

Legislation Details (With Text)

File #: BILL NO. 19-26
Name:
Type: Ordinance
Status: Passed
File created: 1/23/2019
In control: City Council - Regular Session
On agenda: 2/19/2019
Final action: 3/5/2019
Title: An Ordinance approving the Petition for establishment of the Summit Orchards Community Improvement District, and approving a Cooperative Agreement to implement the District. (First Reading by Council on February 19, 2019. Passed by unanimous vote.)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance, 2. Summit Orchards CID Petition, 3. Cooperative Agreement

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------------------------|----------------------------|--------|
| 3/5/2019 | 1 | City Council - Regular Session | adopted and numbered | Pass |
| 2/19/2019 | 1 | City Council - Regular Session | advanced to second reading | Pass |

An Ordinance approving the Petition for establishment of the Summit Orchards Community Improvement District, and approving a Cooperative Agreement to implement the District.

(First Reading by Council on February 19, 2019. Passed by unanimous vote.)

Issue/Request:

Ordinance approving the Summit Orchard Community Improvement District and Cooperative Agreement.

Key Issues:

This ordinance will approve the Summit Orchard CID and a cooperative agreement to implement the District.

Proposed City Council Motion:

SECOND MOTION: I move for adoption of An Ordinance approving the Petition for establishment of the Summit Orchards Community Improvement District, and approving a Cooperative Agreement to implement the District.

Background:

The memorandum from the Law Department provides a full summary of the project and background.

The Petition provides for the reimbursement of approximately \$9.03 million in costs associated with public improvements that will serve the shopping center project on about 58 acres of property located at north of Chipman Road and to the east and west of Ward Road.

The CID is proposed to fund public improvements, including improvements in City rights-of-way and

improvements that will be interior to the project. The CID funding source would be a 1% sales tax on new development in the project which would provide reimbursement to developer. The CID sales tax will be in effect until the developer has been reimbursed with interest, but the CID will not last longer than 30 years.

The Cooperative Agreement includes provisions to ensure that the interior public improvements which will be funded by the CID but not dedicated to the City will be properly maintained for the life of the CID. The Petition presents these categories of CID Public Improvements:

- (1) the Internal Drives;
- (2) the Art Features;
- (3) the Public Landscape;
- (4) the Public Signage;
- (5) all sidewalks and pedestrian paths within the Development Area that are funded with CID Revenues.

The cooperative agreement requires the District to annually fund a Maintenance Fund which will ensure that there is a source of funds to provide for maintenance in the event that the Developer and District fail to maintain these improvements. The Developer's engineer has proposed an amount for the annual Maintenance Fund, which has been reviewed and approved by Developer Center staff. The agreement has been executed by Developer, and will be fully executed when the District is operating and approved the agreement.

The ordinance also repeals Ordinance No. 8404 (June 28, 2018), which approved the prior CID for this project. The party that would have served as the developer of record for the project at the time that the prior CID was approved in 2018 no longer has an option to purchase the property. The basis for repealing Ordinance No. 8404 is that Section 9 of that ordinance was not satisfied, which requires the prior CID and developer to enter into a cooperative agreement with the City within 6 months after approval of Ordinance No. 8404. The prior CID has not met or taken any actions.

Townsend Summit, the owner of the property, is now acting as the developer of the overall project and seeks to form this new CID to replace the prior CID. The proposed new CID is larger in size, extending farther to the north on the west side of Ward Road, and will fund more public improvements than the prior CID.

Impact/Analysis:

This District will impose a new 1% sales tax only within the boundaries of the project, and does not impose any financial burdens on the City. All costs incurred by the City to receive and distribute the sales tax will be funded as administrative costs of the District.

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Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

[Enter text here]

Steve Rich, Townsend Capital - developer

John Snyder, Dentons - legal counsel for developer

Mark Dunning, Assistant City Manager

David Bushek, Chief Counsel of Economic Development & Planning

Recommendation:

Committee Recommendation: [Enter Committee Recommendation text Here]