



# Potential Financing Mechanisms for the Proposed Battle Mountain Development



# Proposed Battle Mountain Development

- 6,000 acres total (to be annexed in two phases: 4,340 acres under current application and remaining 1660 acres thereafter)
- 1,700 residential units (350-450 single family homes)
- Employee housing (including community center and day care facility)
- Ski area, lodge, shops, restaurants
- Golf course and clubhouse
- Common areas, Open Space, Trails

# On-Site Improvements Necessary

- Park and Recreation (ski area, golf course, community center, day care facility)
- Streets and Safety
- Transportation
- Water System (water distribution lines, rehabilitation of Bolts Lake dam, storage facilities)
- Sanitary Sewer System (collection system, mains, pump stations)
- Mosquito Control
- Television Relay and Translation (including cell phones and emergency services)
- Fire Service
- Mine Remediation
- Water Quality and Monitoring
- Police and other Emergency Services
- Trash Service

# Off-Site Improvements Necessary

- Road widening and improvements due to increased traffic
- Water System (new water treatment plant, water storage facility, replacement of main water distribution lines, construction of pumping plants)
- Sanitary Sewer System (joint waste water treatment plant, upgrades to collection mains, pump stations, odor control)
- Expansion of Fire Services and other emergency services
- Expansion of Transportation in Battle Mountain and the Town (Eco-Tran, Railroad, etc.)
- Monitoring of Water Quality of Eagle River



# Potential Financing Mechanisms

- General Improvement District (GID) to fund impacts to the Town from the Battle Mountain Project
- Metropolitan District (Title 32) to be utilized by Ginn for financing of on-site improvements

# What are GIDs?

- A GID is a taxing unit that is created by the Town for the purpose of financing, constructing, operating and maintaining public improvements and services
- Organization
  - Petition of property owners within GID boundaries
  - Ordinance of Town
  - Election
- Governing Body of the GID is the Town Board which allows the Town to maintain control
- Election required for TABOR and debt issues



GIDs –

What Public Improvements Can Be,  
Financed, Constructed, Operated and  
Maintained?

- Any improvements that the Town is authorized to provide, except solid waste disposal site and facilities or the transportation of trash and waste



# GIDs – Sources of Revenue for Financing, Construction and Operations and Maintenance

## Property Taxes

- Debt Service Component
- Operations and Maintenance Component
- Rates, Tolls, and Charges

# Benefits of GIDs

- Tax-exempt financing for public improvements
  - General Obligation Limited Tax: limited mill levy
- Governmental entity in place for operation and maintenance of public improvements
- Provides funding for public improvements without affecting the Town's balance sheet
- Increases property taxes for Battle Mountain without affecting tax structure in remainder of Town
- The Town would not be obligated for District debt

# Metropolitan Districts (Title 32)

- Commonly used financing tool in Colorado
- Tax-exempt financing for public improvements
- Generates independent revenues - “Growth pays its own way”
- Governmental entity in place for operation and maintenance of public improvements
- Facilitates relationship among the Town, the District, and Developer
- Provides funding for public improvements without affecting the Town’s balance sheet
- Increases property taxes for Battle Mountain without affecting tax structure in remainder of Town



# Metropolitan Districts – What Public Improvements Can Be Financed?

- Street and Drainage
- Safety Protection
- Water
- Sanitary Sewer (including trash removal)
- Park and Recreation
- Transportation
- Mosquito Control
- Television Relay and Translation
- Fire Protection



# Metropolitan Districts – Sources of Revenue

- District Property Taxes
  - Operations and Maintenance component
  - Debt Service component
- Fees, Rates, Tolls and Charges
- Specific Ownership Taxes
- Potential Public Improvement Fee (PIF) depending on level of retail development
- Real Estate Transfer Fee – pursuant to an agreement with an owners association

# Metropolitan District – How are improvements financed?

- District issues Tax-exempt bonds:
  - General Obligation Limited Tax: limited mill levy
  - Special Revenue Obligations: revenues pledged to district from outside sources such as property and/or sales tax increments
  - The Town would not be obligated for District debt

# Protections to Town

- Town must approve the Service Plan and organization of the Metropolitan District
- Town can require during Service Plan Approval:
  - Mill Levy Cap for Debt Service and/or Operations and Maintenance
  - Annual Reporting Requirements
  - Maximum Debt Issuance Authority
  - Administrative approval by Town of all bond issues
  - Quinquennial review