

From: [Daniel Frank](#)
To: [Garland, Kim - CM](#)
Subject: FW: ORD 2661 - Residential Service Plan Processing
Date: Monday, January 6, 2025 10:02:57 AM
Attachments: [Special District Disclosures.pdf](#)

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Hi Kim,

See below...

This is another email on a different agenda item I sent this to Dylan and Council to be included in the comments for tonight's hearing.

Can you please confirm that these will be included?

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From: Daniel Frank
Sent: Monday, January 6, 2025 9:59 AM
To: 'Douglas, Steve - CC' <sdouglas@c3gov.com>; 'Kim, Craig - CC' <ckim@c3gov.com>; 'Noble, Susan - CC' <snoble@c3gov.com>; 'omadera@c3gov.com' <omadera@c3gov.com>; 'kdouglas@c3gov.com' <kdouglas@c3gov.com>; 'rteter@c3gov.com' <rteter@c3gov.com>; 'Ford, Sean - CC' <sford@c3gov.com>; 'cdukes@c3gov.com' <cdukes@c3gov.com>; 'rchacon@c3gov.com' <rchacon@c3gov.com>
Cc: 'Rogers, Jason - CM' <jrogers@c3gov.com>; 'dgibson@c3gov.com' <dgibson@c3gov.com>
Subject: ORD 2661 - Residential Service Plan Processing

Good Afternoon Mayor & Members of the Council,

I was pleased to see that the ordinance to repeal the moratorium on Metro District's was past at first reading. I think this is a very big step in the right direction to making Commerce City a more desirable destination for businesses.

However, I was very shocked to hear some of the misinformation that was brought up by Councilmembers in opposition to lifting the moratorium. I firmly believe that if the proper research was done into what is currently required by the State and the new service plan, that this opposition would cease.

1. Transparency

a. I believe it was said that homeowners are not notified that they are in a District. This is false.

i. **Property Disclosure:** Owners selling newly constructed residences must provide a written disclosure to the potential purchaser concurrently with or prior to the execution of a contract to sell the property providing information on the metropolitan district in which the property is located including: A paper copy, electronic copy or website page link that provides the Notice to Electors as most recently prepared and filed by the metropolitan district; A paper copy, electronic copy or website page link to the metropolitan district service plan or statement of purpose as filed with the Department of Local Affairs; Associated mill levies authorized by the service plan; Maximum debt service the metropolitan district is permitted to impose under the service plan; Disclosure that the metropolitan district may rely on other revenue sources as allowed by the law to offset its expenses; and, Estimated future property taxes that are applicable to the property; The purchaser must be provided the residential assessment ration and a formula by which the estimated property taxes can be calculated for the current year. In bold face type, the seller must provide the purchaser the following statement in writing: **THIS ESTIMATE ONLY PROVIDES AN ILLUSTRATION OF THE AMOUNT OF THE NEW PROPERTY TAXES THAT MAY BE DUE AND OWING AFTER THE PROPERTY HAS BEEN REASSESSED AND, IN SOME INSTANCES, RECLASSIFIED AS RESIDENTIAL PROPERTY. THIS ESTIMATE IS NOT A STATEMENT OF THE ACTUAL AND FUTURE TAXES THAT MAY BE DUE. FIRST YEAR PROPERTY TAXES MAY BE BASED ON A PREVIOUS YEAR'S TAX CLASSIFICATION, WHICH MAY NOT INCLUDE THE FULL VALUE OF THE PROPERTY AND, CONSEQUENTLY, TAXES MAY BE HIGHER IN SUBSEQUENT YEARS. A SELLER HAS COMPLIED WITH THIS DISCLOSURE STATEMENT AS LONG AS THE DISCLOSURE IS BASED UPON A GOOD-FAITH EFFORT TO PROVIDE ACCURATE ESTIMATES AND INFORMATION.**

b. I encourage you to please take a look at rest of the current State required disclosure requirements for metro districts, which I've attached for your convenience. They are undeniably incredibly extensive. I understand that residents may have been blindsided in the past, but that is simply not the case in today's environment. Today's homebuyers within metro districts are very aware they are buying in a metro district, and its taxing implications.

1. The New Service Plan has loopholes, there was not an opportunity to evaluate the new Service Plan, and that the process needs to be slowed down.

a. According to City Staff, the new service plan process started in 2019. So this process has gone on for 5 years.

b. The new Modified Service plan was looked at by City staff, City attorney, outside council, outside consultants, there were many public meetings and listening sessions held, etc.. There was also ample opportunity to do this subsequent to it being adopted. To say that there was not an opportunity to evaluate, and that the process needs to slow down, is just categorically false.

c. I keep hearing that there are loopholes, but this is a hollow excuse. The new Modified Service Plan is actually far too restrictive as written. I am concerned, even if the Mayor's revisions are not included, that it will be very difficult for a District to issue bonds or function under the limitations in the new Service Plan and not sure how a District could ever issue an opinion that the District is in compliance with its Service

Plan. There are no loopholes. It has been dubbed the “Straight Jacket” service plan. Someone please explain to me what loopholes there are?

- d. Finally, I think the additions that are currently being proposed by the Mayor are poorly thought out, do not make sense in most cases, and ultimately hurt homeowners. The fact that this was a late edition to the agenda, and is trying to be pushed through with ZERO STAKEHOLDER INPUT is flat out wrong. This is indicative of the way the City has treated businesses, and the reason why the City has lost on many economic development opportunities.
2. Metro Districts are not equitable
 - a. Metro districts are actually the definition of equitable because the people/businesses within Districts pay taxes that in turn pay for improvements within that Metro District directly adjacent to where they work/live. This alleviates Council’s issue of Southern Commerce City funding projects in the North. This is also NO different than the City collecting property tax and using it on various expenditures.
 - b. What is inequitable, is that the City does not build their own streets/infrastructure. If the City would just pay for its infrastructure, there would be no need for Metro Districts. It’s easy for everyone to point at the Developer and blame them, but the anger should actually be directed at the City.
 - c. The Mayor is actually proposing increasing mills to pay for operations and maintenance of City owned streets. This would severely and disproportionately burden homeowners within new districts for the maintenance of City streets, while giving the rest of Commerce City residents a free ride. What the Mayor is proposing is quite literally the definition of UNEQUITABLE as 95% of Commerce City already has metro Districts. That means that only 5% of CC residents would have this massive additional burden and would be paying costs for the rest of the City. Also, since these roads are City owned/maintained that means that the City did not do a good enough job with their budget, and is passing these costs on to a very small amount of Commerce City Residents.

Finally, all of Council’s actual concerns with Metro Districts have been addressed within the new Modified Service Plan, and the new Modified Service Plan is INCREDIBLY RESTRICTIVE:

1. Runaway mill levies
 - a. Under the new service plan that was adopted, there is hard cap. There are no adjustments allowed, and there is no additional O&M mills allowed. It’s a hard cap, period.
2. Transparency
 - a. I encourage you to please take a look at the current disclosure requirements (especially #9) for metro districts, which I’ve attached for your convenience. They are undeniably incredibly extensive. I understand that residents may have been blindsided in the past, but that is simply not the case in today’s environment. Today’s homebuyers within metro districts are very aware they are buying in a metro district, and its taxing implications.
3. Elections/board turnover
 - a. The new service plan provides that once eligible electors move into the community, “Once the District has End Users that constitute “eligible electors” under the Special District Act, **each member of the Board that is not an End User shall annually submit a resignation to the Board so that End Users can be appointed or elected to the Board to fill such person’s position.**”
4. Debt Term
 - a. The term on debt was reduced by 5 years
5. Control & Controlled District relationship
 - a. This setup is no longer possible under the new Service Plan.

6. Public Cost Reimbursement to Developers of 80%
 - a. This is tantamount to asking a bank for a loan, and only paying back 80%

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