



Metro District Regulations

April 12, 2021

Purpose

- Provide a general overview of Metro Districts
 - (120,000 ft. view)
- Review existing regulations
- Discuss Council's outlook on Metro Districts and alignment between development and regulation
- Give staff consensus direction on next steps
 - Does Council wish for staff to develop





Background Information

Metro District Regulations

What are Metropolitan Districts?

- Title 32 special districts
 - Possess government powers
 - Subject legal restrictions
- Provide two or more services as provided in the “service plan” (not otherwise provided by the city)
- Formation requires local jurisdiction and court approval and an election by eligible electors (property owners within the boundaries)



What do Metro Districts Do?

- Financing mechanisms for public infrastructure for development (favorable tax treatment)
- Fund ongoing operations and maintenance for authorized services (if allowed by service plan)
 - Landscaping maintenance
 - Recreation/park facilities
 - Design review/covenant enforcement
 - Security services



Metro District Creation

- Step 1: A service plan is submitted to the approving municipality or county by the property owner(s)
- Step 2: The approving jurisdiction conducts a public hearing on the service plan, with public notice
- Step 3: If approved, a Petition for Organization is filed in District Court, which sets up an election for the initial Board of Directors and district authority
- Step 4: The court has a hearing and orders an election (TABOR date)
- Step 5: Election results are certified and an Order and Decree is issued officially organizing the district



Council's Role

- Mandated by the Act
 - Decision on service plan
 - Decision on material modifications
 - Filling vacancies
 - Receipt of reports/due diligence findings
- Permitted by the Act
 - Action on inclusions, exclusions, consolidations
 - Requesting dissolution
 - Oversight and enforcement of Service Plan/IGA
 - Publicity





Metro Districts in Commerce City

Metro District Regulations

Obstacles to Regulation

- Service Plans already approved are set and cannot be altered unilaterally by the city
 - Views on regulation of Metro Districts have shifted in the past 20 years
- City can only renegotiate service plans if they come up for amendment
 - Amendments are initiated by the districts
 - Or if City identifies material modification to the service plan
- Increased regulations can increase costs for residents





Council's Outlook

Metro District Regulations

Overview

- Metro Districts have historically enabled Commerce City development
 - Both residential and commercial
 - Most North Range developments are products of metro districts
- Historically, City has prioritized development over regulation

Development

Regulation



Regulatory Potential

- Under Title 32, home rule municipalities have broad regulatory powers over metro districts
- Council is more restricted by feasibility than possibility
 - Tougher regulations require more resources and expertise to enforce
 - New regulations would likely have some level of budget impact
 - Third party contracting
 - New staff hires
 - Increased application fees



Discussion Points

- Does Council wish to develop additional regulations?
- How much does Council wish to invest in regulation budgetarily/in staff time?



Council Direction

- Provide staff consensus direction on next steps
 - Does Council wish for staff to proceed with preparing options for additional regulation?
 - Subsequent steps will involve significant staff time
 - Iterative process: Staff will continue to refine regulations based on Council input
- If directed, staff will bring forward additional discussion points and areas for regulation



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Questions and City Council Feedback

