

POLICY REPORT 2005-1

TO: Mayor and City Council

FROM: Richard J. Plastino, Director of Public Works
Frank Gray, Director of Community Planning and Development
Kathy Hodgson, Director of Community Resources

DATE: July 15, 2005

SUBJECT: July 18, 2005 Study Session - Rooney Valley Development/Lakewood
Morrison Joint Master Plan

Recommendation

Council give consensus approval for:

- 1) actively pursuing the land trades necessary to create the new park and open space configuration shown in the Rooney Valley Lakewood-Morrison Joint Master Plan; and,
- 2) formation of metropolitan districts to finance construction of roads, storm sewers, water, sewer, parks and other public infrastructure in the Lakewood portion of the Rooney Valley.

Background

The Rooney Valley is a very large undeveloped area of land of more than 1000 acres (nearly two Federal Centers in size) located between Alameda Avenue on the north, Morrison Road on the south, C-470 on the west and single-family subdivisions in Lakewood on the east. Roughly, the northern two-thirds of the valley is in Lakewood and the southern one-third is in Morrison.

In the early and mid 1980's Morrison and Lakewood zoned most of the land in the valley and many parcels were also platted into lots and streets. The Mount Carbon Metropolitan District was the public agency formed to construct roads, storm sewers, parks and to provide water and sewer service.

The zoning and platting actions by Lakewood and Morrison in the 1980's were done semi-independently and many coordination issues between the two governments went unresolved for several years. In 1994, a task force was formed with members from Lakewood, Morrison and Jefferson County. The task force held three workshops in that year and invited all property owners in the valley as well as several hundred homeowners in the areas east of the valley to the

meetings. The purpose of the meetings was to ask owners and the public for their views on development of the valley and then use this information to prepare a master plan that would guide future development.

Work continued for three years and after public open houses on the draft plan in May and October of 1997, the end result was a master plan adopted by the Lakewood City Council and Planning Commission in 1998. Morrison adopted a similar master plan. Eventually, Morrison and Lakewood combined each of their plans into a joint Master Plan which is attached to this policy report. *(The plan is written in an easy to follow format that takes about 60 to 90 minutes to read. It is recommended it be perused by the City Council prior to the July 18 study session.)*

In the intervening years, the Mount Carbon District experienced financial problems and filed for bankruptcy reorganization in 1997. The reorganization was completed in 2004 with a major change in the District's responsibilities. The District can now provide only water and sewer service and no longer can provide roads, storm sewers, parks or other public infrastructure.

Current Situation

Since the Mount Carbon bankruptcy reorganization in 2004, there has been keen interest among the residential, commercial and office sectors in acquiring land in the valley. However, the financing of public infrastructure such as water, sewer, and roads is very expensive and for the last few years, no private company has been able to put together a package to develop any land in the valley in either Lakewood or Morrison except for a church at Morrison Road and McIntyre.

Several months ago, a large North American residential and commercial development firm named Carma contacted the City to learn the details of a residentially zoned parcel of ground called Springfield Green located in Lakewood. This is a 355 acre subdivision located in the northeast portion of the Rooney Valley adjacent to Alameda Avenue and the existing subdivisions to the east. Carma is interested in 288 acres of the subdivision currently owned by a company called CDN.

Carma is a large developer of primarily residential communities in Calgary, Canada, Austin, Texas and two large developments in the Denver area called Tallyn's Reach in southeast Aurora at E-470 and Smoky Hill Road and Brighton Crossing at I-76 and 160th in Brighton. City staff has visited both locations and has determined that Carma builds quality developments that have a number of amenities such as recreation centers, elaborate landscaping, tennis courts, pools, play areas, picnic pavilions and community centers. The high quality demonstrated at Tallyn's Reach is not replicated on a large scale anywhere in Lakewood at the current time.

The parent company of Carma is Brookfield Properties Corporation (www.brookfieldproperties.com), based in New York City and Toronto, Canada. Brookfield Properties is a publicly held corporation traded on the New York Stock Exchange and owns Republic Plaza in downtown Denver.

This particular developer prepares architectural guidelines for architects and builders and hand picks a set of builders to construct housing. It was also noted that the developer has integrated

the existing topography and natural features of the land at its two Colorado developments. In lieu of a site visit, some sense of the developments can be gleaned at two web sites, www.tallynsreach.com and www.brightoncrossing-community.com.

Carma has studied in detail the water, sewer, bankruptcy and financing problems in the Rooney Valley. They have identified Consolidated Mutual Water Company (Consolidated) as the water provider. Consolidated has recently completed the construction and filling of a 10,000 acre-foot reservoir and city staff has confirmed with Consolidated that the company can provide approximately 2000 taps to the Rooney Valley. Carma has given Consolidated \$45,000 to begin preliminary design on the water system. Carma has also been working with Green Mountain Water and Sanitation District to handle sewage flows which will be transported to the Metro Wastewater Reclamation District.

Water and sewer have always been the two critical issues impeding development of the Rooney Valley and city staff believes Carma has viable plans to address these two issues. The City has close working relationships with Consolidated, Metro Wastewater and the Green Mountain District which allows the City to coordinate and monitor issues related to provision of a reliable water and sewer service in Rooney Valley.

Carma is prepared to move ahead with more detailed planning and neighborhood meetings, but does want to confirm the city's position on two issues as follows:

1. First, during the public workshops, many residents wanted most or all of the Rooney Valley to remain as open space. Contact was made with the Jefferson County Open Space Advisory Committee to explore this option. Jefferson County Open Space responded that further open space acquisition by their agency was not realistic given the large amounts of open space surrounding the valley, referring to the 2300 acre William Frederick Hayden Park on Green Mountain to the north, the Dakota hogback to the west and the 2600 acre Bear Creek Park to the south.

If purchasing the entire area as open space was not possible, residents to the east wanted an adequate buffer between new development in the Rooney Valley and existing residential neighborhoods which could include equestrian and other trail connections. All of the land contemplated as a buffer zone is privately owned, and since funding sources for outright purchase are nonexistent, the Master Plan recommends that the city trade a portion of the land it owns adjacent to Alameda Avenue to a developer as compensation for the buffer open space area. This land trade is depicted on Map 11 on page 27 of the attached Master Plan.

These types of trades are generally done on an equal value for equal value basis. The developer is willing to do this and wishes to confirm the position of the City Council on exploring this trade in detail. This will be a critical issue at neighborhood meetings. The Master Plan adopted by the City states the Plan is to provide “ - - a vision, development tools and an implementation plan to guide development in the Rooney Valley.” City staff does recommend the Council reaffirm the concept of land trades to accomplish a key goal of the Master Plan.

2. The second issue concerns financing techniques used to fund public infrastructure in the Rooney Valley. When the Mount Carbon Metropolitan District signed the existing Public Improvements Agreement for the Springfield Green Subdivision in 1986, Mount Carbon was going to be the area-wide entity that would construct offsite improvements such as a six lane McIntyre Boulevard and widening Alameda Avenue. With the exit from bankruptcy, the district can no longer provide for any infrastructure except water and sewer. Though property owners are still obligated for such improvements under the old PIA, to complete such improvements will require a coordinated financing plan.

Carma believes the only realistic method to construct the extensive infrastructure necessary to serve Springfield Green and other parcels in the valley, and apportion the cost fairly to various property owners in the valley, is to use metropolitan districts which will have independent taxing powers, similar to the type used to finance the Belmar development. Given the extensive nature of necessary traffic improvements, city staff concurs that this is a logical method of providing infrastructure.

Carma's method of financing, used at both Brighton Crossing and Tallyn's Reach, is for Carma to initially pay the cost of public improvements and then have the metropolitan districts sell bonds to pay Carma for such improvements. This is the same plan proposed for Springfield Green. The other typical alternate to metropolitan district financing is to incorporate the cost of public infrastructure into the home prices. Given a) the large scale of development and needed public infrastructure, b) the number of current property owners and c) the governmental advantages of having a long-term entity such as a metropolitan district in existence, city staff supports the metropolitan district method of financing public infrastructure.

Consideration of these two items by Council is a very preliminary step in a long development review process. If Council approves staff continuing work on these two items, there will be neighborhood meetings, a formal Springfield Green Modification/Masterplan, preliminary map application, engineering and planning studies and reports such as grading, drainage, street construction and preparation of a Public Improvements Agreement.

The Modification/Master-plan will then go to Planning Commission with the associated public hearing and, if appealed, be sent to City Council. The preliminary map would then be followed by the final plat process. In addition and simultaneously, the park land trade for open space will also require a rezoning of various parcels owned by the City and by Carma which will also have associated public hearings.

The creation of metropolitan districts also requires formal action by Council together with a public hearing on a proposed Service Plan. A Service Plan says how the District will operate. Authorization to form districts and have an election of property owners within the Springfield Green district boundaries would be on the City Council agenda on either August 8 or 22. This is necessary to allow formation of the district to be on the ballot for November 1, 2005.

Simply put, a consensus action by Council regarding the two recommendations presented in this policy report will in no way short cut or eliminate any of the City's normal land review processes by the public or the city staff.

Summary

The Rooney Valley was zoned and partially platted in the early to mid 1980's. Since that time, because of a number of circumstances the land has not developed. In the intervening years, Lakewood and Morrison have prepared a Master Plan which addresses an overall vision for land use, open space and transportation in the valley, all as identified on pages 22 through 29 in the attached "Rooney Valley Joint Master Plan"

Carma has approached the City about developing a high quality residential community in the Springfield Green portion of the Rooney Valley in accordance with the Rooney Valley Master Plan. The company has done due diligence and has identified viable solutions to provision of water and sewer. They have also contacted other property owners in the Lakewood portion of the valley to determine their intentions and whether they wish to be included in the current development being proposed.

Based on research done to date, city staff has concluded that Carma has a proven track record of quality development and has the financial resources and professional management to accomplish development in accordance with the Master Plan.

It is recommended that Council give consensus approval for:

- 1) actively pursuing the land trades necessary to create the new park and open space configuration shown in the Rooney Valley Lakewood-Morrison Joint Master Plan; and,**
- 2) formation of metropolitan districts to finance construction of roads, storm sewers, water, sewer, parks and other public infrastructure in the Lakewood portion of the Rooney Valley.**

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