro district documents and agreements will support increased transparency and communications with residents and taxpayers.

Strategic Alignment

This workshop item supports the City's vision for its Community and Economic Development Work System, which says that Arvada's future prosperity and quality of life will be significantly influenced by the City's ability to ensure that development meets safety requirements, design values and standards, infrastructure needs, and supports the local economy to implement the community's vision.

Next Steps

Based on City Council feedback, the proposed model service plan and ordinance will be updated and brought forward to City Council at a public hearing for adoption.

Prepared by:

Josie Suk, Development Systems and Administrative Manager

Reviewed by:

Approved by:

Ryan Stachelski, Director of Community and Economic Development	4/19/2021
Brad Moloney, Deputy City Attorney	5/10/2021
Rachel Morris, City Attorney	5/11/2021
Bryan Archer, Director of Finance	5/11/2021
Lorie Gillis, Deputy City Manager	5/13/2021
Mark Deven, City Manager	5/13/2021

Enclosure, exhibits & attachments required to support the report

**CITY OF ARVADA 2021 MODEL
MULTIPLE DISTRICT SERVICE PLAN
MODEL SERVICE PLAN**

FOR

**METROPOLITAN DISTRICT
CITY OF ARVADA, COLORADO**

Prepared

by

[NAME OF PERSON OR ENTITY]

[ADDRESS]

[ADDRESS]

[DATE]

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LIST OF EXHIBITS

EXHIBIT A	Legal Descriptions
EXHIBIT B	Arvada Vicinity Map
EXHIBIT C-1	Initial District Boundary Map
EXHIBIT C-2	Inclusion Area Boundary Map
EXHIBIT D	Intergovernmental Agreement between the District and Arvada
EXHIBIT E	Model Notice

ARTICLE I: INTRODUCTION

Purpose and Intent.

The Districts are an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements.

The Districts are not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

This multiple-district Service Plan is intended to accommodate the phasing of the Project and the infrastructure needs of each phase. It is contemplated that the Districts will cooperate with each other on certain infrastructure that benefits the taxpayers and inhabitants of the Service Area, and that each District will additionally have its own particular infrastructure needs.

Need for the Districts.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the Districts are therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

Objective of the City Regarding District's Service Plan.

The City's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy for all properties, and/or repaid by Public Improvement Fees, Special Assessments and/or Fees, as long as such Fees are not imposed upon or collected from Taxable Property owned or occupied by an End User for the purpose of creating a capital cost payment obligation as further described in Section V.13. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional

needs. Operational activities are allowed, but only through an intergovernmental agreement with the City.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy and which shall not exceed the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts. With regard to Regional Improvements, this Service Plan also provides for the Districts to pay a portion of the cost of regional infrastructure as part of ensuring that development and those that benefit from development pay for the associated costs.

ARTICLE II: DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a Final Development Plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

ARI or Regional Improvements: means Arvada Regional Improvements..

ARI or Regional Improvements Mill Levy: means the following:

A. For districts with property within their boundaries developed with any residential uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the regional improvements (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20th) year; and (ii) shall be five (5) mills from the twenty-first (21st) year through the fortieth (40th) year or the date of repayment of the debt incurred for Public Improvements, other than Regional Improvements, whichever first occurs; and (iii) for an additional ten (10) years, the mill levy shall be equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of the debt incurred for Public Improvements other than Regional Improvements; and

B. For districts with property within their boundaries developed solely for commercial uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements which (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20th) year; (ii) shall be one and one-half (1.5) mills from the twenty-first (21st) year through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements; and (iii) for five (5) years thereafter, the mill levy shall be the lesser of twenty (20) mills or a mill levy equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of debt issued for Public Improvements, other than Regional Improvements; and

C. Any district may, pursuant to any intergovernmental agreement with the City, extend the term for application of the ARI Mill Levy beyond the years set forth in A and B above. The Maximum Mill Levy Imposition Term shall include the terms set forth in A and B above and any extension of the term as approved in an intergovernmental agreement as described herein.

D. All mills described in this ARI Mill Levy definition shall be subject to adjustment as follows: On or after January 1, 2004, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the one (1) mill levy described above may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes, for purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations (i) for the payment of which one or more of the Districts have promised to impose an ad valorem property tax mill levy (ii) for the payment of which one or more the Districts have promised to impose and collect Fees or (iii) to which the Districts have pledged any of its revenues.

City: means the City of Arvada, Colorado.

City Code: means the City Code of the City of Arvada, Colorado.

City Council: means the City Council of the City of Arvada, Colorado.

District: means [FILL DISTRICT NAME AND/OR NUMBER] District No. .

Districts: means [FILL IN EACH DISTRICT NUMBER COLLECTIVELY] District No. 1 and District Nos. , , (fill in number of each District), collectively.

End User: means any owner, or tenant of any owner, of any taxable improvement within the Districts who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of any of the Districts and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fee(s): means any fee imposed by the Districts for services, programs or facilities provided by the Districts, as described in Section V.13. below.

Financial Plan: means the combined Financial Plan of the Districts as described in Article VII which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the District's initial boundaries.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt, exclusive of the Regional Improvements Mill Levy and the Operation and Maintenance Mill Levy, as set forth in Section VII.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VII.D below.

Operation and Maintenance Costs: means (1) the costs of ongoing administrative, accounting, and legal services to the District; and (2) the costs of any programming or services provided by the Districts; and (3) any ongoing operation and maintenance costs

or the costs of repair, replacement, and depreciation of the Public Improvements if so provided in an intergovernmental agreement between the Districts. Operation and Maintenance Costs shall not include any ongoing operation and maintenance costs or the costs of repair, replacement, and depreciation of Public Improvements dedicated to the City unless provided for in an intergovernmental agreement with the City.

Operation and Maintenance Mill Levy: means the mill levy the Districts are permitted to impose for the payment of the District's Operation and Maintenance Costs, as set forth in Section V.2 below.

Public Improvement Fee: means revenue received by the District from a public improvement fee on taxable retail sales transactions occurring within the District, or similar fee imposed by the owner of property in the District on similar transactions.

Project: means the development or property commonly referred to as [COMMON NAME].

Property: means real or personal property within the Service Area subject to ad valorem taxes imposed by the Districts.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Regional Improvements: means Public Improvements and facilities that benefit the Service Area and which are to be financed pursuant to Section VI below.

Service Area: means the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

Service Plan: means this service plan for the Districts approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable state law.

Special Assessment: means the levy of an assessment within the boundaries of a special improvement district pursuant to Section V.15.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

ARTICLE III: BOUNDARIES

The area of the Initial District Boundaries includes approximately [REDACTED] acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately [REDACTED] acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

ARTICLE IV: PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately [REDACTED] acres of land. The current assessed valuation of the Service Area is \$0.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District at build-out is estimated to be approximately [REDACTED] people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

Approval of this Service Plan by the City in no way releases or relieves the developer of the Project, or the landowner or any sub-divider of the Project property, or any of their respective successors or assigns, of obligations to construct public improvements for the Project or of obligations to provide to the City such financial guarantees as may be required by the City to ensure the completion of the Public Improvements, or of any other obligations to the City under the City Municipal Code or any applicable annexation agreement, subdivision agreement, or other agreements affecting the Project property or development thereof.

ARTICLE V: DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

1. Powers of the District and Service Plan Amendment. The Districts shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.
2. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The

Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Final Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto. Any Fee imposed by the District for access to such park and recreation improvements shall not result in residents of the City who do not reside in any of the Districts paying a user fee that is greater than similar Fees paid by residents of the Districts. However, the Districts shall be entitled to impose an administrative Fee as necessary to cover additional expenses associated with residents of the City who do not reside in the Districts to ensure that such costs are not the responsibility of District residents. All such Fees shall be based upon the District's determination that such Fees do not exceed reasonable annual market fees for users of such facilities. Notwithstanding the foregoing, all parks and trails owned by the Districts shall be open to the general public and Residents of the City who do not reside in any of the Districts, subject to the rules and regulations of the Districts as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of Property within the Districts.

In the event that the Districts imposes a mill levy for operation and maintenance purposes, such mill levy shall not exceed [] mills (the "Operation and Maintenance Mill Levy"); provided, however, that if, on or after date of adoption of this Service Plan, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement, the Operation and Maintenance Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the Operation and Maintenance Mill Levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For the purposes of the foregoing, a change in the ratio of actual valuations shall be deemed a change in the method of calculating assessed valuation.

3. Fire Protection Limitation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

4. Television Relay and Translation Limitation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

5. Golf Course Construction Limitation. Acknowledging that the City has financed public golf courses and desires to coordinate the construction of public golf courses in the City's boundaries, the Districts shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

6. Construction Standards Limitation. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The Districts will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

7. Eminent Domain Limitation. The Districts shall not be authorized to utilize the power of eminent domain or dominant eminent domain against City owned property or City leased property without the prior consent from the City.

8. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the Districts shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

For purposes of this Section, "a private placement" does not include the sale of Debt to an underwriter who purchases Debt from the Districts with a view to the distribution to investors of Debt.

In no event shall Debt that is privately placed with a developer or owner of the property to be benefitted with Public Improvements or annually appropriated Debt bear interest at a rate that accrues at a compounding rate.

9. Inclusion and Exclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City.

10. Overlap Limitation. The boundaries of the Districts shall not overlap. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts.

11. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the Districts shall not: (a) issue any Debt; or (b) impose a mill levy

for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; or (c) impose and collect any Fees used for the purpose of repayment of Debt.

12. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of \$[] (combined limit for all Districts), including the aggregate principal amount of Debt issued for Regional Improvements. The Districts shall only issue Debt with repayment terms within the life expectancy of the financed assets. Such limitation shall not be applicable to Debt issued to refund existing Debt unless the aggregate principal amount of the Debt issued for refunding purposes exceeds the aggregate principal amount of Debt to be refunded, in which case the difference shall be counted against this limitation.

13. Fee Limitation. Each of the Districts may impose and collect Fees as a source of revenue for repayment of Debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the District.

14. Public Improvement Fees. With the prior written consent of the City, each of the Districts may impose and collect receive revenue from a Public Improvement Fee on taxable retail sales transactions within the applicable District's boundaries.

15. Special Assessments. With the prior written consent of the City, each of the Districts may establish one or more special improvement districts within the applicable District's boundaries and may levy a Special Assessment within the special improvement district in order to finance all or part of the costs of any Public Improvements to be constructed or installed that the District is authorized to finance.

16. Monies from Other Governmental or Non-Profit Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the Districts without any limitation.

17. Consolidation Limitation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City unless such consolidation is with District [].

18. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

- (a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and
- (b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy or the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

19. Revenue Bond Limitation. The Districts shall not issue revenue bonds, except as set forth in this Section. At least 30 days prior to issuing any revenue bonds, the issuing District must provide notice of its intent to issue revenue bonds to the City Attorney. The issuing District must submit all relevant details of such issuance to the City Attorney.

20. Service Plan Amendment Requirement.

Consider the following. . .it is longer than what you had but I think it gives the City more protection. . .

This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. The Service Plan has been designed with sufficient flexibility to enable the Districts to provide required Public Improvements under evolving circumstances without the need for numerous amendments. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project, subject to the limitations of this Service Plan and the Intergovernmental Agreement.

The Districts are independent units of local government, separate and distinct from the City, and its activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of the Service Plan, the City Code, or the Intergovernmental Agreement. As such, any action of the Districts which: (1) violates the limitations set forth in this Article V; (2) constitutes a material modification under City Municipal Code; or (3) constitutes a failure to comply with the Intergovernmental Agreement or other agreement with the City, which non-compliance has not been waived in writing by the City, shall be deemed to be a material modification to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such action(s) of the Districts.

Any City approval requirements contained in this Service Plan (including, without limitation, any provisions requiring that a change, request, occurrence, act or omission be treated as a Service Plan Amendment or be deemed a “material modification” of the Service Plan) shall remain in full force and effect, and, unless otherwise provided by resolution of the City Council, such City approval shall continue to be required, notwithstanding any future change in law modifying or repealing any statutory provision concerning service plans, amendments thereof or modifications thereto.

21. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the Districts, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately \$[REDACTED]

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

22. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into an Intergovernmental Cost Sharing and Recovery Agreement which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

ARTICLE VI: REGIONAL IMPROVEMENTS

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, or B below.

The Districts shall impose the ARI Mill Levy and shall convey it as follows:

A. If the City and the District have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional

Improvements which benefit the service users and taxpayers of the Districts in accordance with such agreement; or

B. In the event the City and the District have not executed an intergovernmental agreement addressing the Regional Improvements Mill Levy, then the revenue shall be conveyed by the Districts to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under this Section VI and shall not expend such revenue until an intergovernmental agreement is executed between the Districts and the City establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement between the City and the District relating to the Regional Improvements Mill Levy is not executed within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the Districts as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, the Districts may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth the definition of the ARI Mill Levy. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Section VI.A, or B above, unless the City has agreed otherwise in writing; provided, however in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The District shall cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy described in this Section VI at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

The Districts shall have the authority to issue Debt for the Regional Improvements, pursuant to the intergovernmental agreement as described in VI.A above. Failure of the Districts to impose or remit to the City the ARI Mill Levy shall be deemed a material modification of this Service Plan and the City make take any action at law and equity to enforce the same.

ARTICLE VII: FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its

revenues and by and through the proceeds of Debt to be issued by any of the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total Debt that the Districts shall be permitted to issue shall not exceed \$[_____] (combined limit for all Districts, including the aggregate principal amount of Debt issued for Regional Improvements) and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes and Fees to be imposed upon all Property within the Districts. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The maximum interest rate on any Debt shall not exceed eighteen percent (18%). The maximum underwriting discount shall not exceed five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

The “Maximum Debt Mill Levy” shall be the maximum mill levy the Districts are permitted to impose upon the Taxable Property within the Districts for payment of Debt, exclusive of the Regional Improvements Mill Levy and the Operation and Maintenance Mill Levy, and shall be determined as follows:

1. For the portion of any aggregate Debt which exceeds fifty percent (50%) of the issuing District’s assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 below; provided that if, on or after the date of adoption of this Service Plan, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the date of adoption of this Service Plan, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For the portion of any aggregate Debt of the issuing District which is equal to or less than fifty percent (50%) of the District’s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" or "Districts" as used herein shall be deemed to refer to the applicable District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition. No subdistrict may be organized without the prior consent of the City.

D. Maximum Debt Mill Levy Imposition Term.

Each District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI. Other than the ARI Mill Levy, no District shall impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless (I) a majority of the Board of Directors of the District are residents of the District and (II) have voted in favor of a refunding of a part or all of the Debt. Any amount of principal and/or accrued interest that remains unpaid upon the expiration of the Maximum Debt Mill Levy Imposition Term shall be deemed to be forever discharged (the "Termination Date") regardless of the amount of principal and interest paid prior to the Termination Date.

E. Debt Repayment Sources.

The Districts may impose a mill levy on Property within its boundaries as a primary source of revenue for repayment of debt service. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(l), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or, for residential property within the Districts, the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the Districts and the City for Regional Improvements.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the issuing District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

G. Security for Debt.

The Districts shall not pledge any property of the City as security for the Debt set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the Districts in the payment of any such obligation.

H. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Board, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of the District's Board.

I. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be [] Dollars (\$[]), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be \$[] which is anticipated to be derived from property taxes and other revenues. The total mill levy imposed for Operation and Maintenance Costs shall not exceed [10] mills (the "**Operation and Maintenance Mill Levy**") provided, however, that if, on or after date of adoption of this Service Plan, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement, the Operation and Maintenance Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the Operation and Maintenance Mill Levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For the purposes of the foregoing, a change in the ratio of actual valuations shall be deemed a change in the method of calculating assessed valuation.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services

to its taxpayers and service users. It is anticipated that the Developer will advance funds to the Districts to pay its operating costs until such time as the Districts have sufficient revenue from its Operation and Maintenance Mill Levy. The Districts shall be authorized to reimburse the Developer for such advances with interest, provided, however that such interest shall be calculated as simple interest and shall not allow for the accrual of compound interest.

Failure to observe the requirements established in this Article VII. shall constitute a material modification pursuant to Section 32-1-207, C.R.S. and shall entitle the City to all remedies available at law and in equity.

J. Subdistricts.

The Districts may organize subdistricts or areas as allowed by Section 32-1-1101(1)(f), C.R.S., but only with prior approval of the City Council, and any such subdistrict(s) or area(s) shall be subject to all limitations on debt and other provisions of the Service Plan. In accordance with Section 32-1-1101(1)(f)(I), C.R.S., the any District contemplating the organization of a subdistrict shall notify the City prior to establishing any such subdistrict(s) or area(s), and shall provide the City with details regarding the purpose, location, and relationship of the subdistrict(s) or area(s). The City Council may elect to treat the organization of any such subdistrict(s) or area(s) as a material modification of the Service Plan.

ARTICLE VIII: ANNUAL REPORT

A. General.

The Districts shall be responsible for submitting an annual report to the City's Finance Director, City Clerk, City Manager, City Attorney and Department Manager of the Office of Development Assistance of the City Manager's Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued.

B. Standard Reporting Requirements of Significant Events.

The annual report shall include information as to any of the following:

1. A narrative summary of the progress of the District's implementation of the Service Plan.
2. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
3. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
4. Copies of the District's rules and regulations, if any as of December 31 of the prior year.

5. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.
6. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
7. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
8. The assessed valuation of the District for the current year.
9. Current year budget including a description of the Public Improvements to be constructed in such year.
10. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
11. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
12. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.
13. Any additional information the District believes important to report.

C. Additional Reporting Requirements.

The annual report shall also include the following:

1. summary of the amount and terms of any new district indebtedness or long-term obligations issued in the report year;
2. summary of the amount of payment or retirement of existing indebtedness of the district in the report year;
3. the current mill levy of the district pledged to debt retirement in the report year;
4. a summary and detailed disclosure of the capital expenditures incurred by the district in development of improvements in the report year;
5. [LIST OF ADDITIONAL REQUIREMENTS]

ARTICLE IX: TRANSPARENCY

The Districts shall be responsible for maintaining a publicly accessible website with each District's information for purposes of further public transparency.

Standard Reporting Requirements. The website shall include the following:

1. District's name.
2. official contact information for District mailings or other communication.
3. listing of current board members.
4. notice of the date and procedures relating to any upcoming election for board member position(s) for the District.
5. description of the District's maximum mill levy.
6. description of the District's authority to impose and collect rates, fees, tolls and charges.
7. description of current debt obligations.
8. listing, description, and estimated life expectancy of all items financed through debt.
9. complete copy of current District map, which clearly identifies the District's boundaries.
10. complete copy of each Annual Report.
11. complete copy of applicable Service Plan(s) and any amendments.
12. any additional information the District believes would further transparency.

The District shall keep the information updated in a timely manner. The District shall update the information in a timely manner or within 14-days of the information becomes known to the District, whichever is less. The District shall provide the Director with the website Uniform Reference Locator (URL) prior to the execution of the Service Plan and within 2-days of any change to the URL.

ARTICLE X: DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

ARTICLE XI: DISCLOSURE TO PURCHASERS

Each District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy. The form of notice shall substantially comply with the Model Notice (**Exhibit E**). The city council shall have the sole discretion to determine whether the form of notice substantially complies with the form and content of the model notice.

ARTICLE XII: INTERGOVERNMENTAL AGREEMENT

The form of the intergovernmental agreement required by the City Code, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit D**. The Districts shall approve the intergovernmental agreement in the form attached as **Exhibit D** at its first Board meeting after its organizational election. Failure of the Districts to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

ARTICLE XIII: AMENDMENT REQUIREMENT

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in V.A.1-14 above or in VII.B-G. or requirements set forth in _____ shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

Should any district undertake any act which constitutes a material modification to the service plan, the City Council may impose one or more of the following sanctions, as it deems appropriate:

- (a) Exercise any applicable remedy under the Act.
- (b) Withhold the issuance of any permit, authorization, acceptance or other administrative approval or withhold any cooperation necessary for the district's development or construction or operation of improvements or provision of services.
- (c) Exercise any legal remedy under the terms of any intergovernmental agreement under which the district is in default.
- (d) Exercise any other legal remedy, including seeking injunctive relief against the district, to ensure compliance with the provisions of the service plan or applicable law.

All remedies available to the city under this section shall be cumulative and non-exclusive.

ARTICLE XIV: CONCLUSION

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Section 122-35 of the City Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.
8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.
9. The creation of the District is in the best interests of the area proposed to be served.

EXHIBIT A

Legal Descriptions

EXHIBIT B

Arvada Vicinity Map

EXHIBIT C-1

Initial District Boundary Map

EXHIBIT C-2

Inclusion Area Boundary Map

EXHIBIT D

Intergovernmental Agreement between the District and Arvada

EXHIBIT E

Model Notice



Metro District Workshop



May 24, 2021



History of Metro Districts in Arvada

City Code Section 91-2 (7) adopted 2007

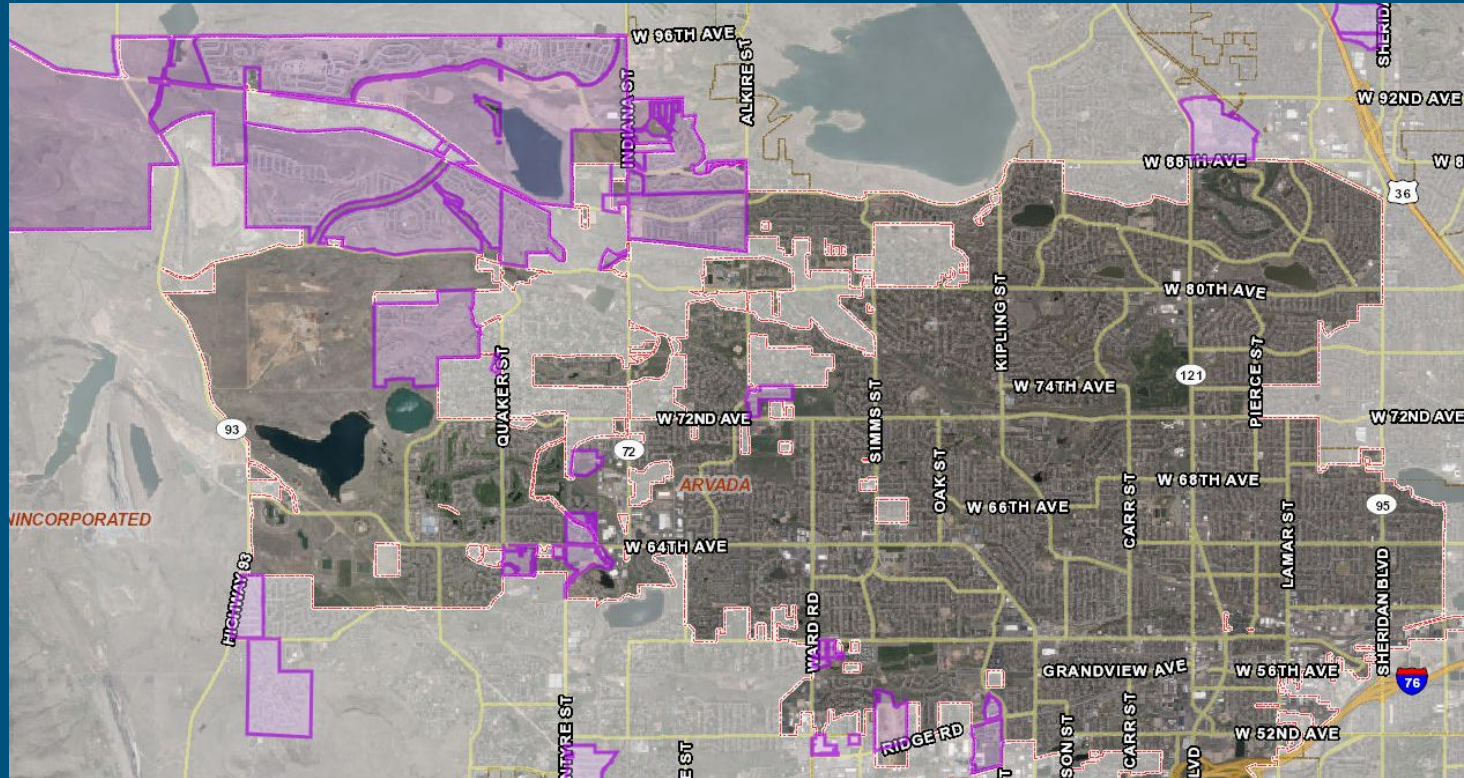
Council's historical policy considerations

- construct regional significant infrastructure that meets a Council Strategic Result
- located ½ mile of designated rail stop
- located in a designated redevelopment area
- construction meets Colorado Green Build Program

Current Metro Districts in Arvada

- There are currently 16 active districts in Arvada
- Total mills range from 10 (Kipling Ridge) to 92.7 (Hometown South)
- Range of debt only mills: 10 (Kipling Ridge) to 55 (Cimarron/Vauxmont)
- Range of operations mills: 0 (5 Districts) to 41.14 (Hometown South)
- Total issued debt: \$285,000,000 (2018)
- Total housing units within the districts: 6,200 (2018)
- 13% of the City residents live in a Metro District

Map of Special Districts in Arvada



Increased Regional Metro District Scrutiny

Process of Creating a Metro District

Level of Debt Issued by Metro Districts

How Debt is Spent by Metro Districts

Oversight of Spending by Metro Districts

Awareness of Metro District Property owners of Metro District Obligations

Transparency of Metro District processes

Intent of the update is to address each of these issues.

Proposed Updates to the Ordinance and Model Service Plan

1. Regional Financial Contributions
2. Transparency
3. Accountability
4. Mill Level Debt Limits
5. Mill Level Operations Limits
6. Limits on Terms of Debt

Regional Financial Contributions

- City has the ability to require additional mills to be paid to the City to contribute towards regional infrastructure that also benefits the district.
 - Additional mill do not count toward the debt mill limit
- City has the ability to ask for an additional lump sum payment from debt proceeds to contribute towards regional infrastructure that also benefits the district.
- Regional Improvements must be part of the City CIP plan (funded or unfunded)

Transparency

As part of the Model Service Plan there are new Transparency requirements.

- Website required with a list of “standard reporting requirements”
 - Contact information
 - Board members
 - Description of mill levy
 - Current debt obligations
 - Annual report
 - Service plan

Accountability

Should a Metro District breach the terms of the Service Plan, the City may utilize any of the following remedies:

- Withhold the issuance of any permit, authorization, acceptance or other administrative approval or withhold any cooperation necessary for the district's development or construction or operation of improvements or provision of services.
- Exercise any legal remedy under the terms of any intergovernmental agreement under which the district is in default.
- Exercise any other legal remedy, including seeking injunctive relief against the district, to ensure compliance with the provisions of the service plan or applicable law.
- Exercise any applicable remedy under the Act.

Mill levy debt, operations, and term limits

- Debt mills cannot exceed 50 mills
- Operations mills cannot exceed 10 mills
- Debt and operating mills are mutually exclusive
- Debt cannot be refinance past the life expectancy of the asset in which it bought

Next Steps

- Incorporate City Council feedback into the draft ordinance and service plan
- Distribute draft ordinance and service plan to community and Metro District professionals for additional feedback
- Based on feedback from broader community, bring back a final draft ordinance and service plan to City Council for their consideration.

Listing of Current Metro Districts

[City Clerk Listing of Metro Districts](#)

[Metro Districts Information](#)



REPORT TO CITY COUNCIL

AGENDA ITEM
2.B.

TO: THE HONORABLE CITY COUNCIL

DATE: May 24, 2021

SUBJECT: Staff Updates

Report in Brief

The purpose of this workshop is for staff to provide City Council with brief updates on projects and issues that do not require a full workshop.

Prepared by:
Chris Koch, CCO Admin

Reviewed by:

Approved by:

Enclosure, exhibits & attachments required to support the report