



SPECIAL TOWN COUNCIL HEARING AND MEETING

1777 N Meadowlark Dr, Apple Valley
Wednesday, October 09, 2024 at 6:00 PM

MINUTES

CALL TO ORDER- Mayor Farrar called the meeting to order at 6:05 p.m.

PLEDGE OF ALLEGIANCE

PRAYER- Prayer offered by Council Member Prentice.

ROLL CALL

PRESENT

Mayor Michael Farrar

Council Member Kevin Sair

Council Member Janet Prentice

Council Member Annie Spendlove

Council Member Scott Taylor

Town Clerk/Recorder Jenna Vizcardo

Town Attorney Heath Snow via online (zoom)

Attorney Matt Ence representing Oculita Roca via online (zoom)

DECLARATION OF CONFLICTS OF INTEREST

None declared.

PUBLIC HEARING

1. Public Infrastructure Development (PID) for Oculita Roca.

Note: The term "Development" in "Public Infrastructure Development" is a typo; the correct term is "Public Infrastructure District."

Matt Ence introduced Public Infrastructure Districts (PIDs), explaining that they help finance public infrastructure for developments without impacting the town's finances. Bonds can be issued to fund roads, water systems, and utilities, with taxes applied only within the PID boundaries, leaving other town residents unaffected.

Mayor Farrar opened the public hearing.

Resident Rich Ososki discussed a project expansion from 40 to 84 units securing water from the district. He asked about the two PIDs and if taxes would increase for landowners within the PID boundaries. He compared the development to Las Vegas projects, noting infrastructure needs like a 12-inch water line. He recalled past failed developments due to water and economic issues.

Resident Margie Ososki raised concerns about residential lot sizes in the annex PID, questioning if they would be five or one-acre lots, potentially leading to many more homes.

Mayor Farrar clarified that only Phase One was approved, with lots no smaller than five acres, though future leadership could alter this vision.

Resident Margie Ososki asked if Hidden Rock was connected to Copper Rock developers.

Mayor Farrar clarified it was Hidden Rock's first large-scale development.

Matt Ence confirmed no ties to Copper Rock and explained the two PIDs, with one for the hotel and resort and the other for residential lots. He emphasized that other property owners joining Phase Two would be voluntary.

Council Member Sair asked about the second PID's timeline.

Matt Ence stated no specific timeframe was set, with the focus on completing Phase One first.

Mayor Farrar then closed the public hearing.

DISCUSSION AND ACTION

2. Public Infrastructure Development (PID) for Oculta Roca.

Town Attorney Heath Snow shared his support for the PIDs' legal structure, emphasizing the need to prevent them from gaining undue control over the town's infrastructure. He noted that while PIDs have their own boards, the town maintains oversight by approving the governing documents, which control what the PID can borrow and build.

Heath Snow pointed out a key stipulation: any infrastructure built through the PIDs must be dedicated to the town, preventing the PID from owning or operating any systems, such as water or sewer systems, which could otherwise limit the town's control over development. He mentioned the concern with older districts in the state that had grown into quasi-independent entities, which sometimes obstructed a city's ability to regulate development. In terms of financial oversight, Snow noted the importance of setting a maximum mill levy to limit how much the PID could borrow. He reassured the council that the proposed 10-mill cap was reasonable and in line with best practices, ensuring that the district would not overburden itself with debt. After reviewing the legal documents, Snow concluded that everything was in order and gave his legal approval, supporting the council's decision to proceed with the development agreement under the outlined limitations.

Council Member Prentice asked if all PID documentation was complete.

Mayor Farrar confirmed that Town Attorney Heath Snow had the necessary documents, prepared by Matt Ence, and that they were in the meeting package. He expressed confidence in Ence's expertise and reputation, adding that Heath Snow also trusted his work, particularly with PIDs.

Council Member Spendlove asked if the PID would cover sewer infrastructure or if developers needed their own treatment facilities. Mayor Farrar wasn't sure and deferred to Matt Ence for a definitive answer.

Matt Ence explained that Ash Creek Sewer District isn't involved in creating the PID, which is the town's responsibility. However, the PID must build sewer infrastructure to Ash Creek's standards, with Ash Creek inspecting and approving it before taking ownership.

Town Attorney Heath Snow emphasized that the PID must dedicate any infrastructure it finances to the appropriate entity, such as the town or Ash Creek Sewer District, ensuring proper oversight and compliance with standards.

Mayor Farrar explained that PID funds would be used for infrastructure projects like water tanks and pipelines. Once built and approved, they would be dedicated to the Big Plains Water Special Service

District, with roads going to Apple Valley and sewer systems to Ash Creek. He noted this standard process ensures infrastructure is transferred to the appropriate entities after meeting all requirements.

Matt Ence clarified that the developer handles infrastructure and approvals, while the PID is just a financing tool. The PID doesn't affect the developer's interactions with the town or Ash Creek Sewer District, only funding eligible infrastructure without altering the approval process.

Mayor Farrar explained that the Public Improvement District (PID) serves as a 0% interest loan for the developer, offering significant savings. In return, the developer may contribute to town infrastructure, such as million-gallon water tanks.

Council Member Scott Taylor asked Matt Ence, referred to as a "PID expert," about the likelihood of the million-gallon water tanks being installed within a year after PID approval, seeking his estimate based on his experience with the developers.

Matt Ence told Council Member Taylor that while he couldn't give an exact percentage, he was confident the million-gallon water tanks would be built if the PIDs are approved. He noted the strong bond market and expects bonds to be issued by the end of the year or soon after. The project's high-end residential and hotel components make it likely to handle the added tax, and the bond underwriter has a strong track record. Based on this, Ence believes success is very likely.

Mayor Farrar stated that the developer will complete the infrastructure, including the water tank, pipeline, and road paving, before starting the development. Even if the project stops, the town will still have the infrastructure. He expects funds by December or January, ensuring the million-gallon water tank will be built.

Mayor Farrar asked if there were any further questions for Heath Snow or Matt Ence.

Council Member Taylor asked Town Attorney Heath Snow if the motion needed to specify that infrastructure would be dedicated to the town or appropriate entity. Heath confirmed it was already included in the documents. Mayor Farrar added that once approved, an agreement addendum would follow.

Council Member Prentice noted that this is essentially a 30-year mortgage paid by future property buyers in the development, to which the Mayor agreed. He expressed appreciation for Matt Ence and Heath Snow's guidance, acknowledging his own change in perspective about PIDs, which he initially viewed negatively but now supports due to their benefits for the town and low liability risk.

Council Member Sair brought up a requirement to secure easements for the water tank. The Mayor explained that he was working on securing the necessary easements and had backup plans. He mentioned a productive meeting with a property owner, who was cooperative and willing to help.

Council Member Taylor stated that, if there were no further questions, he was prepared to make a motion.

MOTION: Council Member Taylor moved that we approve the Public Infrastructure District (PID) for Oculta Roca.

SECOND: The motion was seconded by Council Member Spendlove.

VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Prentice - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Taylor - Aye

The vote was unanimous and the motion carried.

3. Oculita Roca Development Agreement Addendum.

Mayor Farrar introduced item three, discussing the Roca development agreement addendum. The only change was the inclusion of a secure document ensuring the town would receive a 1-million-gallon concrete water tank, with all related costs covered by the developer. The project was expected to be completed within a year after approval. Mayor Farrar was optimistic, noting that a contractor was ready and had experience with similar projects. Once the addendum was approved and the easement secured, design work would begin immediately, with hopes to finish ahead of schedule.

Council Member Taylor asked if the town would handle the construction or if the developers would take care of it.

Mayor Farrar responded that the developers would build the water tank, as it would simplify the process and avoid the need for the town to manage bidding and other details. This approach would prevent delays, allowing the town to benefit without additional responsibilities.

Council Member Prentice inquired about the parcels being annexed.

Mayor Farrar clarified that the annexation was not related to the current discussion, and the focus was solely on the agreement for the water tank construction.

MOTION: Council Member Taylor moved that we approve the Oculita Roca Development Agreement Addendum.

SECOND: The motion was seconded by Council Member Sair.

VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Prentice - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Taylor - Aye

The vote was unanimous and the motion carried.

4. Minutes: August 28, 2024 - Town Council Meeting and Hearing.

MOTION: Council Member Prentice motioned that we consent to the minutes of 8.28.24- Town Council Meeting and Hearing.

SECOND: The motion was seconded by Council Member Sair.

VOTE: Mayor Farrar called for a vote:

Council Member Prentice - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Taylor - Aye

The vote was unanimous and the motion carried.

REQUEST FOR A CLOSED SESSION: IF NECESSARY

No request.

ADJOURNMENT

MOTION: Council Member Sair motioned to adjourn.

SECOND: The motion was seconded by Council Member Prentice.

VOTE: Mayor Farrar called for a vote:

Council Member Prentice - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Taylor - Aye

The vote was unanimous and the motion carried.

The meeting was adjourned at 6:48 p.m.

Date Approved: 11/13/24

Approved BY: [Signature]
Mayor | Michael L. Farrar

Attest BY: [Signature]
Town Clerk/Recorder | Jenna Vizcardo

