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# **Welcome to the *City of Aurora***

## ***Metro District Informational Town Hall Meeting***

April 30, 2020

6:00 pm

**The meeting will begin shortly...**

# Meeting Agenda

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## ❖ **Welcome and Introductions**

Vinessa Irvin

City Manager's Office, Development Assistance

## ❖ **Overview – Title 32 Metropolitan Districts in Colorado**

Ann Terry, Executive Director and Michael Valdez, Director of Policy  
Special District Association of Colorado

## ❖ **Title 32 Metropolitan Districts within Aurora**

Vinessa Irvin

## ❖ **Questions/Discussion**

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# SPECIAL DISTRICT ASSOCIATION (SDA)

Metropolitan (Metro) DISTRICTS

April 30, 2020

# Special Districts: Historical Overview

- Special districts have been around since the early mining camps in Colorado when residents united to provide essential services; e.g. fire protection and sewer service.
- Special districts have been instrumental in providing public infrastructure to meet the growing needs of the state's population in the face of increasing demands on cities and counties to keep up with the growing need for basic services.
- In 1949, the Colorado legislature created the first comprehensive statutory structure for special districts.
- In 1981, the Colorado legislature re-codified the statutory provisions and established what is typically referred to as the "Special District Act."
- The Special District Act is the general source of statutory authorization (and limitations) for the formation and operation of special districts.

# Types of Special Districts

- Where to find the Special District Act - Title 32, Article 1 Special Districts.
- The Special District Act (Title 32, Article 1, C.R.S.) contains the legal framework for many types of special districts, including:
  - Ambulance Districts
  - Fire Protection Districts (may also provide ambulance and emergency medical and rescue services)
  - Health Service Districts
  - **Metropolitan Districts**
  - Park and Recreation Districts
  - Sanitation Districts
  - Water Districts
  - Water and Sanitation Districts
  - Health Assurance Districts
  - Mental Health Care Service Districts
  - Tunnel Districts
  - Forest Improvement Districts
  - Colorado New Energy Improvement Districts

# Foundation of Special Districts

- Formation and Governance of Title 32 Special Districts
  - Service Plan Approval.
  - District Court Approval.
  - Organizational Election – Voters approve the formation of the District and voters elect the Board.
  - Governing Body - “The Board of Directors” – Determines the management, control, and supervision of the District.

# Tonight's Topic: Metropolitan (Metro) Districts

- A metro district is a type of special district that provides at least two different types of services.
- Growth of Metro Districts:
  - Between 2000 and 2004, the number of metro districts in the seven-county Denver metropolitan area more than doubled, growing from 190 to 390. Statewide, the number of metro districts increased from 294 to 653 during the same time period.
  - The latest posted numbers from the CO Department of Local Affairs, shows that the number has grown to 1,889 metro districts.

# Tonight's Topic: Metropolitan (Metro) Districts

- Where did the growth in Metro Districts come from?
  - This growth mirrors Colorado's rapid population growth and increased demand for housing within the past decade.
- Who decides to allow the growth?
  - The decision to allow growth is made through the county or city's land use approval process.



# Tonight's Topic: Metropolitan (Metro) Districts

- How did Metro Districts become the vehicle to handle the growth in Colorado?
  - TABOR – Taxpayer Bill of Rights
    - ✓ TABOR put limits on the ability of cities and counties to provide vital infrastructure by requiring voter approval for tax increases and bonding authority. Metro Districts allow cities and counties to meet the demand for housing and business and not run afoul of the revenue and spending limits of TABOR.
  - Financing constraints and solutions
    - ✓ Within a special district/metro district, increases of mill levies or authorization of bonds to support the new development or subdivision are approved, or not approved, by only voters within the area of development. If a city or county wanted to increase a mill levy or authorize bonds to support a new subdivision or development, the election to authorize such actions must be conducted citywide, or countywide, and the increased taxes and bonded debt is imposed citywide or countywide as well. In the latter scenario, it is not likely that developed parts of the city or county would tax themselves to pay for the infrastructure of a new development.

# Tonight's Topic: Metropolitan (Metro) Districts

- Paying for the public improvements: developer vs. homebuyer
  - Some would argue that the costs of the public improvements should be borne by the developer. Inevitably, however, the developer will pass the public improvement costs to the purchaser of the home and the homebuyer will be responsible for paying the cost of the public improvements.
  - Paying the costs in the sale price of the home will drive the purchase price up by \$30,000 to \$40,000 in today's economy.
  - In the alternative, financing the public improvements through proceeds from the bonds (debt) issued by the district, where the debt is paid by the mill levy enacted at the beginning of the formation of the district, does increase taxes due on the property but it spreads these costs over a 20-year period. And, this property tax is deductible on the federal and state taxes of the property owner.

# Special Districts: Transparency

- Transparency Notice
  - Between November 1 and 15 of each year, every district must prepare and distribute a Notice to Electors called the Transparency Notice. This notice contains significant information about the district. The SDA Website hosts Transparency Notices for its members [www.sdaco.org](http://www.sdaco.org).
- Disclosure Statement of Information Recorded on Property Records
  - Every special district must record a public disclosure document and a map of the district with the County Clerk and Recorder of each county in which the district is located.
- County Property Tax Statement
  - The statement includes the total property tax on the property for the year, and lists each taxing entity, along with the mill levy and amount due from each property.

# Special Districts: Transparency

- Annual Budget
  - Prior to certifying the district's mill levy, a district must adopt an annual budget, which must be considered at a public meeting, and adopted at a public hearing after proper notice to the public.
- Mandatory Annual Financial Audit
  - Boards are required conduct an annual audit of the financial statements of the district as of the end of each fiscal year or more frequently if determined by the board. There are exceptions based on a threshold amount of a district's revenues or expenditures.
- Open Meetings Act
  - All official action of the board must be discussed and adopted by the board, acting as a body, at a public meeting. Appropriate notice of board meetings is required by law.

# Special Districts: Transparency

- Colorado Open Records Act (“CORA”)
  - Records must be made available to the public.
  - Public policy that all public records should be open for inspection by any person at reasonable times, with a few exceptions.
  - “Public records” is broadly defined to include most documentation maintained by the district and the correspondence of elected officials, including email.

# **Title 32 Metropolitan Districts in the City of Aurora**

**City of Aurora  
Town Hall Meeting  
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Vinessa Irvin  
Manager, Office of Development Assistance



# City of Aurora

## History of Metro Districts

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# Metro Districts within the City of Aurora

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- Operate separate from the City as an independent unit of government as such
  - Metro District boards are elected
  - Noticed open public meetings
  - Annual financial audits



# City of Aurora

## Model Service Plan Provisions

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- **Protection of a max mill levy and repayment term**
  - Maximum debt mill levy of 50 mills (Gallagher adjusted)
  - Maximum term for debt repayment of 40 years
- **Total debt issuance limitation**
- **Limitation on privately placed debt**
  - Reasonable current tax-exempt interest rate
  - Reasonable debt structure

# City of Aurora

## Model Service Plan Provisions

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- **Disclosure to purchasers**

- Federal requirements
- State requirements
- COA requirements



- **Aurora Regional Improvement (ARI) Mill Levy**

- Plan for the future

# Future Metro Districts Changes Being Explored

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## **City of Aurora**

- Additional Transparency requirements
- Strengthen requirements for limitations on debt
- Review by municipal advisor when the board transitions

## **State Legislation**

- Earlier disclosure to buyers
- Expand publication requirements
- Subordinate bond regulations
- Realtor education requirements

# Resources

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- COA Metro District webpage
  - [www.AuroraGov.org/MetroDistricts](http://www.AuroraGov.org/MetroDistricts)
- Meeting Notice webpage
  - [Metro & Special District Meetings](#)
- Interactive mapping tool
  - [Metro District Map](#)



# Questions/Discussion

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## City of Aurora

Vinessa Irvin, City Manager's Office  
Brian Rulla, City Attorney's Office

[www.AuroraGov.org/MetroDistricts](http://www.AuroraGov.org/MetroDistricts)

## Special District Association of Colorado

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