



DOUGLAS COUNTY COMMISSIONERS  
WORK SESSION  
Tuesday, August 9, 2022  
(BCC Conference Room)

**A G E N D A**

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Time\*

9:00 a.m.                      Funding for Local Improvement District Project

Executive Session

9:15 a.m.                      Investigation Update

\*These times are estimates only and may fluctuate depending on length of each discussion.

## Agenda Item

**DATE:** AUGUST 9, 2022  
**TO:** DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS  
**THROUGH:** DOUGLAS J. DEBORD, COUNTY MANAGER  
**FROM:** DAN ROBERTS, P.E., ASST. DIRECTOR OF PW OPERATIONS  
**CC:** JANET HERMAN, P.E., DIRECTOR OF PUBLIC WORKS  
**SUBJECT:** FUNDING FOR LOCAL IMPROVEMENT DISTRICT PROJECT

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### SUMMARY

Staff are requesting that the County “self-finance” a portion of the Sage port / Bannock Local Improvement District Project, totaling \$1,440,000. The original plan was to obtain bank financing for that portion of the project, however, the County’s third-party bond council identified a problem with the 2019 TABOR Notice which eliminates the option of bank financing. The project has already been awarded and is under construction.

### DISCUSSION

The Sage Port 2018 LID Project and Bannock 2019 LID Project, Douglas County Project No. 2018-012 and CI2019-022 construction project was awarded based in part on anticipated funding in the amount of \$1,440,000. Concurrent with the award of the contract, the County selected a bank for the financing, and loan process, which includes review by third party legal counsel. Based on the third-party counsel’s review, the County has been advised that due to missing information in the Notice of Election to Increase Debt on a Referred Measure (“TABOR Notice”), the County cannot legally finance a portion of the LID contract, as planned, at this time.

### Potential Options

- A. The County can “self-finance” the \$1,440,000 using General Fund reserves, with repayment of the principal amount of \$60,000 per lot, plus interest, over a maximum of 10 years, beginning in 2023. (This has been done previously, in 2014, due to a lack of interest in providing financing to the LID project that year.
- B. The ballot issue could be added to the 2023 ballot (the deadline to meet required public notices for the 2022 ballot has passed) to authorize the debt.

## **RECOMMENDATIONS**

Staff recommends Option A, since Douglas County has used this option previously when bank financing could not be acquired. Option B is challenging due to the extended timeframe between completion of construction this fall and the timeframe of the ballot, and still has risk that the issue may not be approved, and if approved, financing may still not be obtained.