



Agenda Item Summary

MEETING DATE: November 14, 2022

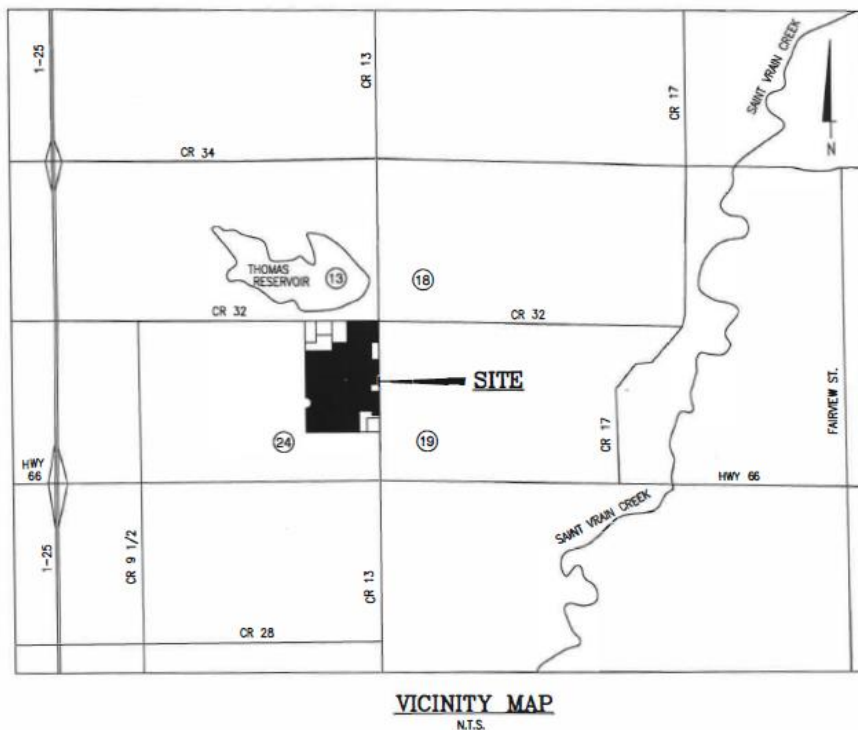
SUBJECT: Resolution No. 87-R-2022 – A Resolution of the Town of Mead, Colorado Approving with Conditions the Amended and Restated Service Plan for the Red Barn Metropolitan District, and Authorizing Execution of the Second Amendment to Intergovernmental Agreement Between the Town and the District.

PRESENTED BY: Marcus McAskin, Town Attorney

OVERVIEW

The Red Barn Metropolitan District (“District”) has filed an Amended and Restated Service Plan (“Amended Service Plan”) with the Town. The Board of Trustees, at the District’s request, opened and continued the hearing on the Amended Service Plan at the regular meeting on November 1, 2022, to November 14, 2022, at 6 p.m. at Town Hall. The main purpose of the Amended Service Plan is to increase the District’s debt capacity from \$15,000,000 to \$21,000,000 to reflect capital cost increases.

The Town approved the original Service Plan for the District on July 29, 2019, by Resolution No. 55-R-2019, and the District was subsequently organized to serve the Red Barn development, located southwest of the intersection of CR 13 and CR 32.



The Board of Trustees approved a First Amendment to Intergovernmental Agreement Between the Town and the District by Resolution No. 27-R-2021, by which the District assumed certain costs on behalf of the Town pursuant to a license agreement with the Baugh Lateral Ditch and Reservoir Company. The proposed Resolution approves a Second Amendment to Intergovernmental Agreement to memorialize the Amended Service Plan revisions (Exhibit F-3 to Amended Service Plan).

The District’s legal counsel (Joan Fritsche with Fritsche Law) is scheduled to present a summary of the Amended Service Plan at the November 14th continued public hearing. A copy of the District’s PowerPoint presentation is attached to this *Agenda Item Summary* (reference Attachment 6. below).

ANALYSIS OF COMPLIANCE WITH MMC

Mead Municipal Code (“MMC”) Section 12-3-10(d) provides that service plan amendments shall be processed substantially in accordance with the district formation procedures of MMC Chapter 12, including notice and hearing provisions, and service plan requirements. Town Staff has reviewed the application for the Service Plan Amendment and Letter of Intent dated November 4, 2022, attached to this *Agenda Item Summary* (“Letter of Intent”), and finds that the submittal is in conformance with MMC requirements.

- Notice of the hearing on the Amended Service Plan was published on October 14, 2022, in accordance with MMC Section 12-2-40. The Publisher’s Affidavit is attached to this *Agenda Item Summary*.
- The District is proposing to increase its debt issuance limitation from \$15,000,000 to \$21,000,000. This increase is based on increased costs of infrastructure (see EXHIBT D of the attached Amended and Restated Service Plan), still leaving a percentage of the costs unfunded by the District (which costs are to be covered by the developer), as shown in the chart below. The updated Engineer’s Cost Estimate reflects the amounts shown in the

updated capital plan (attached as EXHIBIT D to the Amended Service Plan). Because the Town has approved final plats for Red Barn Filing Nos. 1 and 2, the capital plan reflects actual costs of improvements for earlier phases, where available, and estimates for improvements for later phases of development.

	Current Service Plan	Amended Service Plan
Engineer's Cost Estimate	\$17,390,178	\$26,752,092
District Debt Limit	\$15,000,000	\$21,000,000
Percentage Increase in Debt Limit	0%	29%
Percentage of Costs Funded	86%	78%
Percentage of Costs Unfunded	14%	22%
Unfunded Costs	\$2,390,178	\$5,752,092

The debt limitation increase conforms with MMC Section 12-2-20, which provides that the total debt limitation shall not exceed the cost estimates reflected in the capital plan with a contingency not to exceed 10%.

- The Amended Service Plan also includes an updated financial plan (attached thereto as EXHIBIT E). This exhibit is required by MMC Section 12-2-20.
- The Amended Service Plan carries forward the District's previously approved Maximum Debt Mill Levy of 50 mills, rather than the 45 mill cap pursuant to the model service plan.
- The District has included the below provisions in the Amended Service Plan for substantial compliance with the Town's current model service plan, as required by MMC Section 12-2-20(a). (The Town's current model service plan contains provisions that were not part of the District's original 2019 service plan.)
 - Requirement to convey real property owned by the District to Town upon Town's determination that such property is necessary for Town capital improvement projects (Section V.A.3 of Amended Service Plan)
 - Limitations on District's imposition of recurring fees, public improvements fees, and capital fees (Section V.A.7 of Amended Service Plan)
 - Requirement to obtain Town consent prior to exercise of eminent domain authority against Town-owned or Town-leased property (Section V.A.10 of Amended Service Plan)
 - Land purchase limitation (Section V.A.11 of Amended Service Plan)
 - Requirements for developer reimbursement of public improvement costs (Section V.A.12 of Amended Service Plan)
 - Requirements for Board meetings once District is resident-occupied (Section V.A.13 of Amended Service Plan)
 - 20-year limitation on imposition of debt mill levy for repayment of developer debt, rather than standard debt term limitation (Section VI.D of Amended Service Plan)
- The District requests a 40-year debt mill levy imposition term, rather than 30 years, in conformance with the original 2019 service plan, pursuant to MMC Section 12-2-20(b). The Letter of Intent explains that the District will provide extraordinary public benefit justifying the longer term as follows: regional and offsite improvements including water and sanitary

sewer, roadway improvements to WCR 13, WCR 32, and the intersection of Hwy 66 and WCR 13, trail system, produce farm, and community pool and clubhouse.

FINANCIAL CONSIDERATIONS

N/A.

STAFF RECOMMENDATION/ACTION REQUIRED

Recommended motion:

“I move to approve Resolution No. 87-R-2022: A Resolution of the Town of Mead, Colorado, Approving with Conditions the Amended and Restated Service Plan for the Red Barn Metropolitan District, and Authorizing Execution of the Second Amendment to Intergovernmental Agreement Between the Town and the District.”

ATTACHMENTS

Resolution No. 87-R-2022

Amended and Restated Service Plan for Red Barn Metropolitan District (ATTACHMENT A TO RESOLUTION)

Second Amendment to Intergovernmental Agreement (EXHIBIT F-3 TO AMENDED SERVICE PLAN)

Letter of Intent dated November 4, 2022

Publisher's Affidavit re Notice of Public Hearing (published in *Longmont Times-Call* on 10/14/2022)

Applicant's PowerPoint presentation (for November 14, 2022 continued public hearing)