

# Colorado Metro Districts

Presentation to Jefferson County League of Women Voters

Brian K. Matise

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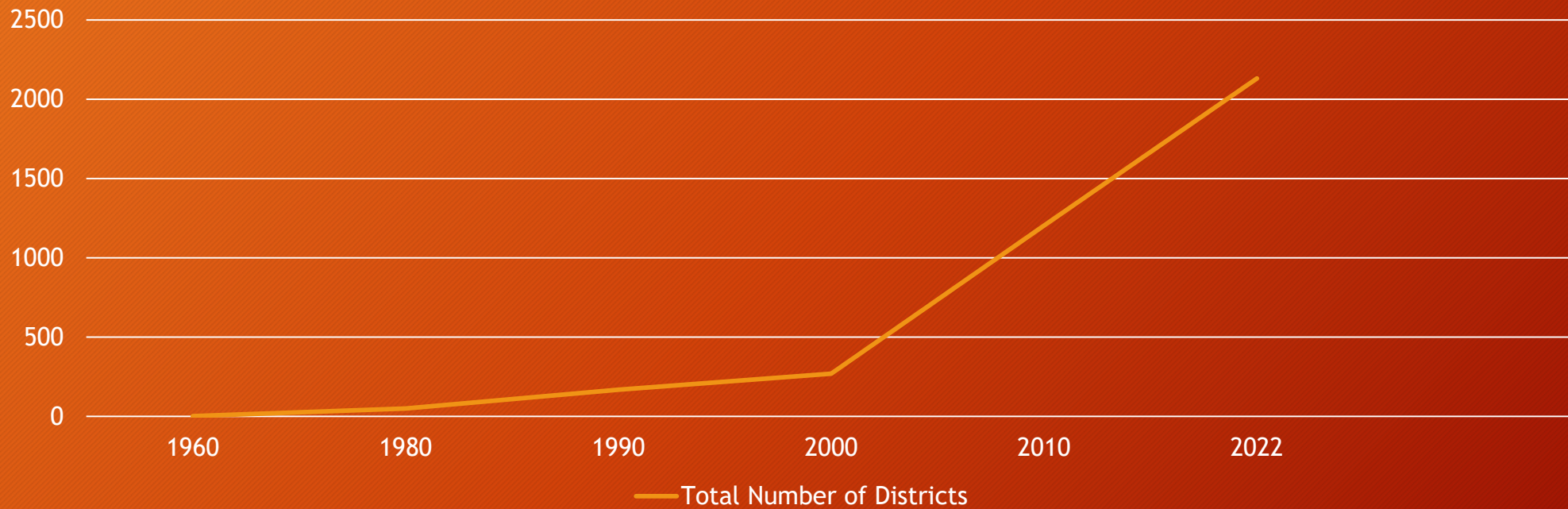
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- They help make housing more affordable
  - **MAYBE** - it depends on whether they reduce lot costs to homebuilders, interest rates on bonds, and close scrutiny of developer costs.

# Metro Districts - by the numbers

Proliferation of Metro Districts in Colorado





# Metro Districts - by the numbers (cont'd)

- As of today, 2,132 separate metropolitan districts have been created (about ½ of ALL the local governments in Colorado, including counties, towns, cities, home rule municipalities, school districts, fire protection districts, and every other gov't entity)
- As we speak, about another 100 districts are being organized based on the May 3, 2022 election results
- Total “voter” authorized debt for all districts: Over \$2 TRILLION
- Two metro districts EACH have over \$100 BILLION authorized debt
- 4 metro districts impose tax levies over 100 mils (135.82 is the maximum)

# Brief History of Metro Districts

- Early 1900's - Special districts were created to perform services in unincorporated areas of counties that municipalities typically perform (fire protection, water, sewer, parks & recreation)
- 1950's - metro districts performed 2 or more of these services
- 1980's - Mission Viejo Company organized Highlands Ranch
- 1990's - multiple metro district consolidated service plan
- 1990-2000 - organization of metro districts within municipalities
- 2000's - master/servant metro district structure
- 2004 - Aurora Regional Improvement Tax
- 2020's - creation of “authorities” and “inclusion area” districts

# How Metro Districts Are Organized

1. Proponent property owner presents a service plan to county and/or municipality for approval
2. SUPPOSED TO satisfy statutory criteria for approval (geographic area, need for service, unavailable service, ability to finance debt, ability to economically provide service)
3. If approved, petition filed in District Court to hold election
4. At initial election, only developer-selected electors are “qualified” to vote because no residents or natural person property owners
5. Initial election: whether to organize district, elect Board, election Q’s
6. Typical election questions considered: authorizing debt, mill levies, “de-Brucing”, eliminate term limits

# Inclusion Districts - To Be Created Later

- Recent development is to follow the model HOA developers have used for years to avoid paying HOA fees
- Initially, multiple districts are created, each consisting of undevelopable “postage stamp” districts often as small as 10x10 ft
- But there is a large “potential future inclusion area” where the developers can include some/all of the land in these districts as they are developed
- Virtually entire tax burden falls on homeowners and if development fails, developers can merely abandon district

# Are Authorities the Final Frontier of Abuse?

- The most recent and perhaps ultimate abuse is the creation of Title 29 intergovernmental “authorities”
- Authorities are separate government entities consisting of contractual arrangements between other government entities
- Example: E-470 Authority (governed by representatives of Adams, Arapahoe, Douglas counties and Aurora, Parker, Brighton, Thornton, Commerce City)
- Abuse: The developer district gets more than half the votes while the taxpayers get less than half
- Aurora Highlands CAB: 12 reps, 7 from developer district, 1 from each of the taxpayer districts