



Metropolitan Districts

City Council Retreat, February 1-2, 2019

Metro Districts - Background

- Quasi-governmental entities formed/governed by property owners*
- Provide:
 - Improvements (internal/external roads, parks, water/sewer, storm drainage, etc.)
 - Services
- Financed by:
 - Debt
 - Capital advancements by developer
 - Property taxes from included properties
 - Fees collected from users
- Subject to state law regarding public entities (CORA, COML, TABOR, etc.)



Use of Metro Districts

- Benefits:
 - Improvement costs paid by future users
 - City not responsible for construction or sometimes operation/maintenance
 - Financing improvements at tax exempt rates
 - Provides mechanism for maintaining retained infrastructure
- Concerns:
 - Perceived as “hidden” tax or controlled by developer
 - Limited City control
 - Ongoing financial burden for property owners
 - Developer could be required to finance privately



City Oversight

- Council approval of service plan required for formation & material modifications
 - Describes services and facilities, financial information, survey/maps, estimated population/assessment at build out, estimated costs
 - Criteria for disapproval established in state law
 - Some cities have established further criteria
- Service plan and IGA regarding limitations are guiding documents and establish any conditions for approval
- Annual reporting requirements



Current City Process

- Pre-application meeting with applicant
- Application review by city staff (fatal flaw analysis)
- Development Review Team recommendation
- City Council review and decision
- Execute intergovernmental agreement
- File annual reports from districts
- Review and process amended plans as submitted



City Model Service Plan (2012)

- Limits certain activities (fire protection, television relay, telecommunications, water rights, eminent domain, PIF) unless negotiated in IGA
- Debt mill levy cap of 50 mills (if debt > 50% of assessed valuation)
- Debt cap (identified by developer)
- Mill levy term of 40 years unless resident-controlled board extended
- Requires annual report
- Sales disclosure notice & recording



Greeley Ordinance

- Minimum size of 1 square mile (unless justified)
- Requires disclosure of tax burden in property sales
- Specifies “material modifications”
- Formal city review of financing
- Requires formal staff analysis of service plan
- Formally requires annual report
- Establishes sanctions



Windsor Ordinance

- Restricts if future value below \$5 million
- Requires a public benefit beyond standard improvements
- Limits mill levy to 30 years for paying for improvements
- Limits debt service to 34 mills and operations/maintenance to 39 mills (total aggregate limit of 39 mills)
- Encourages early resident control
- Limits multiple-district structure
- Establishes sanctions



Fort Collins Policy

- Supports districts providing “extraordinary public benefits” aligned with Council goals
- Encourages governance structures involving early owner/resident control
- Discourages districts to fund basic infrastructure
- Requires over \$7 million in debt
- Previously discouraged solely residential districts



Policy Options

- Establish limits on formation and modifications (ordinance or review of service plan)
 - Purpose (narrowed types of improvements or services, size of district, amount of debt)
 - Financial (limit mill levy, limit repayment terms)
 - Governance (encourage resident control, limit use of sub-districts)
 - Transparency (disclosure requirements; meetings; notices)
- Increase staff review and oversight of applications and annual reports.
 - Increase fees for metro district reviews (currently \$2,500 for new applications, \$1,025 for amendments, plus costs of consultants and legal review)
- Increase City-led public notification and transparency
 - Create general metro district information for residents on city website
 - Post annual reports, draft plans on city website
 - See [Aurora](#) or [Fort Collins](#)





Questions?

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