

TOWN COUNCIL STAFF REPORT

Title: Conduct the Special Election for Formation of Community Facilities District No. 2021-1 (Juniper Ridge Maintenance Services).

Meeting Date: March 2, 2022

Prepared by: Sierra Shultz, Deputy Airport Manager

RECOMMENDATION:

Staff recommends that Town Council conduct the special election for the formation of Community Facilities District No 2021-1 (Juniper Ridge Maintenance Services) and if passed, adopt the Resolution Certifying Election Results, and conduct the first reading of the Ordinance Authorizing Levy of Special Taxes. If the election does not pass, staff recommends that Town Council adopt the Resolution Declaring Results.

BACKGROUND:

The residents of the Juniper Ridge neighborhood are assessed an annual levy to maintain a lighting and landscaping assessment district that was formed in 1993. The funding collected for the Juniper Ridge Assessment District 93-1 provides for improvements along Juniper Road and Juniper Court. The district provides snow removal and storage, landscaping maintenance, lighting maintenance, Juniper tree preservation, maintenance of ski easements and maintenance of ornamental structures. Each year staff and Town consultants examine the budget for the district. This regular evaluation shows that the district has run low on reserves in recent years. The district does not have an annual inflator and has levied the same amount since 1993. Without an inflator the district has not been able to keep up with inflation or rising material and labor costs. A shortage in funds could result in the termination of services such as landscaping improvements and snow removal. A new district needs to be formed to secure the appropriate funding to ensure the required services are never left unfunded.

On August 27, 2021, staff mailed a letter to Juniper Ridge property owners describing the situation and explaining why and when a new district would be proposed to replace the existing Juniper Ridge Assessment District 1993-1. The letter included a timeline for developing the new district and staff's contact information.

On October 6, 2021, Resolution No. 21-80 was adopted which declared the Town Council's intention to establish a Community Facilities District and authorize the levy of special taxes for Community Facilities District No. 2021-1 (Juniper Ridge Maintenance Services). At this meeting a public hearing was set for November 17, 2021. Resolution No. 21-80 included descriptions of the proposed district boundaries, the services to be financed, and the rate and method of apportionment of special tax.

A Notice of Public Hearing was posted in the newspaper on November 6, 2021 for two weeks. The notice declared Town Council's intension to establish a Community Facilities District and provided notice of the upcoming public hearing.

On November 17, 2021, Town Council conducted the public hearing and there were no public comments. Council then adopted Resolution No. 21-90 establishing the formation of Community Facilities District No. 2021-1 (Juniper Ridge Maintenance Services). Council also adopted Resolution No. 21-91 calling a special election for a community facilities district for March 2, 2022.

Ballots were then sent to property owners on January 18, 2022. Staff mailed a follow-up letter to property owners on February 3, 2022, to reiterate the specifics of the ballot and to provide staff contact information once again.

ANALYSIS:

Staff has recommended that a new Community Facilities District (CFD) be formed in order to meet the future needs of the neighborhood. The proposed district will provide a similar scope of service and a revised levy. The levy is based on present value costs and includes a cost escalation factor to account for inflation. This will resolve the potential for ending up in a similar situation where the district cannot afford the maintenance.

As mentioned in the previously provided Rate and Method of Apportionment, the proposed assessment is \$2,250.00 per unit starting in Fiscal Year 2022/23. An annual cost escalation factor of no more than 3.0% per year will be applied beginning in Fiscal Year 2023/24 to increase the maximum allowable assessment each year. The maximum allowable assessment will only be charged if it is justified in the annual engineer's report. It is important to include the cost escalation factor to account for inflation when it is needed. The Engineer's Report includes more in-depth cost details.

The ballots are weighted by acreage. Each landowner has one vote for each acre, or portion thereof, that the landowner owns within the proposed CFD that is subject to the proposed tax if it is levied at the time of the election. All of the parcels received one vote since they are all under one acre in size. Of the ballots cast, 2/3rds of the votes must be in favor of the CFD in order to proceed. The Town Clerk will be the one to canvass the returns of the election.

Election Passes:

If the election passes, it is recommended that Town Council adopt the attached resolution certifying election results and introduce the attached ordinance authorizing levy of special taxes. Then on March 16, 2022, Council would be asked to adopt the ordinance. A public notice (copy attached) introducing the ordinance will be distributed to the public prior to the March 16 meeting.

Election Fails:

If the election fails, it is recommended that Town Council adopt the attached resolution declaring the results of the special election. However, since the measure has failed, no further action will be taken at this time.

If the proposed district is formed the existing district will be discontinued. If the proposed district is not formed, the existing district will remain in place.

FINANCIAL CONSIDERATIONS:

At the November 17, 2021 Town Council meeting, the Engineer's Report was accepted which includes the cost estimate for the authorized services. The cost estimate includes a line item for a Town contribution which is based on gas tax reimbursements and is subject to change based on the annual snow removal costs.

ATTACHMENTS:

If election passes:

1. Resolution Certifying Election Results
2. Ordinance Authorizing Levy of Special Taxes
3. Public Notice of Introduction of Ordinance

If election does not pass:

4. Resolution Declaring Results - Failed