

Metro District Reform Public Comment Meeting
September 14, 2022 – 6:00-8:00pm
Bison Ridge Recreation Center
19 Attendees

Public Comments/Questions

Please note this is not a verbatim transcript, but a summary of all comments/questions from the public. Staff answered questions as possible, those answers are also recorded.

What is a material modification?

- It is something that is substantial, such as a change in a mill level, changing of property lines, etc.

Why would a metro district go to the City to change a service plan?

- It varies by Metro District, typically it is for an amendment to the current agreement. This is typically rare.

What about the Gallagher Amendment?

- We are currently looking at that, potential to allow an offset the change in an assessed rate.

What finally drove the need to regulate this industry since it has been unregulated for so long?

- Resident concerns, articles from the Denver Post investigating the practices of Metro Districts in the Front Range, etc.

How does the City audit what is happening with Metro Districts?

- The mill levy is public record; once these regulations are in place, the City will look at what next steps are needed to enforce these regulations.

Gentleman mentioned that when he purchased a home 20+ years ago he was not disclosed that he would be moving into a metro district. Shortly after purchasing a home in Brighton, his property was annexed by Commerce City and was assessed a North Infrastructure Bond payment that wasn't affecting him. He says he is paying more than \$2,000 extra in property taxes because of this. Claims that the developers and the City are the ones that are benefitting from metro districts, not the homeowners.

Gentleman mentioned that current metro districts are spending current excess money in anticipation of the Gallagher law going into effect.

What was the reasoning behind the 50/10 cap?

- That's something we have found that does allow for repayment on time based on assessed values of homes in the area.

If a district is phased, is the financing of a second phase financed by the already constructed houses?

- No, there is usually a multi-district structure that phases development. All of the homes are assessed at the same rate and pay the same rates within the district.

Reunion is pretty screwed up, half of the community contributes \$2.5 million where the other half doesn't pay anything for the repayment of debt. Board members have no say on the leverage of mills.

Amber Creek Metro District in the City of Thornton made up the cost to of infrastructure in the metro district without a backing from an engineering firm, currently a lawsuit that is going to trial in the fall. Increased bond limit from \$8 million to \$20 million. The firm, Independent District Engineering Services, shouldn't be allowed to work within Commerce City's limits.

One problem with staff and City Council's in general is that TABOR has tied the hands of governments to get voter permission, causing tradeoffs between the City and developer to get what they want. I would recommend that the City gets an outside consultant to review engineering costs. Gives more credibility to the City when property taxes are raised.

How will this proposal affect Malepa?

- It probably won't, the City is very limited in taking unilateral action.

Why can't we put the new IGA for Chambers on hold until these regulations are in place?

- Developers have not submitted anything since we started this regulation process, we are waiting to see what the results of these regulations are.

Why approve any metro district at this point?

- That's a great questions, I'm sure that is something Council will continue to discuss.

Do Metro Districts have anything to do with the infrastructure build out of these districts?

How do we get from always having to play catch up with development to getting ahead of the curve?

Why are these metro districts so hard to get a hold of?

Why are metro districts trying to take over HOAs?

Someone talked about switching from an HOA to a metro district to ensure everyone in the community paid their HOA dues. Their fees did not go up.

The only place that this will get fixed is the state legislature; in regards to these regulations, I would like to see us to lower the mill levy limits from 50/10 to 45/5, or 40/5. Should also include that no developer should be able to sit on the board once the district is fully built out.

Would like to ask council to consider the complete ban of parent/child partnerships with metro districts. No matter what we say or do, we have no say in how Reunion's metro district money is spent. City Council should be the first city in Colorado to ban metro districts.

Can City Council mandate multiple bids to verify infrastructure costs?

- Unsure, that is something that we would have to explore.

The City should be able to create limits on the time a developer has to act on approved plans.

When will the Commerce City North Infrastructure Bond die, if ever?

Every time a City comes up with a bond question the response is typically 'no,' but there's a work around in the source of a public improvement fee, increasing the taxes on services.

Is there anything at the City level where development phases are tied to community board members? i.e: One board member at 25% completion.

- That is something we could implement as a Home Rule Municipality.

Is there a way for homeowners to be on the board of Reunion's metro district?

- No, the way that metro district is shaped only allows for the developer to serve on the board.

Part of this regulation should be that if you pay into the metro district you should be able to serve on the board, regardless of the parent/child relationship.

Maybe a better focus for a parent/child relationship should be a requirement that the boundary of the district encompasses a minimum number of homes.

If the parent or child cannot financially contribute to the whole community, it shouldn't be allowed.

Mention of cost share agreement between three metro districts in Turnberry where the first two districts transferred \$5 million to the third district. Also mentioned the developer excluding 40% of the community from taxes, leaving the other 60% to pay for undeveloped infrastructure.

Another comment to eliminate metro districts and make developers pay for infrastructure.

What are some legitimate oppositions to these regulations? What has happened since the study session?

- It was more granular in terms of language and specific numbers. Meeting with developers tomorrow, don't anticipate anything different than what has already been shared.

What is the next step after Council's meeting on 9/19/22?

- We'll make revisions based on Council's feedback, then bring an ordinance.

Any IGA service plans should not require that homeowners pay for priority 1 and priority 2 road developments.

If developers have cost overruns before homes are built, future homeowners shouldn't have to pay.

Would like to see City Council not allow developer advancements to fund operations of a district. This is never done with any other districts, such as schools. People that haven't even moved here yet are paying these entities millions of dollars. The City should only approve plans that are filed with the City and the County.

Homeowners should not be paying for past services.

What would the true cost be if there were no metro districts? The metro district should have to keep up on maintenance on roads as long as they have debt.