

**Legislation Text**

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Agenda Date: 05/14/2019

Subject:  
Overview of Metropolitan Districts

Presented By: Keith Reester, Public Works Director Jennifer Henninger, AICP Community Development Director
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**PURPOSE:**

This study session is intended to provide an overview of Metropolitan Districts. In addition, staff will be reviewing a few points of what could be the basis of a future city code change and more detailed supporting regulation. Staff is requesting council discussion and direction.

**BACKGROUND:**

Metropolitan Districts or “Metro Districts” are a type of special district authorized by state statute that can be used for financing, maintenance and operation of certain public improvements. Metro Districts have been used throughout the state and also previously within Littleton. Regulations for their establishment are outlined in Title 8, Chapter 11 of the Littleton Municipal Code.

It is anticipated the city will receive future requests to establish Metro Districts and the staff believes additional regulation is likely to be necessary. As such, staff has retained Pinnacle Consulting Group, Inc. to assist in the review and evaluation of requests for new metro districts. Pinnacle has extensive experience in all phases of special districts.

**STAFF ANALYSIS:**

Along with staff, Peggy Dowswell and Chad Walker of Pinnacle Consulting Group, Inc. will present an overview of Metro Districts.

It is staff’s opinion the city’s current code for Metro Districts is insufficient to manage many of the details and impacts that are faced in today’s economic conditions. Metro Districts can be a very useful tool in financing and building important public and private infrastructure. However, there are also concerns that have recently been highlighted in the media regarding the amount of the debt and how that might be passed on to future private property owners.

The debt of a Metro District has different impacts depending upon such issues as how the ownership may change over time and if the project is to be leased or sold. In the case of a commercial or multi-family development for which the original owner retains the property, the cost of the debt is passed on in the pro forma of the project, or the lease rates. The more debt captured in the lease rate, the more challenging it may be for finding tenants, but this is a function of the market place and the responsibility of the property owner.

In the case of a single family development project, the Metro District debt eventually becomes distributed to the

individual buyers of the homes. This is a process that sometimes gets overlooked or misunderstood by future home buyers.

Staff will be discussing with council a couple of examples that other cities have recently pursued in trying to provide more parameters on how they can be used, to what financial limits or conditions and to add more awareness of their financial impacts to future property owners. Staff will discuss two specific examples; city of Aurora and the city of Greeley.

**FISCAL IMPACTS:**

There are no fiscal impacts expected at this time; however, the presentation will identify how Metro Districts can be used as a financing tool to leverage public improvements.

**STAFF RECOMMENDATION:**

This study session is intended in part to provide a general overview of Metro Districts; however, staff is requesting a discussion of a few key issues, for which staff would use to draft possible future code change and regulation.