

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
CRAIG DOSSEY, EXECUTIVE DIRECTOR

Planning Commission Meeting
Thursday, October 1, 2020
El Paso County Planning and Community Development Department
200 S. Cascade Ave – Centennial Hall Hearing Room
Colorado Springs, Colorado

REGULAR HEARING
1:00 p.m.

PRESENT AND VOTING: BRIAN RISLEY, TOM BAILEY, TIM TROWBRIDGE, ERIC MORAES, AND BECKY FULLER

PRESENT VIA ELECTRONIC MEANS AND VOTING: THOMAS GREER AND GRACE BLEA-NUNEZ

PRESENT AND NOT VOTING: NONE

ABSENT: SARAH BRITAIN JACK, JOAN LUCIA-TREESE, AND JAY CARLSON

STAFF PRESENT: CRAIG DOSSEY, NINA RUIZ, KARI PARSONS, JEFF RICE (VIA REMOTE ACCESS), AND EL PASO COUNTY ATTORNEY LORI SEAGO (VIA REMOTE ACCESS)

OTHERS SPEAKING AT THE HEARING: PAT HRBACEK

Report Items

1. A. Report Items -- Planning and Community Development Department – Mr. Dossey -- The following information was discussed:

- a) The next scheduled Planning Commission meeting is for **Thursday, October 15, 2020 at 1:00 p.m.**
- b) **Mr. Dossey** gave an update of the Planning Commission agenda items and action taken by the Board of County Commissioners since the last Planning Commission meeting. He also gave an update on

the project numbers for the department to date. There are record number of applications even during the pandemic showing a significant increase in development County-wide.

- c) **Mr. Dossey** updated the Planning Commission on staff vacancies. An offer was made to an additional engineer; this will make our department fully staffed with recently filled code enforcement and planner positions.
- d) **Mr. Dossey** gave an update on the Master Plan process and timeline. We are waiting for the first three chapters to be delivered this week. Comments are coming in from some of the municipalities on their plans coming in. The City of Fountain and the City of Monument have both reached out for our input on their plans.

B. Public Input on Items Not Listed on the Agenda - NONE

2. Consent Items

A. Approval of the Minutes – September 17, 2020

The minutes were unanimously approved as presented. (7-0)

Regular Items

3. AL-19-033

DICKSON

**SPECIAL USE
MOUNTAIN PINE GOLDENS**

A request by Randall and Bonnie Kidd for approval of a special use to allow for a major kennel within the RR-5 (Rural Residential) zoning district. The 5.36-acre property is located south of Rosholt Loop approximately 765 feet southwest of the Mountain Pine Lane and Roller Coaster Road intersection and is within Section 33, Township 11 South, Range 66 West of the 6th P.M. (Parcel No. 61330-05-007) (Commissioner District No. 1)

ITEM HAS BEEN WITHDRAWN. NO PC ACTION REQUIRED.

4. ID-20-001

PARSONS

**SPECIAL DISTRICT SERVICE PLAN
CROSSROADS METROPOLITAN DISTRICT NOS. 1 AND 2**

A request by The Equity Group, LLC, for approval of a Colorado Revised Statutes Title 32 Special District service plan for the Crossroads Metropolitan District Nos. 1 and 2. The parcels proposed for inclusion into the districts total 70.46 acres and are located along the north and south side of Highway 24 at the intersection of Highway

94, and are within Section 8, Township 14 South, Range 65 West of the 6th P.M. The proposed service plan includes the following: a maximum debt authorization of \$52 million, a debt service mill levy of 50 mills for commercial, and an operations and maintenance mill levy of 10 mills, for a total maximum combined mill levy of 60 mills. The statutory purposes of the districts include the provision of the following: 1) street improvements and safety protection; 2) design, construction, and maintenance of drainage facilities; 3) design, land acquisition, construction, and maintenance of recreation facilities; 4) mosquito control; 5) design, acquisition, construction, installation, and operation and maintenance of television relay and translation facilities; 6) covenant enforcement; and 7) design, construction, and maintenance of public water and sanitation systems. The property is not included within the boundaries of a small area plan. (Parcel Nos. 54080-07-005, 54080-01-029, 54080-01-034, 54080-01-008, 54080-01-042, 54080-01-041, 54080-01-050, 54080-01-033, 54080-01-032, 54080-01-051, and 54080-01-052) (Commissioner District No. 2)

Ms. Parsons gave a brief overview of the project and asked **Ms. Seago** to go over the review criteria for a special district service plan. **Ms. Parsons** then introduced the applicants' representative **Mr. Pat Hrbacek** to give their presentation.

Mr. Trowbridge – Can you talk about if they create an additional district and what is the advantage and disadvantage of that? **Mr. Hrbacek** – If anything they may do something like a subdistrict, but if either do that the biggest obstacle will be Tabor Election. It's a different process when you do it in the beginning of development vs. mid-stream into development. From our perspective, it's much more convenient and economically feasible for us to do this on our own. **Mr. Trowbridge** – If we want to disincentivize other districts, this makes it less cumbersome to enlarge an existing metro district. Is that correct? **Mr. Hrbacek** – Yes, that's correct. This is the best most economical feasible way to do it and also less costly to the end user.

Ms. Fuller – Are they in effect paying four times the tax rate being commercial and asking for maximum mil levies? **Mr. Hrbacek** – It's often times based on a model of the third party underwriter. Any time you have a commercial development, there is a level of sophistication there that they know exactly what they are buying into. **Ms. Fuller** – Will the Gallagher amendment on the ballot affect them? **Mr. Hrbacek** – Until we are there, we don't know how we will be impacted. It's based on what the market can bear. The model has to change if no one buys into the project and you're not selling those areas. **Ms. Fuller** – Did I see it as 12% repayment? **Mr. Hrbacek** – We aren't sure yet. **Ms. Fuller** – It could be significant for repayment, do you have something we can see on that rate? **Mr. Hrbacek** – We have only the numbers that were given by the underwriter. **Ms. Fuller** – Do you have an example of what those tax costs will look like? **Mr. Hrbacek** – We can get those. **Ms. Fuller** – I do have a concern about that as far as an economic development stance. **Mr. Hrbacek** – If the future property owner can't afford the rates, it negatively impacts the development, so the developers do take that into consideration when completing the financial plan.

Mr. Trowbridge – I think that we need to mention that the election is just a month away. We will know if the Gallagher ballot item has passed. **Ms. Fuller** – They've already gone to the underwriters, and they have built that repayment rate into their model. It's not good policy to approve something that maybe we can't change later.

Ms. Parsons gave her full presentation to the Planning Commission.

Mr. Trowbridge –Does the Cherokee water letter provide for the additional lot that may be included later? **Ms. Parsons** – No. Water sufficiency findings have to be in place for the subdivision stage, they are not required with a district formation.

Mr. Hrbacek had an opportunity for a few comments. There is a financial plan that walks through the debt service. There is an election coming up and Gallagher could impact the financial plan. (Showed financial plan provided in staff report)

Ms. Fuller – Do we have other metro districts that split out the commercial from the residential? That mill levy just gives me heartburn. **Ms. Parsons** – Grandview had a similar mill levy. Merryberry Metro District had a commercial component as well. **Mr. Hrbacek** – It is true that it is not uncommon where you have commercial and residential that there be a delta. We are asking for an authorization limit and does not mean we will go that high. It is market driven. The reality from a development perspective is that it doesn't behoove anyone to set up a system that will fail at any level. There is no incentive to develop something that isn't successful for the developer and the end user. If they can't sell properties based on the mill levy, then it's adjusted accordingly. Their incentive is to try to construct the improvements in an economical way as well. They are estimating based on what they think it will cost, even though costs could go up. **Ms. Fuller** – I am concerned for the long-term buyer/owner. So you're saying that it may not be to the full max mill levy? **Mr. Hrbacek** – That is correct. We convert from developer bonds to contract bonds and that could allow the maximum debt mill levy to decrease. They are projections based on where we think the market will be in the future but also be able to adjust depending on what actually happens. **Ms. Fuller** – How often is the mill levy adjusted? **Mr. Hrbacek** – Not often in the beginning of the bond, but more often as the note carries on to have opportunities for refinance.

Ms. Parsons – Mayberry was at 40 mills and 10 O&M. Falcon Fields was 30 mil and 5 O&M

IN FAVOR: NONE

IN OPPOSITION: NONE

DISCUSSION:

Mr. Risley – I appreciate **Ms. Fuller’s** line of questioning and helping us to understand the financial plan. I acknowledge also what the applicant said about not setting up a system that is prone to failure to anyone, the developer or the end user. Developments require funding and the special district is no different.

PC ACTION: TROWBRIDGE MOVED/BAILEY SECONDED TO APPROVE REGULAR ITEM 4, ID-20-001, FOR A SPECIAL DISTRICT SERVICE PLAN FOR CROSSROADS METROPOLITAN DISTRICT NOS. 1 AND 2 UTILIZING RESOLUTION PAGE NO. 37, CITING 20-042, WITH TWELVE (12) CONDITIONS AND TWO (2) NOTATIONS, AND THAT THIS ITEM BE FORWARDED TO THE BOARD OF COUNTY COMMISSIONERS FOR THEIR CONSIDERATION. THE MOTION WAS APPROVED UNANIMOUSLY (7-0).

5. **El Paso County Master Plan – Information Update – No Action Needed – Mr. Dossey** gave an update of the Master Plan during report items. No further information was provided.

NOTE: For information regarding the Agenda item the Planning Commission is considering, call the Planning and Community Development Department for information (719-520-6300). Visit our Web site at www.elpasoco.com to view the agenda and other information about El Paso County. Results of the action taken by the Planning Commission will be published following the meeting. (The name to the right of the title indicates the Project Manager/Planner processing the request.) If the meeting goes beyond noon, the Planning Commission may take a lunch break.

The minutes were approved as presented at the October 15, 2020 hearing.