

# **The Basics of Metro Districts**

**An Educational Forum  
Sponsored by the Affordable  
Housing Team of the League  
of Women Voters of Larimer  
County**

Fort Collins Senior Center and Via Zoom  
Session Recorded

Session begins at 6:30 p.m. MST



# What is a metro district?

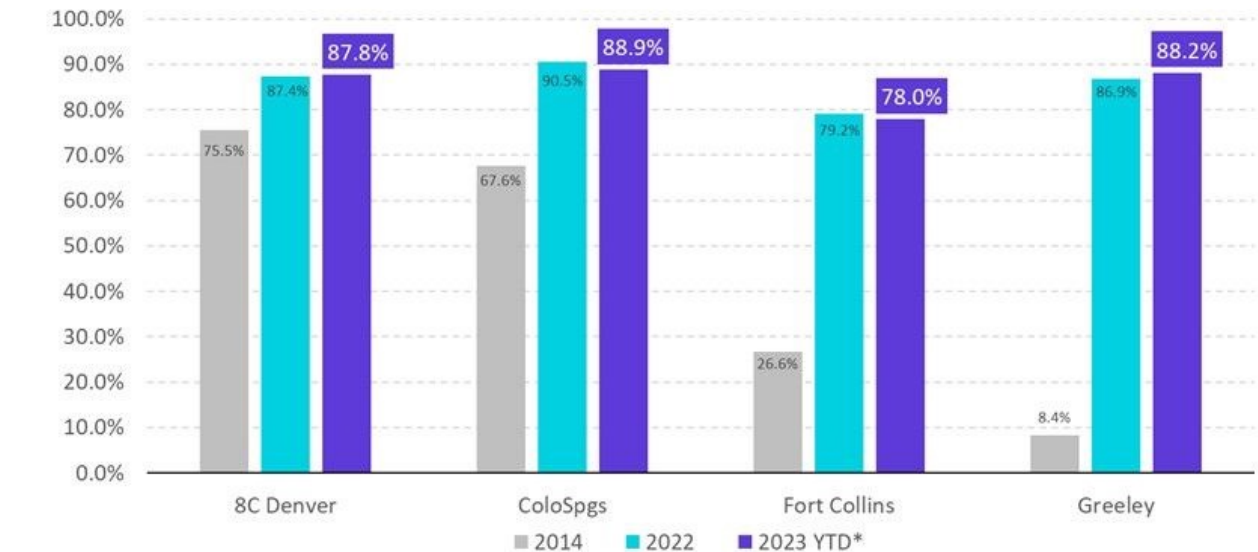
- A metro district is a special district formed under Article 1 of Title 32 of Colorado statutes. It is quasi-municipal but not quasi-governmental.
- Unlike “special districts” which are authorized for a single purpose under Title 32, metro districts are authorized for two or more purposes, which may include:
  - Ambulance
  - Health Services
  - Health Assurance
  - Street Improvements
  - Safety Protection Improvements
  - Parks and Recreation Improvements
  - Water Improvements
  - Sanitary Sewer Improvements
  - Transportation Improvements
  - Fire Protection Improvements
  - Mosquito Control
  - And Others!

# According to the Colorado Department of Local Affairs, there are 2,336 metro districts in Colorado.

Zonda Colorado

Metropolitan District Analysis  
New Home Transactions Comparison of 2014, 2022, and 2023 YTD

87% of New Home Closings in 2023 YTD are located within a Metro District



% of Metropolitan District Activity in New Home Activity			
	2014	2022	2023 YTD*
Metro Area	% in MD	% in MD	% in MD
8C Denver	75.5%	87.4%	87.8%
ColoSpqs	67.6%	90.5%	88.9%
Fort Collins	26.6%	79.2%	78.0%
Greeley	8.4%	86.9%	88.2%
Front Range	59.8%	87.1%	87.0%

\*Note-2023 YTD is through 08/31/2023.

11-County Colorado Front Range Counties			
	2014	2022	2023 YTD*
Adams	78.2%	95.0%	99.0%
Arapahoe	81.9%	93.8%	94.1%
Boulder	11.0%	67.0%	54.7%
Broomfield	84.6%	99.8%	96.6%
Denver	67.6%	43.1%	54.3%
Douglas	94.1%	97.7%	96.9%
Elbert	86.1%	98.2%	98.9%
Jefferson	82.8%	65.8%	64.1%
El Paso	67.7%	90.5%	88.9%
Larimer	26.6%	79.2%	78.0%
Weld	8.4%	86.9%	88.2%

Source: Zonda Colorado



# Why are metro districts used so frequently in Colorado?

- For decades, there has been a philosophical view that growth should “pay its own way”; that is, residents of the development should pay for the costs of infrastructure.
- In addition, the 1992 Taxpayer Bill of Rights (TABOR) limited the amount of tax revenue all levels of governments can collect and spend without voter approval. Under, TABOR cities and counties have had difficulty obtaining broad voter approval for additional infrastructure and public services needed to support population growth.



# Financing

- The estimate for the cost of public infrastructure associated with new development is high at \$40,000 **or more** per home. Raw water charges are in addition to the infrastructure development costs.
- In metro districts, these costs are generally covered with the proceeds from bonds issued by the district over the term of the bonds, usually 30 years.
- The bonds are placed with investors and repaid from the proceeds of the debt service mill levy, which is approved in conjunction with the formation of the district.
- This financing mechanism allows the developer to proceed in a comprehensive fashion to develop roads, sewers, parks and amenities.





# Governance

- A metro district is a government. Just like a city or county, it is subject to the following requirements, to name a few:
  - Taxpayer Bill of Rights (TABOR) – (Article X Section 20 of the State Constitution)
  - Colorado Open Records Act – All its documents are public (C.R.S §24-72-201 to 206)
  - Colorado Sunshine Law - All meetings are public (C.R.S. §24-6-101)
  - Local Government Budget Act – must hold a public hearing to approve the annual budget (C.R.S. § 29-1-101)
  - New legislation – at least one annual meeting in person with opportunity for questions
- The metro district must secure the approval of a service plan from the municipality in which the development is located. This plan sets the maximum debt limits and mill levies for the district and the power of the district to enforce covenants. Municipalities can require annual reporting.



# Transparency

- Transparency notices providing information on the special district's directors, taxing information and upcoming election are required by January 15 of each year.  
(<https://www.sdaco.org/cora>)
- Districts must adopt an annual budget under the Colorado Local Government Act and file an annual audit with the state auditor.
- Real estate purchase contracts must provide a “bold face type” disclosure that the property is in a special property district.  
(C.R.S. §38-35.7-101) The purchaser must sign a statement at closing. (C.R.S. §10-11-22) Both state generally that:
  - property may be located in a special taxing district
  - taxes (mill levy) may increase as a result
  - further information is available from local government or county assessor





# Elections

- The board of directors of the metro district is the district's governing body.
- The board of directors can be five or seven members.
- Every “eligible elector” is able to vote in a metro district election and is eligible to serve on the board of directors. This includes residents who are property owners. In addition, under the Special District Act (C.R.S. §32-1-101), a “property owner” includes “a person who is obligated to pay taxes under a contract to purchase taxable property situated within the boundaries of the special district.” It is this provision that allows development entities to qualify individuals as “eligible electors.”
- At the time of the organizational election, it is very unlikely that there will be any residents who own property within the development. Often, a development entity will be the sole owner and will have complete board control.
- Over time, residents can run for a board seat. By that time, the bond obligations of the metro district are already in place.



# 2023 metro district passed legislation

## SB 23-110 (passed)

- Requires service plan to specify max debt and max mill levy (previously best practice not requirement)
- Requires annual meeting for residential districts
- Disclosures and independent financial opinion required for director debt
- Additional seller disclosures

## HB 23-1062 (passed)

- Authorizes sales tax for parks and rec programs, with voter approval

## HB 23-1105 (passed)

- Created Metro District Task Force to study issues and recommend legislation

# Other Resources

**Colorado Department of Local Affairs (DOLA)**

<https://www.colorado.gov/pacific/dola/special-districts>

[https://assets.website-files.com/641df8542eb14079129dd2d0/6435d3f85c60350de0a3ea5f\\_About%20Metro%20Districts.pdf](https://assets.website-files.com/641df8542eb14079129dd2d0/6435d3f85c60350de0a3ea5f_About%20Metro%20Districts.pdf)

<https://dola.colorado.gov/lgis/>

<https://dola.colorado.gov/lgis/lgActiveCounty.jsf>

**Special District Association (SDA)**

[www.sdaco.org](http://www.sdaco.org)

**Metro District Education Coalition**

<https://www.metrodistricteducation.com>



# Housekeeping Matters

- Please remember that this is a live session that is also being recorded. Please minimize background noise so all participants can hear. All remote participants are muted.
- Questions from the live audience will be taken at the end of the panel discussion.
- Questions from the remote audience can be sent by email to: [questions@lwv-larimercounty.org](mailto:questions@lwv-larimercounty.org) and will be addressed at the end of the panel discussion.



# **Welcome to our moderator and panelists!**

## **Moderator:**

Darin Atteberry, Moderator – Northern Colorado Market President, Elevations Credit Union, and former City Manager of the City of Fort Collins

## **Panelists:**

Ian McCargar – Former Town Attorney, City of Windsor

Sam Sharp – Managing Director, Special District Group of Piper Sandler

Carolynne White – Shareholder, Brownstein Hyatt Farber Schreck

John Henderson – Attorney and Founding Member of Coloradans for Metro District Reform