PARKER
COLORADO

TOWN COUNCIL STUDY SESSION AGENDA
April 8, 2019
5:30 PM

I. **Town Council Items**

II. **Study Session Items**

1. Metro District Policies - Schledorn/Williams - 45 minutes
2. Alcohol in Parks and Public Spaces - Schledorn/Cleveland - 30 minutes
3. 2019 Roadway Maintenance Update - Hudson/Smith - 30 minutes
4. Chambers/Mainstreet Annexation - Hudson - 10 minutes

MEMORANDUM

TO: Mayor Mike Waid and Town Council

FROM: Tom Williams, Director Eng/PW
Kristin Schledorn, Deputy Town Attorney

DATE: April 8, 2019

SUBJECT: Metropolitan District Policies

ISSUE:

Whether to amend the Town's metropolitan district policies.

FISCAL/BUDGET IMPACT:

Below is an estimate on the annual Metro District tax for a $475,000 home (7.2% AV) comparing the Town's existing versus proposed metropolitan district policies:

Existing - Debt(35 Mills (Gallagherized to 47.3 Mills)) + O&M(10 Mills) = **$1,960/year**

Proposed - Debt(57 Mills (Gallagherized on a going forward basis) + Regional(5 Mills) + Town(5 Mills) + O&M(10 Mills) = **$2,633/year**

The proposed policy includes 5 mills which would be remitted to the Town and used for capital projects and maintenance of the public infrastructure associated with the Districts. The annual revenue generated from a $475,000 home would be approximately $171/year.

The Town is obligated to construct one-half of Chambers/Bayou Gulch Road in order to serve the Hess Ranch and Anthology North properties. The cost of this Town capital project is estimated at $20 million.

The future Town maintenance costs associated with the roads (local, collector and arterial) that will be built to accommodate the development of the Anthology North and Hess Ranch properties will exceed the revenue generated by the 5 mills.

BACKGROUND:

The Town has a comprehensive program for the regulation of metropolitan districts that are formed and operated in the Town. In 2000, the Town Council adopted Chapter 10.11, entitled Special Districts, of the Parker Municipal Code. In 2005, the Town Council approved the Town's Model Single District Service Plan, Model Multiple District Service Plan, and Model Intergovernmental Agreement, and pursuant to Section 10.11.140(a) of the Parker Municipal

Code, proposed service plans for special districts must substantially comply with the format of these models.

Since 2205, Town Council has modified the original program in two material ways. First, the Town Council established a policy several years ago to allow for the "Gallagherization" of the mill levy cap (set at 35 mills), which resulted in an effective mill levy cap of approximately 47.3 mills (Gallagher is the name given to an amendment to the state constitution which restricts the revenue that can be generated by a residential mill levy). Second, the Town Council established a policy in 2012 to allow residential metropolitan districts with 400 or more residential units to maintain certain regional improvements using up to an additional 10 mills. This resulted in these larger metropolitan districts being authorized to remain in existence even after the debt was repaid for the purpose of maintaining regional improvements and to impose collectively up to approximately 57.3 mills under the current program.

The last two large undeveloped projects in the Town are Hess Ranch and Anthology North. The Town Council has approved metropolitan districts for both of these projects and the effective mill levy cap for both is 57.3 mills (47.3 mill levy cap, as adjusted in accordance with the Gallagher amendment, and 10 mills for maintenance of regional facilities).

The Development Liaison Committee (DLC) met on November 16, 2018, and again on December 13, 2018, to discuss the Town's metropolitan district program with staff. Representatives from both Hess Ranch and Anthology North were present.

Amendments for Town Council consideration include an adjustment to the maximum debt mill levy, and authorization for the imposition of an infrastructure capital mill levy, a town-dedicated capital and maintenance mill levy, and an operations and maintenance mill levy, which varies based on size of the project. Overall, the proposal would result in the allowable imposition of between 72 and 77 mills, subject to further adjustment in accordance with the Gallagher amendment from 2019 forward. These are enumerated below and discussed in more detail on the attached Town of Parker Metropolitan District Mill Levy Parameters.

<u>Maximum Debt Mill Levy</u>
Currently, the mill levy cap for residential metropolitan districts is 35 mills (47.3 mills as adjusted in accordance with the Gallagher amendment). The proposal is to raise the mill levy cap for debt to no more than 57 mills.

<u>Infrastructure Capital Mill Levy</u>
Anthology North and Hess Ranch will both have significant regional infrastructure. The proposal is to allow a district to impose an additional 5 mills for regional improvements, if a development can demonstrate that it will need to construct or maintain significant regional infrastructure.

<u>Town Capital and Maintenance Mill Levy</u>
The proposal is for a dedication of 5 mills to be used by the Town for maintenance and/or capital costs associated with development in the district.

<u>Operations and Maintenance Mill Levy</u>
The Town's policy has been that special districts generally are not authorized to operate or maintain public improvements. However, a district may be authorized to own, operate and maintain improvements including golf courses, club houses, recreation centers, swimming pools, parks and related facilities, provided these facilities are constructed for a residential project that exceeds 400 units. If a district is authorized to perform such operations and maintenance functions, then the service plan and intergovernmental agreement with the Town may authorize the district to impose, in addition to the maximum debt mill levy, an operations and maintenance mill levy not to exceed 10 mills. The proposal is to allow districts, based on size, to impose an operations and maintenance mill levy of 5 to 10 mills for operations and maintenance activities.

<u>RECOMMENDATION:</u>
Staff and the DLC recommend revision to the Town's metropolitan district policies as outlined in the attached Parameters.

<u>REQUESTED DIRECTION:</u>
If Town Council would like to proceed with the recommended changes to the Town's metropolitan district policies, staff will bring forward changes to the Model District Service Plan and Model Intergovernmental Agreement for approval by resolution, at a future council meeting.

<u>ATTACHMENT:</u>
1. Metro District Mill Levy Parameters

TOWN OF PARKER METROPOLITAN DISTRICT MILL LEVY PARAMETERS

Up to 57 mills for district debt (Maximum Debt Mill Levy)

- 40 year limit from time a debt mill levy first imposed; after that date, any outstanding debt secured by the debt mill levy will be discharged (including any refundings)
- Debt mill levy can be extended by resident-controlled board
- Cap “rolls off” when debt/assessed value ratio drops below 50%; at that time, mill levy can become that amount necessary to pay debt and administrative costs
- Gallagherized from 2019 forward

5 mills for district and/or Town regional infrastructure capital costs (Infrastructure Capital Mill Levy)

- To be used for substantial regional infrastructure the district or the Town is required to construct in connection with the development in the district
- Utilization of mills to be determined in the IGA between the district and the Town (or an amendment thereto)
- District’s amount of debt authorization to include debt repayable from this mill levy component in the event district issues debt for the construction of the regional infrastructure
- Permanent mill levy to be imposed the first year the district is able to certify a mill levy
- Gallagherized from 2019 forward

5 mills remitted to Town (Town Capital and Maintenance Mill Levy)

- To be used by Town for maintenance and/or capital costs associated with development in the District
- Utilization of mills and allocation of mills between maintenance and capital costs to be determined in the IGA between the district and the Town (or an amendment thereto)
- District’s amount of debt authorization to include debt repayable from all 5 mills of this mill levy component in the event that the district will issue debt for the construction of Town infrastructure associated with development in the district
- Permanent mill levy to be imposed the first year the district is able to certify a mill levy
- Gallagherized from 2019 forward

Up to 10 mills for district administrative and regional maintenance obligations (Operation and Maintenance Mill Levy)

- For developments with 400 or more units
- Mills will be used for district administrative costs and for maintenance of categories of regional improvements identified in the IGA between the district and the Town
- Number of mills will be identified in the IGA
- Gallagherized from 2019 forward

Up to 5 mills for district regional maintenance obligations (Operation and Maintenance Mill Levy)

- For developments with fewer than 400 units
- Mills will be used for district administrative costs and for maintenance of categories of regional improvements identified in the IGA between the district and the Town
- Number of mills will be identified in the IGA
- Gallagherized from 2019 forward

Service Plan debt authorization shall be calculated as the product of: (a) the bonding capacity of the District, which was derived using the following assumptions: (i) the interest rate is not less than 150 basis points more than the 30 Year AAA MMD Index (as of the date of the submission of the Service Plan); (ii) inflation on completed structures does not exceed a 4% biennial growth rate; (iii) the bonds amortize over 40 years; and (iv) debt service coverage is no less than 100%; (b) the levying by the District of 57 mills for the Maximum Debt Mill Levy, 5 mills for the Infrastructure Capital Mill Levy, and 5 mills for the Town Capital and Maintenance Mill Levy; and (c) 125%.

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MEMORANDUM

TO: Mayor Mike Waid and Town Council

FROM: Jim Cleveland, Acting Deputy Town Administrator/Parks, Recreation and Open Space Director
Kristin Schledorn, Deputy Town Attorney

DATE: April 8, 2019

SUBJECT: Alcohol in Parks and Public Spaces

ISSUE:

Whether to authorize the public consumption of alcoholic beverages in any public places (specifically certain parks) within the Town of Parker, pursuant to the provisions of SB 18-243.

FISCAL/BUDGET IMPACT:

Minimal fiscal impact anticipated for additional park signage. No additional operational costs are expected from the Police Department, the Cultural Department or the Parks and Recreation Department. Premise Liability Insurance is currently being assessed by the Risk Manager.

BACKGROUND:

At the January Retreat, staff presented information to Town Council concerning the provisions of SB 18-243, which allows municipalities and counties to authorize the consumption of alcoholic beverages in any public place, other than public rights of way. If the Town were to consider a revision to its park regulations, staff would prepare an ordinance to amend Sections 8.08.010, Possession of alcohol in public places, and 12.02.200, Alcohol, of the Municipal Code, and a resolution to designate which public places (i.e., specified parks, or portions of parks) would allow open consumption. At the Retreat, staff recommended a one-year pilot program, with Discovery Park and designated areas within Salisbury Park to be included in the resolution.

RECOMMENDATION:

Although Salisbury Park was originally considered as a possible location for permitted alcohol consumption, the park consists primarily of sports fields and playgrounds. This configuration presented challenges for finding suitable areas for alcohol consumption considering the close proximity to youth activities. As a result, staff is now recommending that only Discovery Park be included in the pilot program. Open consumption at the park would be limited to wine and beer only, no hard liquor.

REQUESTED DIRECTION:

If Town Council would like to proceed with the recommendation, staff will bring forward an ordinance to amend the Municipal Code and a resolution designating Discovery Park.

ATTACHMENT:

None

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MEMORANDUM

TO: Mayor and Town Council

FROM: Chris Hudson, Public Works Manager

DATE: April 8, 2019

SUBJECT: 2019 Roadway Maintenance Update

ISSUE:

Town staff would like to review the 2019 roadway maintenance plan with Town Council.

FISCAL/BUDGET IMPACT:

Budget for the 2019 roadway maintenance work has been appropriated in the Public Works - Streets (101-4310) and Street Capital Project (301-4310) accounts.

BACKGROUND:

The Town of Parker annually undertakes roadway maintenance projects which consist of preventative maintenance and reconstruction activities to various roadways within the Town. For the past several years, Town staff has been reviewing the annual roadway maintenance plan with Town Council in early-spring to keep them informed of the upcoming work season. The 2019 budget for this annual roadway maintenance work is in excess of five (5) million dollars with this work is being competitively bid and completed by contractors working for the Town. Work includes the following contracts:

1) Resurfacing (asphalt overlay) program
2) Reconstruct program
3) Slurry/chip seal program
4) Concrete program

A PowerPoint presentation will be utilized at the study session to review the 2019 roadway maintenance plan.

RECOMMENDATION:

Proceed with the planned roadway maintenance activities to be reviewed.

REQUESTED DIRECTION:

None - The presentation is being done to inform Town Council of the 2019 plan.

ATTACHMENT:

None

MEMORANDUM

TO: Mayor and Town Council

FROM: Chris Hudson, Public Works Manager

DATE: April 8, 2019

SUBJECT: Chambers/Mainstreet Annexation

ISSUE:

Town staff would like to review the proposed Chambers Road/Mainstreet annexation and associated zoning/plats with Town Council.

FISCAL/BUDGET IMPACT:

In accordance with the 2015 intergovernmental agreement with Douglas County for the Chambers Road (Mainstreet to Hess Road) improvement project, the Town has been maintaining the improvements since the construction was completed. Therefore there is no additional budget impacts with this proposed annexation.

BACKGROUND:

In August of 2015, the Town of Parker and Douglas County entered into an intergovernmental agreement (IGA) regarding the cost sharing for the Chambers Road (Mainstreet to Hess Road) improvement project and the improvements contemplated as part of the IGA were completed in 2018. As part of that IGA, the Town of Parker committed to annex the unincorporated section of Chambers Road from and including the Mainstreet intersection to the south. This proposed annexation needs to be undertaken in several steps due to contiguity constraints. As part of the annexation, a portion of Public Service Company (PSCo) property will be annexed into the Town where Chambers Road is located in a roadway easement on PSCo property. The PSCo property will be zoned concurrently with the annexation.

This annexation process is being utilized to clean-up some additional items in the immediate area. A Town owned open space parcel that abuts the north side of the PSCo property is being proposed to be annexed and zoned concurrently with this process. This parcel (Tract T) was dedicated from Douglas County to the Town in 2016. In addition, the Town committed to dedicate excess property at the northeast corner of the Mainstreet and Chambers Road intersection to the Newlin Crossing development. The Town owned parcel on the northeast corner of the intersection is being proposed to be be annexed and zoned concurrently with this process. There is a proposed plat to be processed concurrently with this annexation process that will create the parcels for right-of-way, future dedication and Town open space for the property northeast, east and southeast of the Mainstreet & Chambers Road intersection. The Newlin Crossing planned development amendment is needed to address the zoning of this excess property at the northeast corner of the Mainstreet & Chambers Road intersection. The Town will retain the needed right-of-way and excess property south of Chambers Road. A zoning process is being proposed as part of this process to be handled concurrently in order to zone the remaining property south of Chambers Road as open space.

A PowerPoint presentation will be utilized at the study session to review the proposed annexation.

RECOMMENDATION:

Proceed with the annexation and associated steps to clean-up the jurisdiction of this area.

REQUESTED DIRECTION:

None at this time - The presentation is being done to inform Town Council of this planned annexation. The annexation and associated zoning and platting is tentatively scheduled to be part of a Town Council meeting to occur in the summer of 2019.

ATTACHMENT:

None