



# Metro District 101

City Council Study Session – June 13, 2017

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# What is a Metro District?

- Formally known as Metropolitan Districts, and sometimes known as Special Districts.
- “A quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to the Special District Act, Article 1, Title 32, of the Colorado Revised Statutes.”
- District boundaries are mainly concentrated in or designed for a specific subdivision.
- “Subject to most state statutes that apply to other governmental entities, such as open meetings and public record laws.”



# Why are there Metro Districts?

- Developers utilize them to:
  - Acquire tax exempt rates to finance public improvements.
  - Acquire funding over a longer period of time.
  - Lower the costs to themselves.
  - Have increased amenities and or aesthetics for their subdivision.
- Potential benefits to the City include that:
  - Street, water, sewer, storm drainage, parks, and recreation facilities get funded.
  - The costs of the new development are localized to the area of new development and not put on the backs of other areas and residents.
  - Preferable to some residents over HOAs.



# What Can Metro Districts Do?

- 1.) Finance, construct, operate, and maintain public improvements, such as:
  - Streets
  - Trails
  - Parking Lots
  - Walls
  - Fencing
  - Signs
  - Lighting
  - Drainage Facilities
  - Safety Protection (traffic related)
  - Parks and Recreational Facilities
  - Water and Sanitary Sewer Services
  - Transportation Systems
  - Mosquito Control
  - Television Relay and Translation
  - Fire Protection



# What Can Metro Districts Do?

- 2.) Levy and collect ad valorem (property) taxes.
- 3.) Issue debt – bonds, notes, loan agreements, certificates of indebtedness or other obligations, both tax-exempt and taxable.
- 4.) Acquire, dispose of and encumber real and personal property necessary to the functions and operation of the Special District.



# What Can Metro Districts Do?

- 5.) Impose fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the Special District.
- 6.) Create enterprises pursuant to Section 20, Article X of the Colorado Constitution.
- 7.) Furnish covenant enforcement and design review services in certain circumstances.



# How are Metro Districts Formed?

- 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.
- Step 3: If approved, a Petition for Organization is filed in District Court. This sets up an election for the initial Board of Directors and the authority of the district.
- 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.



# Who Governs Metro Districts?

- Elections regarding the issuance of debt, imposition of taxes and spending of revenues are limited to the taxpayers of the district.
- Service Plans and Intergovernmental Agreements (IGAs) serve as the guiding documents.
- The Board will initially usually be members of the development team, but over time they are generally replaced by new residents.



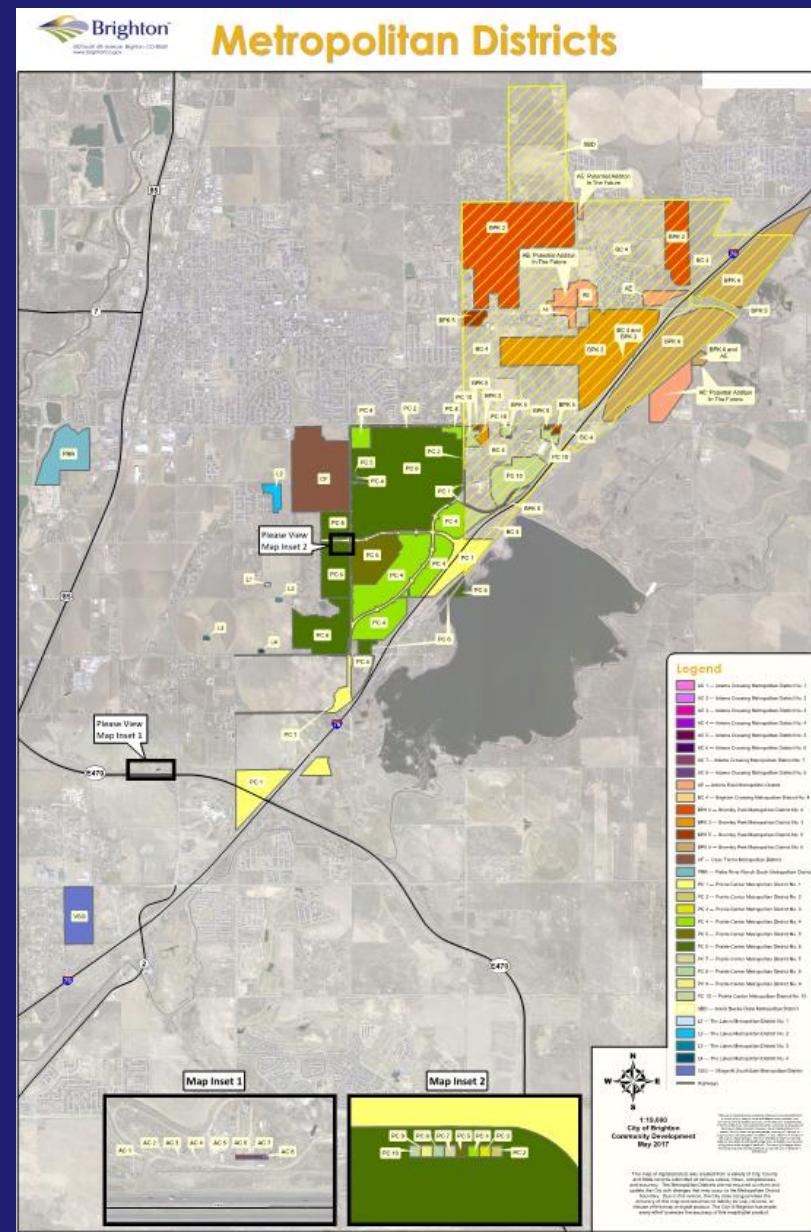
# Service Plans

- Must include:
  - Description of services.
  - Financial information.
  - Preliminary engineering or architectural survey showing how the services are to be provided.
  - Map of boundaries.
  - Estimated population at build-out.
  - Estimated assessed valuation at build-out.
  - General description of facilities to be constructed.
  - Estimated costs of land acquisition, engineering, legal and administrative costs, and costs related to the organization and initial operation of the district.
  - Description and form of any proposed IGAs.
  - Other information set by State Statutes or required by the approving jurisdiction(s).



# Metro Districts in Brighton

- 32 Metro Districts in Brighton
- These districts currently cover 7,870 acres within the City Limits (City is 13,662 acres)
  - 57.61% of land in Brighton is in a Metro District





## Mill Levies

- A mill levy is a property tax that is based on the assessed value of a property.
- One mill is equal to \$1 for every \$1,000 of assessed value.
- Property tax = (market value of property) X (assessment rate) X (mill levy)

\$300,000 Market Value of Home  
2003 residential assessment rate of  
7.96% (*more on this on the next slide*)  
Mill Levy of 100  
= \$2,388 total tax burden



# The Gallagher Amendment

- It divides the state's total property tax burden between residential and non-residential (commercial) property.
  - 45% must come from residential.
  - 55% must come from commercial.
- Fixes the assessment rate of commercial property at 29%.
- Mandates that the residential rate is adjusted annually to keep the 45/55 split.
- Today the residential rate is around 7.96% but was as high as 21% in 1982.
  - This is due to the high value of residential property and the need to keep the total burden for this type under 45%



## Other Entities' that Collect Mills (besides Metro Districts)

- Rangeview Library District
- Greater Brighton Fire Protection District
- School District 27J
- Adams County
- Central Colorado Water Conservancy
- Urban Drainage and Flood Control
- RTD
- Others



# Mill Levy Examples

Municipality	Metro. District	Subdivisions/Neighborhoods/ Location	Mill Levy (for just the metro district)	Initial Approval Date (by whom)	Total Property Mill Levy (as shown by County for sample properties, includes other entities)
Brighton	Bromley Park Metropolitan District No. 2	Brighton East Farms	86.025	11/19/1984 (Adams County)	Tax Area 312 = 186.449
Brighton	Bromley Park Metropolitan District No. 3	Bromley Park, The Village	54.932	11/19/1984 (Adams County)	Tax Area 313 = 155.356, Tax Area 323 = 148.706
Brighton	Brighton Crossing Metropolitan District No.4	Brighton Crossing	52	11/19/1984 (Adams County)	Tax Area 233 = 153.696, Tax Area 307 = 147.046, Tax Area 322 = 152.424, Tax Area 539 = 192.424
Brighton	Prairie Center Metropolitan District No. 1 (Third Creek)	Prairie Center (original)	60	6/24/1985 (Adams County)	Tax Area 328 = 160.424
Brighton	Prairie Center Metropolitan District No. 4	Prairie Center (main commercial areas)	60	2/21/2006 (Brighton)	Tax Area 454 = 160.424



# Mill Levies – Comparisons in Brighton

## Core City

### Adams County Tax District Report

Tax Area: 316

Name	Tax Year	Mill Levy
ADAMS COUNTY	2017	27.055
BRIGHTON	2017	6.650
FIRE DISTRICT 6 GREATER BRIGHTON	2017	11.795
RANGEVIEW LIBRARY DISTRICT	2017	3.659
RTD	2017	0.000
School District 27-Brighton	2017	49.317
URBAN DRAINAGE & FLOOD CONTROL	2017	0.559
URBAN DRAINAGE SOUTH PLATTE	2017	0.061
<b>Total</b>		<b>99.096</b>

## New Development (East Brighton)

### Adams County Tax District Report

Tax Area: 313

Name	Tax Year	Mill Levy
ADAMS COUNTY	2017	27.055
BRIGHTON	2017	6.650
BROMLEY PARK 3	2017	54.932
CENTRAL COLO WATER CONSERV	2017	2.004
FIRE DISTRICT 6 GREATER BRIGHTON	2017	11.795
RANGEVIEW LIBRARY DISTRICT	2017	3.659
RTD	2017	0.000
School District 27-Brighton	2017	49.317
URBAN DRAINAGE & FLOOD CONTROL	2017	0.559
URBAN DRAINAGE SOUTH PLATTE	2017	0.061
<b>Total</b>		<b>156.032</b>



# Brighton<sup>SM</sup> Mill Levy Examples – Other Jurisdictions

Municipality	Metro. District	Subdivisions/Neighborhoods/ Location	Mill Levy (for just the metro district)	Total Property Mill Levy (as shown by County for sample properties, includes other entities)
Commerce City	Belle Creek Metro #1	Belle Creek (NW of 104th & 85)	74.9	Tax Area 204 = 173.685
Commerce City	Laredo Metropolitan District	The Village (NW of Laredo & 121st)	50	Tax Area 389 = 177.680
Commerce City	Potomac Farms Metro District	Potomac Farms (SW of 108th & Potomac)	75.991	Tax Area 173 = 199.772
Commerce City	North Range Metro District #1	Reunion (SW of 112th & Tower)	79.875	Tax Area 561 = 203.656
Commerce City	North Range Village Metropolitan	North Range Village (E of 106th & Potomac)	82.921	Tax Area 568 = 208.706
Commerce City	Fronterra Village Metropolitan	Fronterra Village (SE of Chambers & 100th)	53	Tax Area 104 = 176.781
Commerce City	Buffalo Run Mesa Metro District	Buffalo Mesa (NE of Chambers & 104th)	66.422	Tax Area 598 = 190.203
Commerce City	Buffalo Ridge	The Villages at Buffalo Run East (S of Laredo & 120th)	42.827	Tax Area 106 = 166.608
Thornton	Heritage Todd Creek Metro District	Heritage Todd Creek (SW of 7 & Yosemite)	60	Tax Area 203 = 151.861
Thornton	Talon Pointe Metro Dist	Talon View Sub. (SE of 7 & Quebec)	70	Tax Area 528 = 160.861
Thornton	North Holly Metro District	Holly Hills Estates (SE of Holly & 144th)	50	Tax Area 375 = 140.861
Thornton	Marshall Lake Metro District	Marshall Lake Sub. (SE of 136th & Holly)	45	Tax Area 374 = 135.861
Thornton	Big Dry Creek Metro District	Morrison Sub. (NE of 7 & York)	60	Tax Area 559 = 152.261
Unincorporated Adams County	Eagle Shadow Metro Dist No 1	Eagle Shadow South (N of 7 between Holly & Quebec)	24.75	Tax Area 211 = 127.196
Lochbuie	Silver Peaks Metro Dist #2	Silver Peaks	61.181	Tax Area 3485 = 133.103



# Proposed Model Service Plan

- The current policy hasn't been updated in ten years and we are constantly getting varying types of requests.
- We are looking for uniformity as tailor-making these agreements leaves the City open to legal challenges.
- Uniform standards will help developers know what Brighton expects.



# Policy Direction Guidance

- Debt Service Mill Levy Limitation
  - Cap at 50 mills?
  - Give the City Council the option to increase?
- Operations and Maintenance Mill Levy
  - Cap at 10 mills?
  - Include an aggregate cap of 60 total with the Debt Service Mill Levy?
  - Include an option to increase if the district is taking on HOA functions?