



Waterview II Metropolitan District

AMENDED AND RESTATED SERVICE PLAN

BOARD OF COUNTY COMMISSIONERS HEARING JANUARY 4, 2022

Location Map

- ▶ **Waterview II Metropolitan District**
 - ▶ The Trails at Aspen Ridge is the primary project within Waterview II MD.
 - ▶ The Trails at Aspen Ridge is located southeast of South Powers Boulevard and Bradley Road.



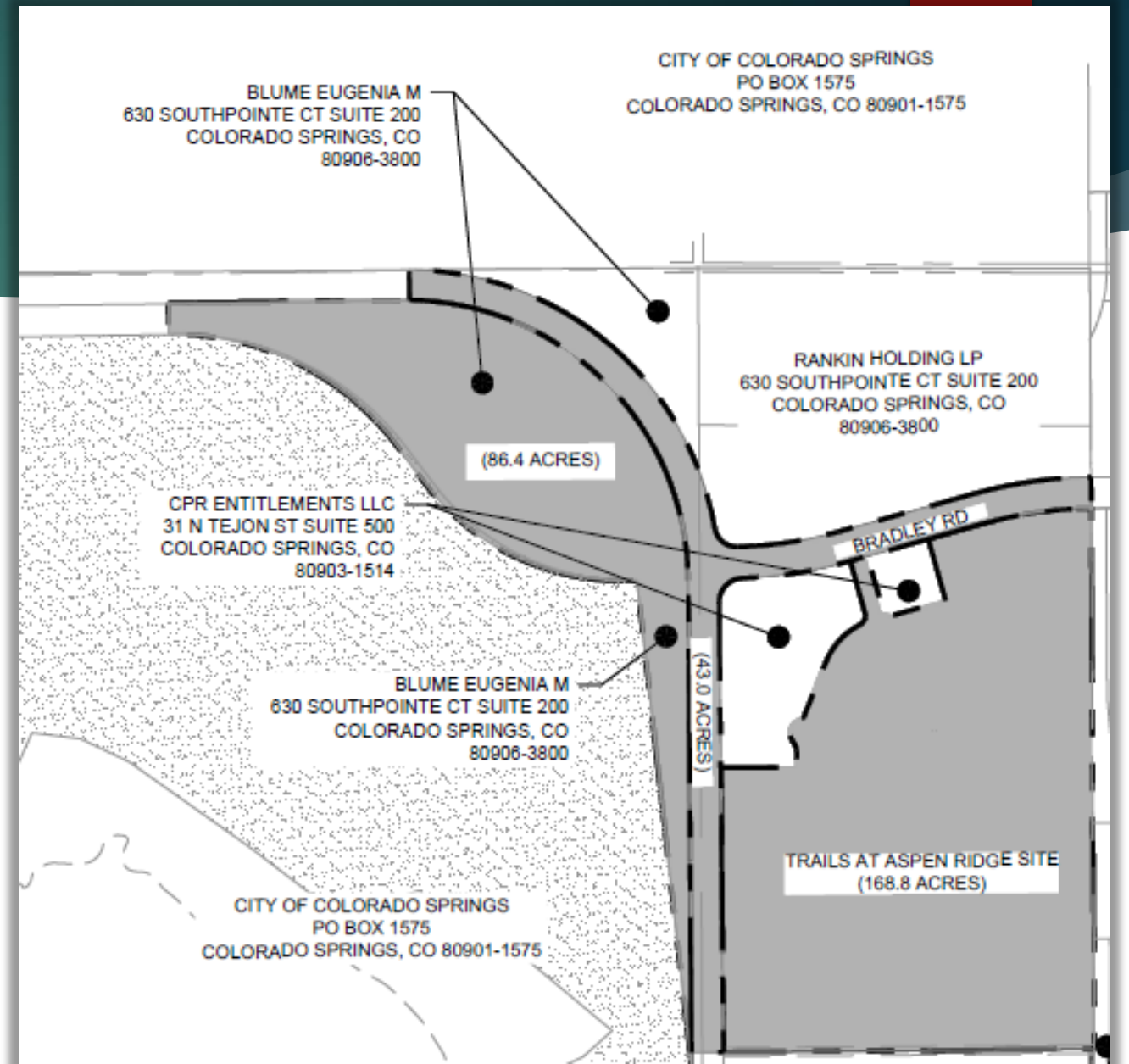
2006 Original Service Plan and 2021 Amended and Restated Service Plan (Model Service Plan)

- ▶ **2006 Original Service Plan:** Waterview II Metro District is an existing Colorado Title 32 Special District with an Original Service Plan approved by the BOCC on August 31, 2006, Resolution No. 06-308, which pre-dates the County's use of a model service plan
- ▶ The **Amended and Restated Service Plan** has been submitted pursuant to:
 1. Title 32, the Special District Act;
 2. El Paso County Article Nine of the Land Development Code;
 3. El Paso County Special District Policies; and
 4. El Paso County Model Service Plan
 5. Planning Commission Recommendation of Approval December 2, 2021

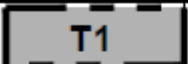



Purpose of the Amended and Restated Service Plan

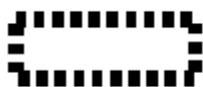
- ▶ Replace the District's 2006 Original Service Plan with the County's Model Service Plan
- ▶ Update the financing plan, estimated costs, debt limit and mill levy limitations necessary to accommodate needs of the approved "Trails at Aspen Ridge" (861 unit development)
- ▶ Powers of the District updated to Model Service Plan with power to plan, design, acquire, construct, install, operate, maintain, and finance public improvements including streets, traffic safety controls, water, sanitary sewer, landscaping, storm sewers, drainage, park and recreation facilities, and provide covenant enforcement services, design review and trash collection services.
- ▶ Depict the current District boundaries being 298.2 acres
- ▶ Expected future boundary being reduced to 168.8 acres = Trails at Aspen Ridge (861 units)

District Boundaries

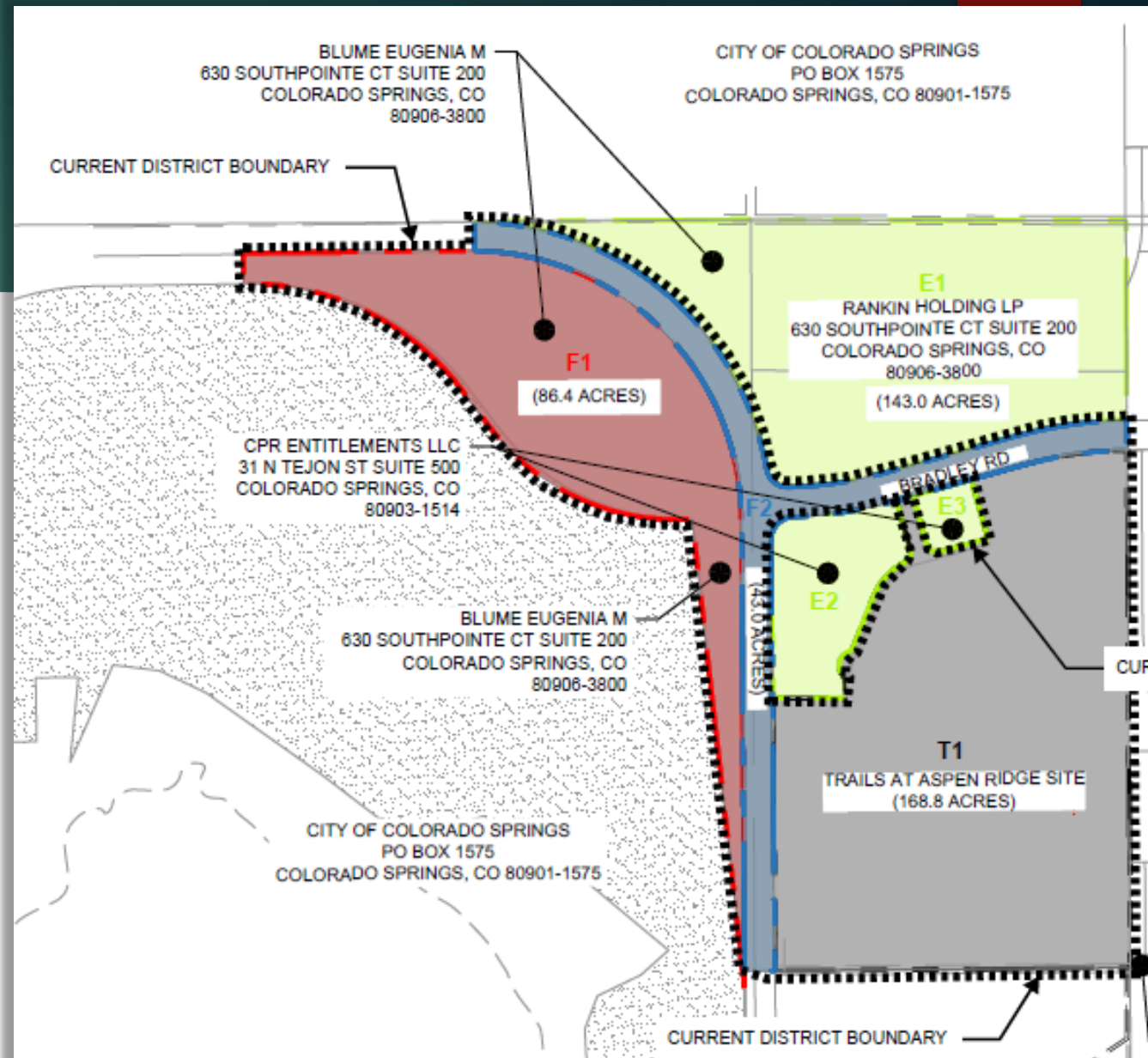


Exclusion Areas

LEGEND	
	T1 SITE (168.8 AC)
	F1 FUTURE EXCLUSION AREA (86.4 AC)
	E1/E2/E3 PREVIOUSLY EXCLUDED AREA JUNE 21, 2021 (143.0 AC)
	F2 ROW EXCLUSION AREA (43.0 AC)

 CURRENT DISTRICT BOUNDARY (298.2 AC)

TOTAL SITE + EXCLUSION AREAS = (441.2 AC)



What Is Changing

- ▶ 2006 infrastructure cost estimate \$8.4M for mix use project
- ▶ 2021 infrastructure cost estimate \$49.8M for 861 residential units
- ▶ 2006 debt limit \$35M (2006 organizational election authorized \$35M)
- ▶ 2021 debt limit \$50M (additional TABOR election needed for debt above \$35M)
- ▶ 2006 mill levy = 40 mills without adjustment to assessment ratio (2006 organizational election authorized unlimited mill levy)
- ▶ 2021 Model Service Plan allows 50 mill levy limit for debt, 10 mill levy limit for operations and 5 mill levy limit for special purpose covenant enforcement/common area/facility maintenance each with legislative adjustment (no election needed due to 2006 unlimited mill levy electoral authorization)

Development Summary

Master Plan Concept:

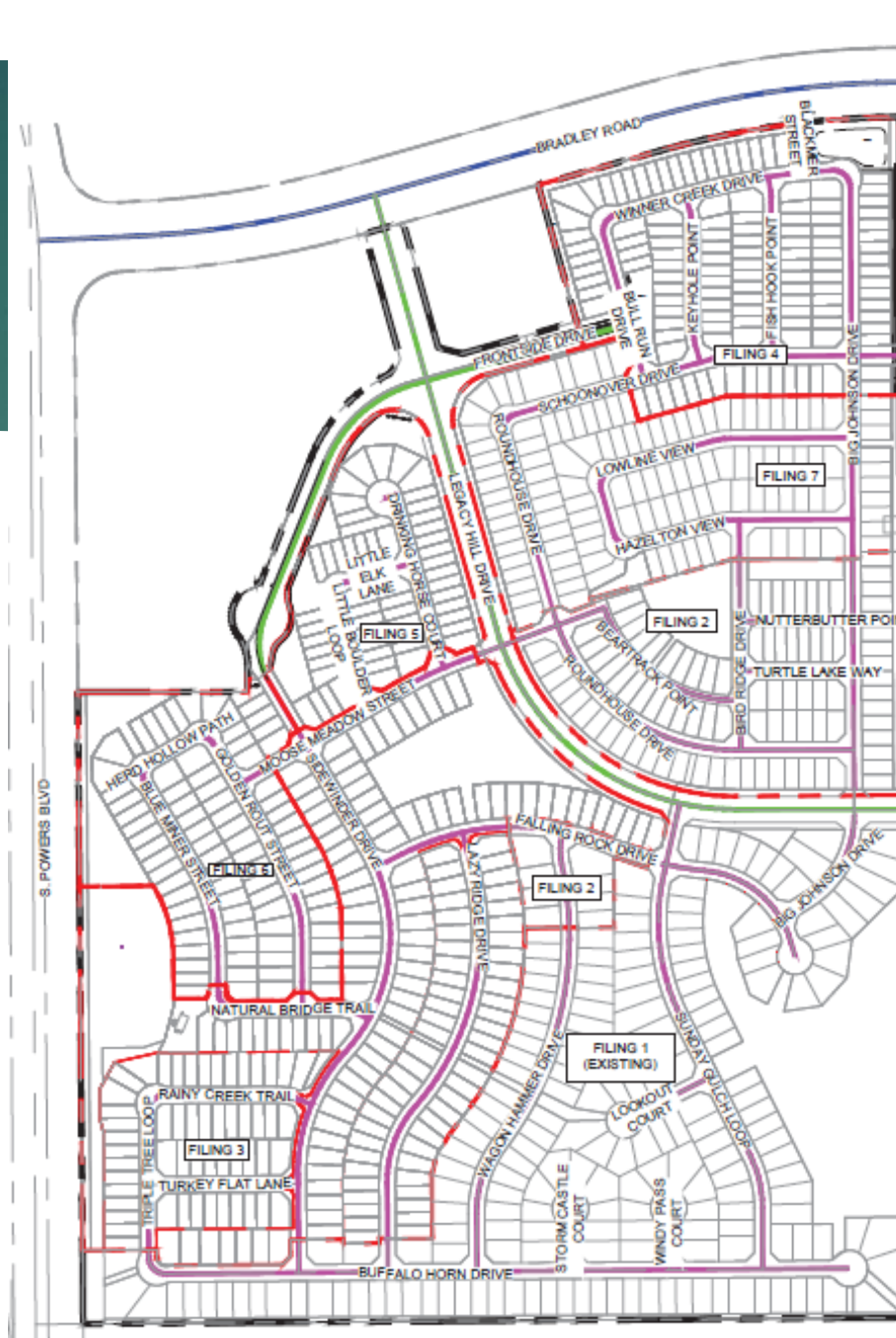
- ▶ 168.8 acres of residential property “Trails at Aspen Ridge” (861 units)
 - ▶ 2018 approved sketch plan 861 homes; 4-6 units per acre
 - ▶ Homes starting at \$425,000
 - ▶ Estimated population is 1,900 residents
- ▶ Trails at Aspen Ridge Filing No. 1 is currently zoned RS-5000 and Filings No. 2 – 6 are included in a PUD that was originally approved on December 10, 2019 and the Major Amendment to the PUD was approved on June 1, 2021
- ▶ Public Improvement construction is nearing completion in Filing Nos. 1 and 2
- ▶ First home closing occurring in 4th quarter 2021

Road Improvements

Bradley Road Widening



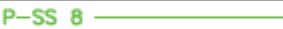

Legacy Hills Drive

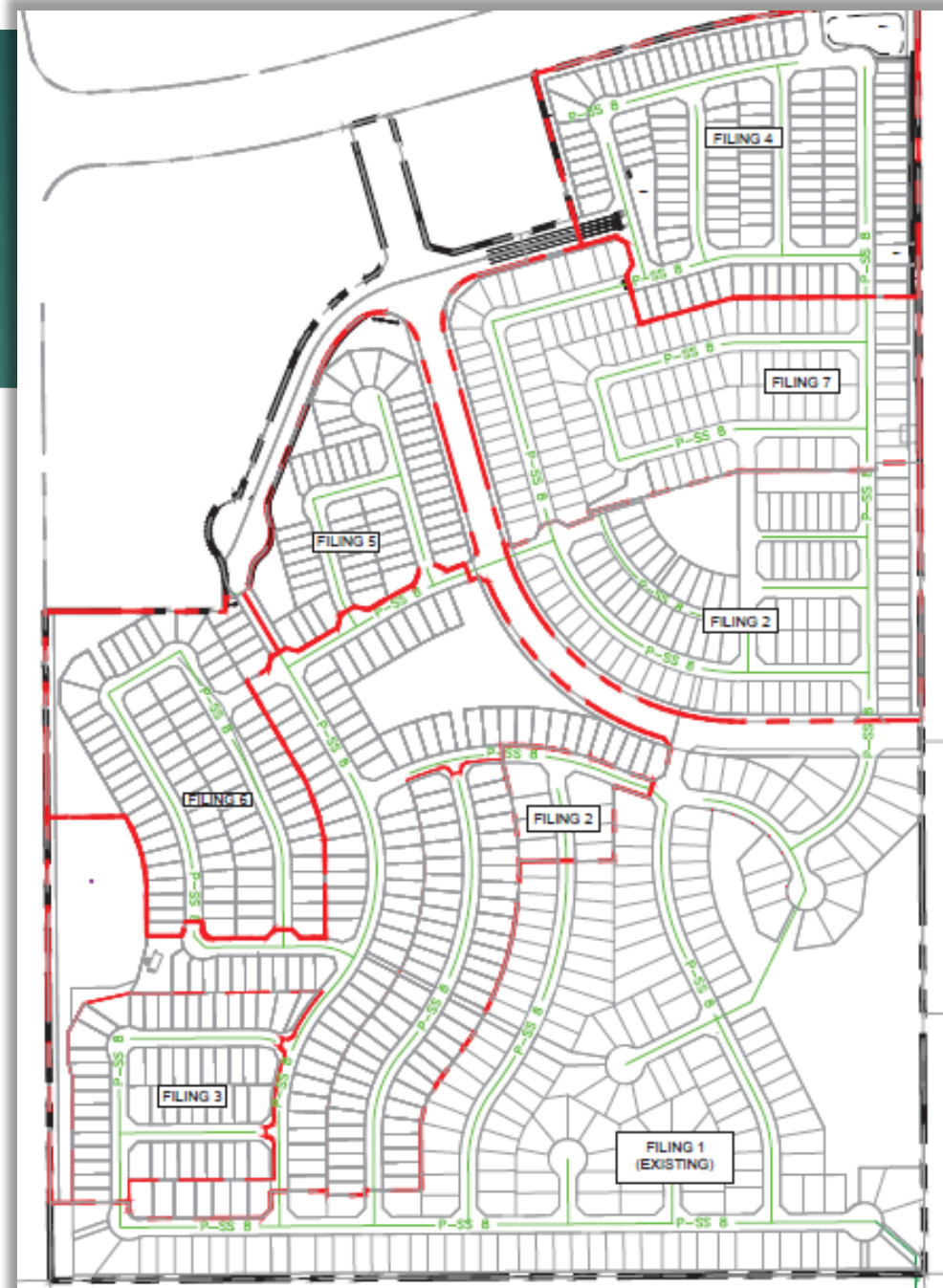


LEGEND	
	URBAN LOCAL RESIDENTIAL
	URBAN NON-RESIDENTIAL COLLECTOR
	MINOR ARTERIAL

Sanitary Sewer Improvements

Onsite Sanitary Sewer Improvements:

LEGEND	
	8" SEWER
	12" SEWER



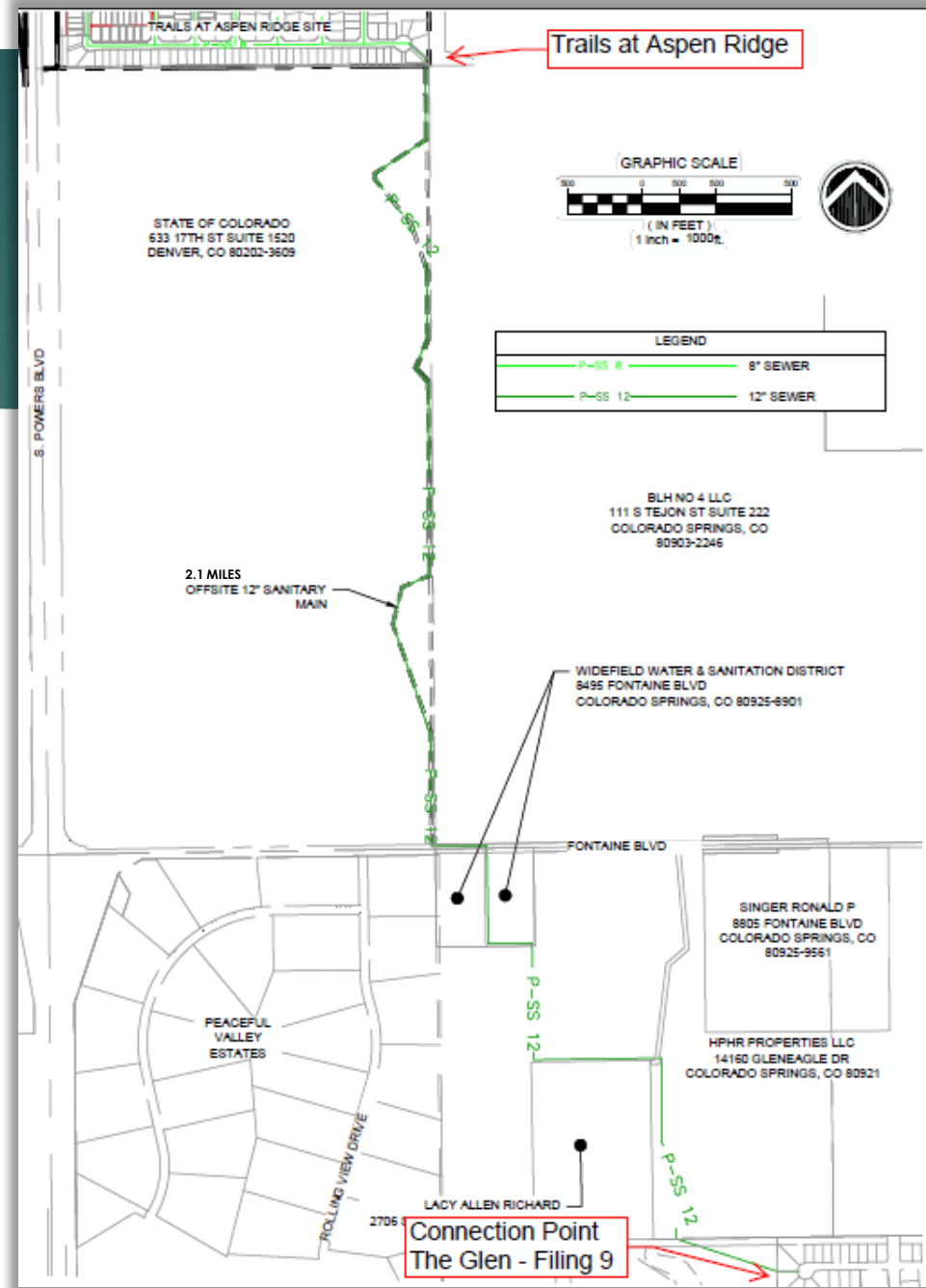
Sanitary Sewer Improvements

Offsite Sanitary Sewer Improvements:

LEGEND	
P-SS 8	8" SEWER
P-SS 12	12" SEWER




Sanitary Sewer Improvements:

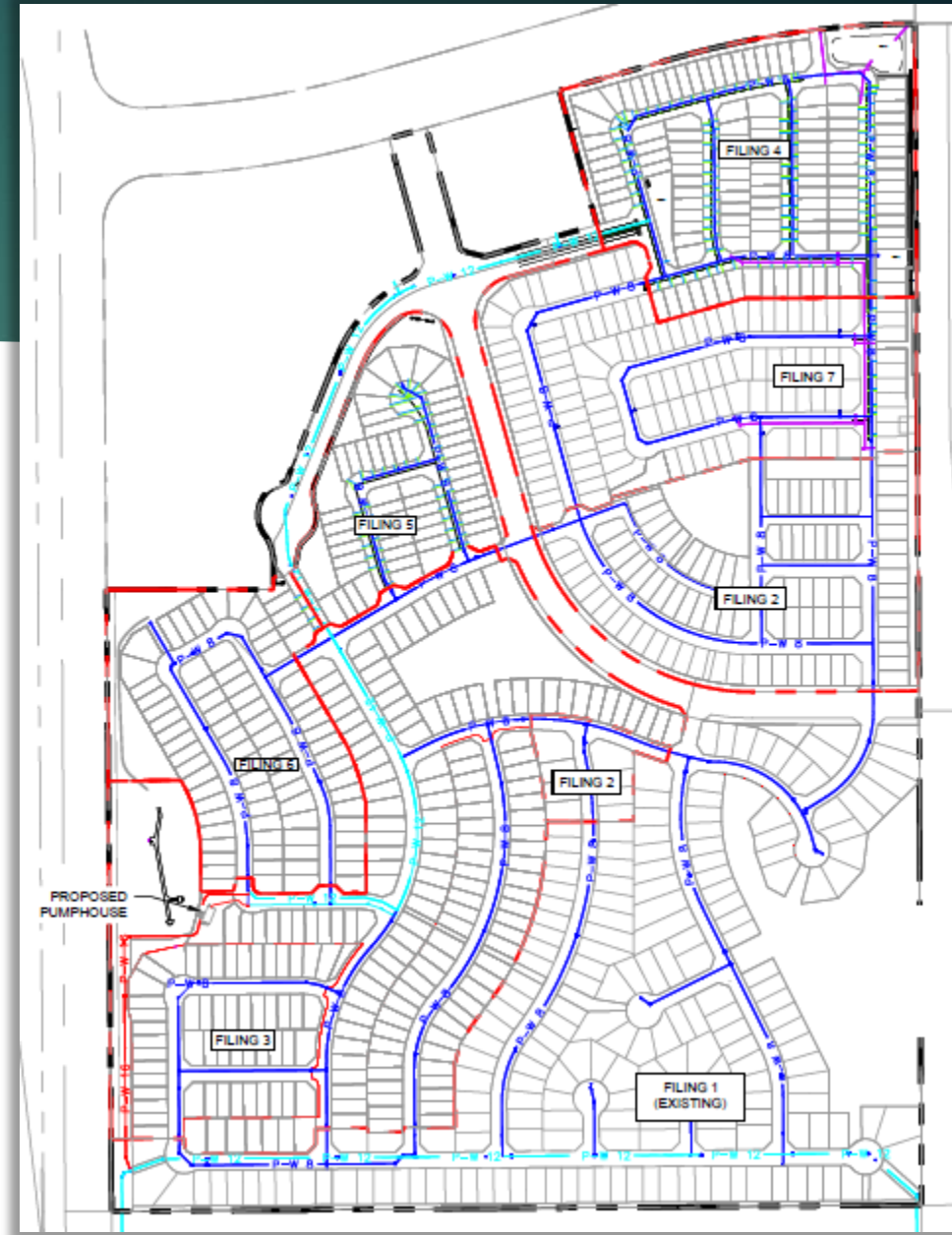
- ▶ 2.1 Miles of 12" Sanitary Sewer
- ▶ Extended south through the State Land Board Property to connect in The Glenn



Water Improvements




► Onsite Water Improvements:

LEGEND	
 P-W 8	8" PVC
 P-W 12	12" PVC
 P-W 16	16" PVC



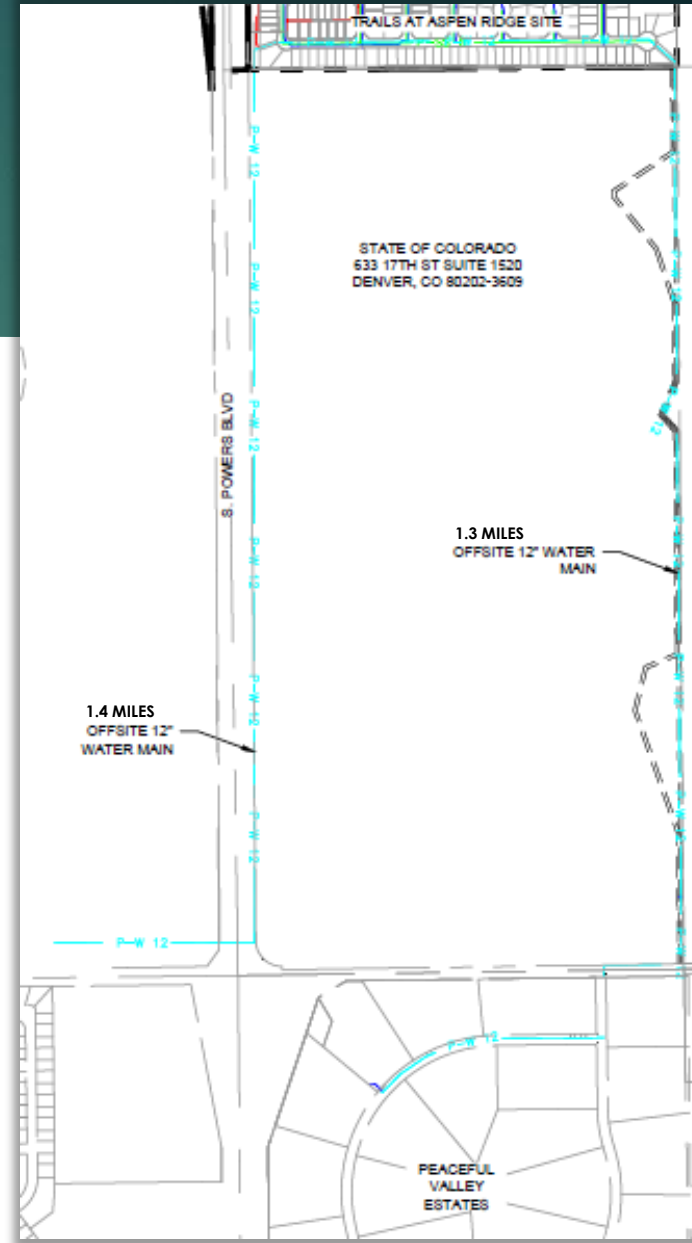
Water Improvements

▶ Offsite Water Improvements:

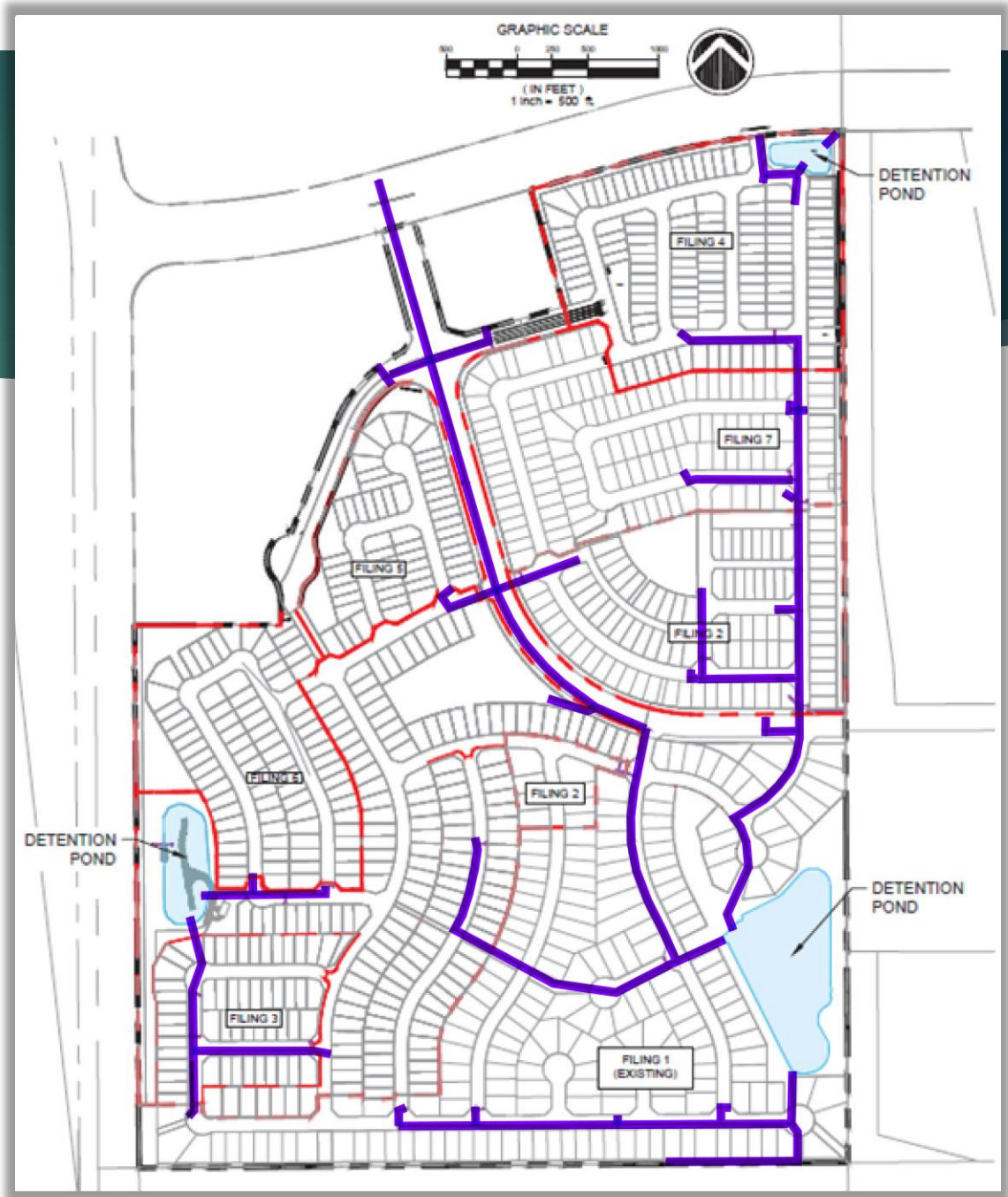
LEGEND	
 P-W 8	8" PVC
 P-W 12	12" PVC
 P-W 16	16" PVC

Waterline Improvements:

- ▶ Two 12" waterlines to be extended south to serve the property
- ▶ Waterline #1 is 1.3 miles long and was constructed in 2020
- ▶ Waterline #2 will be 1.4 miles long and construction will commence in the winter of 2022



Drainage Improvements



Landscape & Park Improvements

Legacy Hills Drive Monument, Landscape & Sound Wall



Sound Wall

- Installed Along Both Sides of Legacy Drive
- To be Installed Along the North & West Side of the Project Adjacent to Powers Blvd.

Landscape & Park Improvements

Filing 1 Park
Constructed Summer, 2021



Landscape & Park Improvements

Filing 2 Park – to be
Constructed Summer, 2022



Landscape & Park Improvements

Filing 3 Park – to be Constructed Summer, 2023



Project Development Costs

- ▶ Infrastructure and development costs are significant for the Trails at Aspen Ridge project
- ▶ Total Project Cost is Estimated to be \$73.7M
- ▶ Bond Issuance projected to reimburse 27.4% (\$20.2M) of total project costs and 40.5% of District eligible costs.
- ▶ \$49.8M in District Eligible Improvements; 861 residential units
 - ▶ Exhibit C of Amended Service Plan
 - ▶ 1 Community Park and 2 Neighborhood Parks
 - ▶ Bradley Road – Widening, Turn Lanes and Median Pass Through
 - ▶ Legacy Hills Drive – Large Collector w/ Roundabout and Sound Walls
 - ▶ Offsite sanitary sewer approx. 2.1 miles
 - ▶ Offsite waterlines (x2) approx. 1.3 miles and 1.4 miles

Financial Plan 2022 Amendment

- ▶ Debt Limit: \$50,000,000 (30 year maturity)
- ▶ Maximum Mills: Debt Mill Levy: **50 mills** with legislative adjustment
 - Operations Mill Levy*: **10 mills** with legislative adjustment
 - Special Purpose Mill Levy*: **5 mills** with legislative adjustment – For covenant enforcement and/or maintenance of common facilities in the absence of a Homeowners Association
- ▶ * Operations and Special Purpose Mill Levies go towards the following: Trash collection, park maintenance, landscape maintenance, irrigation water, snow removal, maintenance of district roads, fence and wall maintenance, design review, covenant enforcement and required reserves.
- Impact on \$425,000 Home at 65 total mills and 7.15% assessment rate: \$1,975/year [\$164/month]
- SB21-293 assessment rate 6.95% for 2022 and 2023 then returning to 7.15% (\$55/year reduction)

- ▶ District modeled to issue initial senior and subordinate bonds with debt service mill levy target of 50 mills:
 - ▶ General Obligation bonds estimated at \$20,355,000 par at 5.00%, netting \$15,573,696 in project funds
 - ▶ Subordinate Bonds estimated at \$4,814,000 par at 7.75%, netting \$4,669,580 in project funds
 - ▶ 2028 modeled senior and subordinate refunding bonds

Financial Plan Comparison 2006 Plan to 2022

Amended Plan

- ▶ Amendment allows funding of improvements through an additional 15 debt service mills for a total of 50 mills [50 mills = \$126/month] as permitted by the County's Model Service Plan
- ▶ Without the amendment, in order to fund the improvements, District will be required to additionally impose an ongoing monthly capital improvement fee due to the 2006 mill levy cap [i.e. 40 mills = use 35 for debt; 5 for operations] [Bond pledge would be 35 mills plus monthly capital fee]
- ▶ 2006 mill levy cap + additional risk associated with capital fees + inability to adjust mill levy for changes in residential assessment rate = investors will require higher interest rates on the bonds and additional debt service coverage
- ▶ Estimated **\$155/month** to fund improvements under 2006 service plan vs. **\$126/month** under the amended service plan [**\$29/month estimated net increase for debt if no amendment**]
- ▶ Without amendment, District will also need additional monthly operational fees in order to fund costs of ongoing operations, maintenance and administration. The amendment would allow an additional 10 operational mills which equates to an estimated operations fee of **\$25/month**
- ▶ District is at financing disadvantage compared to other metro districts the County has approved since 2007 under the model service plan allowing 50 mills debt + 10 mills operations + 5 mills special purpose

Disclosure

- ▶ Notice of BOCC hearing mailed to current property owners/residents
- ▶ Annual Report and Disclosure Form – Exhibit E of Service Plan (recorded and annually filed with the County) [re: meetings, contact, services, mill levy, sample mill levy calculation, other revenue raising powers, debt issuance, infrastructure construction summary]
- ▶ Annual Transparency Notice (32-1-809, CRS) (filed with SDA, DLG and County) [re: meetings, directors, elections, mill levy]
- ▶ District Website mandatory by January 2023 (annual update re: board of directors, district manager, current budget and audit report, regular meeting schedule, meeting notices, annual report, director election, boundary map)
- ▶ January 2022 New Home Sale Builders Disclosure Requirement (38-35.7-110, CRS) (re: district contact, website, debt, mill levy, estimated property taxes, district fees, where to obtain transparency notice and service plan)

COMPLIANCE WITH EL PASO COUNTY, SPECIAL DISTRICT POLICIES RESOLUTION NO. 07-272

Citation in Special District Policy	Explanation of Provision	Section in Amended and Restated Service Plan Complying with Special District Policies
I.C. – Model Service Plan	Amended and Restated Service Plan adheres to the Model Service Plan format	Amended and Restated Service Plan adheres to El Paso County Model Service Plan in all material respects, modified only to address particular needs of the development
I.D – Required Hearings	Prior to BOCC hearing (January 4, 2022), all service plans and amendments thereof shall be considered at the Planning Commission	Planning Commission hearing December 2, 2021, with unanimous approval recommended.
I.E. – Special Justifications	<p>Certain matters require special justification, as applicable to the Amended and Restated Service Plan:</p> <p>1. Authorization of special purpose mill levy cap (5 mills for covenant enforcement and operations/maintenance) subject to Legislative Adjustment which has the effect of increasing the Maximum Combined Mill Levy Cap to 65 (sixty) mills as set forth in Section IV.C, subject to Legislative Adjustment</p>	<p>References to justifications in Amended and Restated Service Plan:</p> <p>1. See section VI.C.3. of the Amended and Restated Service Plan</p>
III.F.2 – Debt Mill Levy Caps	The Maximum Debt Service Mill Levy Cap shall be fifty (50) mills subject to Legislative Adjustment	Section VI.C.1 of the Amended and Restated Service Plan provides Maximum Debt Service Mill Levy Cap
III.F.3 – Operational Mill Levy Caps	The Maximum Operational Mill Levy Cap shall be ten (10) mills subject to Legislative Adjustment	Section VI.C.2 of the Amended and Restated Service Plan provides Maximum Operational Mill Levy Cap

Compliance With Title 32 Special District Act

Section 32-1-202(2), C.R.S. requires a Service Plan to include:	Citation in Amended and Restated Service Plan
Description of Proposed Services	See Section III.D
Financial Plan	See Exhibit D
Preliminary Engineering Report	See Exhibit C
Map of District Boundaries, Estimated Population and Assessed Valuation	See Exhibits A.1-A.4; Section IV and Exhibit D
General Description of Facilities to be Constructed	See Section III.D and Exhibit C
Estimated costs of Acquiring Land, Engineering Services, Administrative Services, Initial Debt, and proposed maximum interest rates and discounts	See Section VI, and Exhibits C and D
Description of proposed agreements with other jurisdictions, if available	See Section III.H
Information establishing Approval Criteria in Section 32-1-203, C.R.S.	See Section XI.

Approval Criteria in Section 32-1-203, C.R.S.

- ▶ Justification for Amended and Restated Service Plan of Existing District
 - ▶ 1. There is sufficient existing and projected need for the District's services: housing demand for County approved 861 homes at Trails at Aspen Ridge; construction of public infrastructure needed to support the development; maintenance of public infrastructure not accepted by other governmental entities; protective covenant enforcement, design review, residential trash collection services needed (no HOA).
 - ▶ 2. Existing services needed by the Trails at Aspen Ridge development from other governmental or district entities were originally not available, these major offsite improvements have been installed by the District to serve this community and future community to the north of Bradley Road.
 - ▶ 3. Existing District is capable of providing economical and sufficient services to the Trails at Aspen Ridge: the Financing Plan demonstrates the District's ability to finance the public infrastructure costs and provide the operation, maintenance and covenant enforcement services from the projected revenues of the limited mill levies
 - ▶ 4. The property within the District's boundaries has and will have the financial ability to discharge the proposed debt on a reasonable basis: see Financing Plan Exhibit D

Request for Recommendation

- ▶ The Waterview II Metro District Board of Directors respectfully requests the Board of County Commissioners approve the Amended and Restated Service Plan

Waterview II Metropolitan District Mill Levy

Waterview II Metro District - Service Plan Amendment				
Description	Mill Levy	*\$\$/Mill	Yearly Cost	Monthly Cost
Existing Mill Levy	40	\$ 30.38	\$1,215.20	\$ 101.27
New Additional Debt Mill Levy	10	\$ 30.38	\$ 303.80	\$ 25.32
** New O&M Mill Levy - would otherwise be paid with a fee by the residents of the district	10	\$ 30.38	\$ 303.80	\$ 25.32
** New Special Purpose Mill Levy - would otherwise be paid with a fee by residents of the district	5	\$ 30.38	\$ 151.90	\$ 12.66
New Total Mill Levy w/ Debt & O&M	65	\$ 30.38	\$1,974.70	\$ 164.56
* Based on a \$425K home value & 7.15% assessment ratio.				
** O&M & Special Purpose mill levy covers the following: Trash collection, park maintenance, landscape maintenance, irrigation water, snow removal, maintenance of district roads, fence and wall maintenance, design review, covenant enforcement and required reserves.				