Legislation Details (With Text)

File #:	2019-2544	**Name:**	
Type:	Public Hearing - Sworn	**Status:**	Agenda Ready
File created:	1/23/2019	**In control:**	City Council - Regular Session
On agenda:	2/19/2019	**Final action:**	
Title:	Public Hearing - Summit Orchard Community Improvement District		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Exhibit List, 2. City Council Memo, 3. Summit Orchards CID Petition.pdf, 4. Summit Orchards Presentation.pdf, 5. City Clerk Verification		

Date	Ver.	Action By	Action	Result

Public Hearing - Summit Orchard Community Improvement District

Issue/Request:
A Public Hearing to consider approval of the Summit Orchard Community Improvement District

Key Issues:
This hearing is to receive evidence and testimony regarding the Summit Orchard CID and the companion cooperative agreement to implement the District.

Proposed City Council Motion:
[Enter text here]

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 initial preliminary total project costs of the development is in the $80 - $90 million range, therefore CID reimbursable costs represent approximately 10% of total project costs.

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 which will have an incident of District ownership and which will be maintained by the District:

(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.

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.

Other Information/Unique Characteristics:
In 2018, a CID Petition was approved providing for the potential reimbursement of $3.5 million of improvements of a 17 acre proposed development. The total estimated CID reimbursement under the 2018 proposal was about $3.5 million which was about 7.13% of the total project costs. The proposed development did not proceed, and therefore this CID petition is being considered and would encompass the same 17 acres in addition to acreage located on the west side of Ward Rd. (between Ward Rd. and Outerview Rd.) and totals about 58 acres.

Steve Rich, Townsend Capital - developer
John Snyder, Dentons - developer's legal counsel
Mark Dunning, Assistant City Manager
David Bushek, Chief Counsel of Economic Development & Planning

Recommendation: [Enter Recommendation Here]

Committee Recommendation: [Enter Committee Recommendation text Here]