TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: June 6, 2022

SUBJECT: **Public Hearing –** Resolution Approving the Amended and Restated Service Plan for Ledge Rock Center Residential Metropolitan District No. 2

ACTION PROPOSED: Consider Resolution No. 2022-24

ATTACHMENTS: 1. Proposed Amended and Restated Service Plan for Ledge Rock Center Residential Metropolitan District No. 2
2. Executive Summary prepared by David O'Leary, counsel for the Developer
3. Resolution Approving the Amended and Restated Service Plan for Ledge Rock Center Residential Metropolitan District No. 2

PRESENTED BY: Town Attorney, Avi Rocklin, and Special Counsel, MaryAnn McGeady

AGENDA ITEM DESCRIPTION: On September 8, 2021, the Town Council approved a Service Plan for the Ledge Rock Center Residential Metropolitan District No. 2 ("District") in connection with a development known as Ledge Rock Center, generally located east of U.S. Interstate 25 and south of Highway 60/County Road 48, and the District was thereafter organized by Order and Decree of the District Court of Weld County. The Service Plan provides, among other provisions, that the District is not entitled to issue debt until the Town Council approves an Amended and Restated Service Plan. The District desires to issue debt and thus submitted to the Town, and requests approval of, an Amended and Restated Service Plan for the Ledge Rock Center Residential Metropolitan District No. 2 ("Amended and Restated Service Plan").

The following is a brief description of certain of the relevant provisions in the Amended and Restated Service Plan:

- The service area for the District includes approximately 61.544 acres of land in the initial boundaries.

- The District is anticipated to include single family residential development.

- The maximum debt mill levy is 40 mills and the maximum operations and maintenance mill levy is 10 mills. The mill levies are subject to an assessed valuation adjustment, meaning, primarily, that if the residential assessment rate is changed (the ratio of assessed valuation to actual valuation), the mill levy may be increased above the cap so that the rate change is revenue neutral to the District.

- The capital plan, attached as Exhibit E to the Amended and Restated Service Plan, estimates public improvement project costs of approximately $14,657,820.

- The financial plan, attached as Exhibit F to the Amended and Restated Service Plan, provides that the District will have the ability to issue debt in the amount of $3,597,000, which is anticipated to generate approximately $2,282,090 in net proceeds to the project. The maximum debt authorization under the Service Plan is $4,320,000.

If the Town Council approves the Amended and Restated Service Plan, the District will be entitled to issue debt, including bonds.

LEGAL ADVICE:

The Town Attorney and the Town's Special Counsel have reviewed the proposed Service Plan.

FINANCIAL ADVICE :

The Town's Special Counsel has reviewed the financial plan.

RECOMMENDED ACTION: Approve Resolution No. 2022-24

SUGGESTED MOTIONS:

For Approval: I move to approve Resolution No. 2022-24, a Resolution Approving the Amended and Restated Service Plan for Ledge Rock Center Residential Metropolitan District No. 2.

For Approval with Conditions: I move to approve Resolution No. 2022-24, a Resolution Approving the Amended and Restated Service Plan for Ledge Rock Center Residential Metropolitan District No. 2, with the following modifications to the proposed Amended and Restated Service Plan, _____, and direct the Town Attorney to revise the Amended and Restated Service Plan accordingly.

For Denial: I move to deny approval of Resolution No. 2022-24, a Resolution Approving the Amended and Restated Service Plan for Ledge Rock Center Residential Metropolitan District No. 2.

Reviewed and Approved for Presentation,

Town Manager