

ROUTT COUNTY BOARD OF COUNTY COMMISSIONERS

Action Agenda Communication Form

ITEM DATE: August 21, 2018	ITEM TIME: 2:00 p.m.
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FROM:	Tom Sullivan
TODAY'S DATE:	August 13, 2018
AGENDA TITLE:	Public Hearing on the proposed Marabou Ranch Metropolitan District Service Plan for the formation of a special district pursuant to C.R.S. § 32-1-101, <i>et seq.</i>, and to consider adoption of a resolution approving the Service Plan.

CHECK ONE THAT APPLIES TO YOUR ITEM:
<input checked="" type="checkbox"/> ACTION ITEM
<input type="checkbox"/> DIRECTION
<input type="checkbox"/> INFORMATION

I. DESCRIBE THE REQUEST OR ISSUE:

On August 9, 2018, the Petitioners, representatives of the Marabou Ranch Metropolitan District (MRMD), submitted its Service Plan for the formation of the MRMD pursuant to C.R.S. § 32-1-101, *et seq.*, the Special District Act. The Board of County Commissioners constitutes the approving authority under Part 2, Title 32, and shall review any service plan filed by the petitioners of any proposed special district. The Board of County Commissioners has the following authority:

- a) To approve without condition or modification the service plan submitted;
- b) To disapprove the service plan submitted; or
- c) To conditionally approve the service plan subject to the submission of additional information relating to or the modification of the proposed service plan.

C.R.S. § 32-1-203 requires the Board of County Commissioners to determine if there is sufficient existing and projected need for organized service, the existing service is inadequate for present and projected needs, the proposed district is capable of providing economical and sufficient service, and that the area to be included in the proposed district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis. Indebtedness is of course a component of the annual budget costs along with operational costs.

In addition, the Board of County Commissioners may exclude territory from a proposed special district prior to approval of the Service Plan, however, no property owners included in the MRMD service area have requested exclusion. The service area boundary of the District is set forth in Exhibit A of the Service Plan with a map in Exhibit C.

As stated in Section B, Need of the District, of the Service Plan, the “Area of the District is conterminous with the property that is subject to the Community Charter for Marabou and which is a part of the Association. The Association currently owns and operates the internal roads, a potable water system, perimeter fencing, riparian improvements and other improvements for Marabou Ranch. It is the desire of the Association and owners within the Association that the District be established to

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own and operate the potable water system serving Marabou Ranch, as well as to maintain other improvements within Marabou Ranch that have already been constructed and/or installed, including but not limited to internal roads, perimeter fencing and riparian improvements.”

Section V. A. of the Service Plan lists improvements and Section V. E. states that the Marabou Ranch Association is expected to convey the water system to the District for \$1,000,000, and future improvements for streets, fencing and other improvements at \$2,000,000. Section VI. F. estimates annual operating cost at \$50,000.

For your consideration of the Service Plan there are two documents for review, one is the Service Plan dated August 9, 2018, and the second is the report on an earlier draft of the Service Plan. The report, which was completed on behalf of Routt County by George K. Baum & Company (GKB), considered the form of the Service Plan and the MRMD financial plan. GKB provides two policy questions: (1) The interest rate used for financing should be 5.5% rather than 4.5% in the financials provided to GKB. , and (2) setting a limit on the operating mill levy for the MRMD. The financial advisors for the Petitioners chose to use the 5.5% interest rate in the final service plan in their presentation; as they will on setting a mill levy limit.

Additionally, the GKB report states “there are no provisions of the service plan that we would consider unreasonable or unusual” (first paragraph). Then the GKB report states that “Since these improvements already exist and are currently owned and managed by the homeowners association, forming the district should not create any new extraordinary burden on the property owners” (Purpose section).

If the Board of County Commissioners approves the Service Plan, the Petitioners will file the approving Resolution and such other materials as required by the Special District Act with the district court for organization of the MRMD.

II. RECOMMENDED ACTION:

Motion to adopt Resolution No. ____ 2018 of the Board of County Commissioners of the County of Routt, Colorado, Approving the Service Plan for Marabou Ranch Metropolitan District with a finding that without condition or modification of the service plan submitted or

- a) Disapprove the service plan submitted with findings; or
- b) Conditionally approve the service plan subject to the submission of additional information relating to or the modification of the proposed service plan.

III. DESCRIBE FISCAL IMPACTS (VARIATION TO BUDGET):

PROPOSED REVENUE: The service plan proposes a ballot question to increase property taxes on the properties within the district boundaries.

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PROPOSED EXPENDITURE: The service plan proposes an annual budget.
FUNDING SOURCE: The proposed funding sources are as noted in the proposed revenues.
IV. IMPACTS OF A REGIONAL NATURE OR ON OTHER JURISDICTIONS (IDENTIFY ANY COMMUNICATIONS ON THIS ITEM):
Since the area of the proposed metro district is in its entirety in the unincorporated area of the county, Routt County is the jurisdiction having authority.
V. BACKGROUND INFORMATION:
Please see materials provided by the proponents and George K. Baum & Company.
VI. LEGAL ISSUES:
The Special District Act sets forth the requirements of the establishment of a special district and approval of a district service plan. Routt County has complied with the requirements of the Act.
VII. CONFLICTS OR ENVIRONMENTAL ISSUES:
N/A
VIII. SUMMARY AND OTHER OPTIONS:
The options for action are stated in Section II above.