



Board Summary Report

File #: 25-153

Agenda Date: 3/11/2025

Agenda #: 7.a.

To: Board of County Commissioners

Through: Bryan Weimer, Director, Public Works & Development

Prepared By:

Kat Hammer, Senior Planner, Public Works & Development

Presenter: Kat Hammer, Senior Planner, Public Works & Development

Subject:

Request Approval of Eastgate Special District Service Plan (Case No. SD24-002)

Purpose and Request:

The purpose of this request is to seek approval for the Eastgate Special District Service Plan. Jeffrey Erb, Erb Law, LLC, proposes establishing six metropolitan districts to serve the development known as Eastgate. The metropolitan districts would serve approximately 405,000 square-feet of commercial, retail, and light industrial property and approximately 1,000 single-family attached and multi-family residential units.

Planning Commission held a public hearing on December 17, 2024, and unanimously recommended approval to the Board, finding that the proposed service plan complies with the statutory process for metropolitan district service plans. No members of the public spoke regarding the proposal. Attached please find a copy of the Planning Commission minutes and staff report for details as to how the application meets the review criteria for approval.

On February 11, 2025, the BOCC voted to continue this item to a date certain, March 11, 2025, in order for the applicant to send hearing notice to additional taxing entities.

Planning staff recommends approval of this request, which complies with the statutory process for metropolitan district service plans.

Background and Discussion: The proposed metropolitan districts would help finance the development of the Eastgate development, located at the southwest corner of Interstate 70 and Monaghan Road, at 27500 and 27450 E Colfax Avenue. County staff is concurrently reviewing the associated General Development Plan (GDP23-003) and 1041 (Regulations Governing Areas and Activities of State Interest) application for extension of domestic water and sewage treatment systems (Case No. ASI24-001). Approval of this application will be contingent upon the approval of GDP23-003, and ASI24-001. See Exhibit A in the Service Plan for the proposed districts boundary, which is located in Commissioner District 3.

The service plan for the proposed metropolitan districts proposes the following services: water, sanitation, storm sewer, streets, safety protections, park and recreation, transportation, television relay and translation, mosquito control, fire protection, and solid waste collection, transportation and disposal. Authority for water and sanitation is for purposes of building and maintaining lines for connection to City of Aurora water and sanitation services. The service plan states that it is expected that a total levy of 75 mills, inclusive of the debt, Operations and Maintenance (O&M), and regional mill levy will generate sufficient revenue to pay debt service and O&M expenses, however, the only mill levy cap is 50 mills for debt service for debt that is greater than 50 percent of the assessed value. The 50-mill cap is subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2024. The financial plan assumes a levy of 50 mills for debt service, 10 mills for O&M, and 15 mills for debt service on regional improvements.

The combined service area of the districts is approximately 144 acres; however, the initial boundary of each district is expected to be 0.5 acres. The service plan indicates that Districts One and Two will contain single-family residential, District Three will contain multi-family residential, and Districts four through six will contain non-residential/commercial development. The financial plan projects full build-out to occur in 2033 with a projected assessed value at full build-out of approximately \$63.0 million, which will be the initial tax base for property tax collections in 2035.

Section 32-1-203(2) and 32-1-202(2.5) of the Colorado Revised Statutes requires that a service plan be disapproved unless satisfactory evidence is presented to the Board of County Commissioners showing that nine criteria are met. See pages four through eight of the attached Planning Commission staff report for the applicant's response and Staff responses based on analysis of the application.

As described in the attached staff report, staff believes creation of the proposed special district will be in the best interest of the area proposed to be served. The service plan and financial plan have been reviewed by Hilltop Securities (see attached memo dated October 1, 2024) and the conclusion indicates the Districts will be capable of extinguishing all bonds within the parameters of the service plan.

Fiscal Impact: Approval of the service plan would not directly affect County finances. It would authorize a higher mill levy for the Eastgate development.

Alternatives: The Board has the following options:

1. Approve the proposed service plan as recommended by Planning Commission and staff.
2. Deny the proposed service plan.
3. Continue to a date certain for more information.

Alignment with Strategic Plan:

- Be fiscally sustainable
- Provide essential and mandated service
- Be community focused

Staff Recommendation: Staff is recommending approval with one condition of approval.

Concurrence: On December 17, 2024, Planning Commission voted 7-0 to recommend approval of the service plan to the Board of County Commissioners. The proposed service plan has been reviewed by County staff, including the County Attorney's office.

Suggestion Motion(s): Attached.

Resolution: Attached.