

## ➔ What are metropolitan districts?

- a) Metropolitan Districts, also known as metro districts, are small units of government that are managed privately. Metro districts have the right to tax residents to fund necessary public infrastructure; example projects include road maintenance, sewer line construction, drainage facilities, etc.
- b) A metro district is a type of special district similar to a school, fire or water district governed by Title 32, CRS.

## ➔ Why do metro districts exist?

- a) Metro Districts are created to fund the infrastructure necessary to support a new subdivision. The functions of a metro district can include both the construction and the ongoing operation of public improvements; example projects include water system improvements, park maintenance, and mosquito control.
- b) Metro Districts help pay off debt incurred from neighborhood development. They also help increase the neighborhood's livability and vitality.

## ➔ How is a metro district formed?

- a) The process includes:
  - The developer submits a letter of interest and a formal application to the city
  - City Staff reviews the application
  - A public hearing at a city council meeting takes place; city council may reject, approve, or temporarily approve service plans on a case-by-case basis.
- b) For more information on the formation process, visit [c3gov.com/MetroDistricts](http://c3gov.com/MetroDistricts)


## ➔ How is a metro district funded?

- a) The taxing authority (the district board) of metro districts issues bonds or special assessments to finance their projects. A mill levy (the "tax rate" that is applied to the assessed value of a property) is added to the annual property tax bill, and the resources from that levy are used only for the benefit of property owners and the neighborhood. Fees may also be imposed for facilities and services.
- b) Debt, capital advancements by developers, property taxes, and user fees.

## ➔ How are metro districts different from Homeowners' Associations?

- a) A Homeowner Association (HOA) is not a type of special district or governmental entity and does not have taxing powers. An HOA is a private entity created to enforce restrictive agreements and to maintain HOA-owned common areas.
- b) Metro Districts have taxing powers.

### For every \$100,000 in home value:

Northern Range			Core City	
North of E. 96th Avenue			South of E. 96th Avenue	
Tax Area: 562	Tax Year: 2022		Tax Area: 250	Tax Year: 2022
Market Value: \$100,000	Assessed Value: \$ 7,150		Market Value: \$100,000	Assessed Value: \$ 7,150
Taxes	Mill Levy		Mill Levy	Taxes
\$26.38	3.689	Rangeview Library District	3.689	\$26.38
\$20.88	2.920	Commerce City	2.920	\$20.88
\$193.54	27.069	Adams County	27.069	\$193.54
\$356.54	49.866	<<< School District 27J School District Adams 14 >>>	36.918	\$263.96
\$16.28	2.277	South Adams County Water & Sanitation District	2.277	\$16.28
\$6.44	0.900	Urban Drainage & Flood Control	0.900	\$6.44
\$0.72	0.100	Urban Drainage South Platte	0.100	\$0.72
\$105.46	14.750	South Adams County Fire Protection District	14.750	\$105.46
\$143.00	20.000	Commerce City Northern Infrastructure GID	0.000	\$0.00
\$631.39	88.306	Northern Range Metro #1 Subdistrict	0.000	\$0.00
\$7.15	1.000	North Range Metro District #1	0.000	\$0.00
\$1,507.77	210.877	TOTAL	88.623	\$633.65

#### References:

- [adcogov.org/taxing-authorities](http://adcogov.org/taxing-authorities)
- 2021 Adams County Tax Areas with Authorities Report (for property taxes to be collected in 2022)

To learn if you live in a metro district,  
visit [c3gov.com/MetroDistricts](http://c3gov.com/MetroDistricts).

**When City Council considered updating regulations in 2022, there were still four key issues that were not finalized. These are important points needing community input to determine their final shape:**

### **1. Mill Levy Cap**

The mill levy rate is the tax rate for a district. The majority of district tax revenues repay the initial debt issued to build out infrastructure. Some funds may also be used to provide ongoing services, such as parks and recreation, landscaping, and other services authorized by the service plan.

The draft regulations would cap the maximum mill levy rate at 50 mills total. Council is also considering an amendment to the regulations that would set the cap at 50 mills for debt repayment and an additional 10 mills for maintenance and operations. This change would allow districts to provide more ongoing services and operations at the expense of additional taxes.

### **2. Mill Levy Adjustment Rate**

Your actual tax burden is determined by the mill levy rate, your home's assessed value, and the assessment rate determined by the General Assembly. When districts are formed, the financial plan uses the current assessment rate to determine the district's debt capacity and how much infrastructure it can fund. If the General Assembly changes the assessment rate, it affects how much money you pay, and how much the district actually collects.

The draft regulations would not allow for automatic adjustments to the mill rate to offset changes in the assessment rate. Council is considering an amendment that would allow these automatic adjustments. Without these adjustments, it is exceedingly difficult to market the bonds as the district may bring in less money and not be able to make its payments. Allowing them, however, could result in mill levies that exceed the stated cap.

### **3. Developer Reimbursement Rate**

Districts and developers may enter into reimbursement agreements, which allow developers to provide money to districts upfront to pay for infrastructure. The developer is then repaid from proceeds of bonds the district sells.

The draft regulations cap the reimbursement of a developer at 80% of the total cost of public improvements. Council is considering an amendment that would raise this cap to 100%. This change would allow developers to recover additional funds invested in the development.

### **4. Debt Term**

Districts issue debt in order to fund the large up-front infrastructure costs for a development. These are bonds that are purchased on the open market.

The draft regulations limit the term of any debt issued to 35 years. Council is considering an amendment that would increase this term to 40 years. This increase is consistent with most bonds issued in the market.

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