

Annotated Statutory Criteria for Action on Special District Service Plans
Mountain Valley Metropolitan District
August 30, 2016

Note: Annotations are provided in brackets []

[32-1-204.5. Approval by municipality.](#)

- (1) No special district shall be organized if its boundaries are wholly contained within the boundaries of a municipality or municipalities, except upon adoption of a resolution of approval by the governing body of each municipality. The information required and criteria applicable to such approval shall be the information required and criteria set forth in sections [32-1-202](#) (2) and 32-1-203 (2).

[Note: the statutes refer to *board of county commissioners* but apply to City Council in this case]

[32-1-203. Action on service plan - criteria.](#)

2) The board of county commissioners **shall** [*emphasis added*] disapprove the service plan unless evidence satisfactory to the board of each of the following is presented:

(a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.

[*The “service” and need would primarily be related to the opportunity to use public financing to offset some of the required predominantly local public improvements costs for this development. The 2006 Special District Policy and Model Service Plans more or less assumed a need based on the parameters established at that time. The requirement have approved development plans for the property also addresses this standard*]

(b) The existing service in the area to be served by the proposed special district is

inadequate for present and projected needs.

[Again, the 2006 Special District Policy and Model Service Plans more or less assumed a need based on use of districts to offset public improvements costs, subject to the limits established by the City at that time.]

(c) The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries.

[The proposed district should be capable of providing the limited identified services: public financing of certain public improvements and limited but important ongoing maintenance functions]

(d) The area to be included in the proposed special district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

[Although this will be a small district, and there may be some 'economies of scale' associated with its use for public financing, the limits inherent in the Model Service Plan provide a reasonable assurance that the timing and amount of formal debt will be limited to the available assessed valuation. Additionally, the most common approach now used by districts for the issuance of debt involved commercial bank loans rather than underwritten bonds. It is understood by staff that the transactional costs associated with these instruments can sometimes be lower]

(2.5) The board of county commissioners **may** *[emphasis added]* disapprove the service plan if evidence satisfactory to the board of any of the following, at the discretion of the board, is not presented:

- (a) Adequate service is not, or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

[The City is in a position to provide all ongoing basic services a district might provide for this area. However, the City is not in a position to install, pay for or finance the public infrastructure being provided by the developer, and (in most cases) being dedicated to the City. Certain maintenance obligations (e.g. streetscape maintenance) will not be provided by the City.]

(b) The facility and service standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section

[32-1-204](#) (1).

[Any facilities installed, financed or owned by the District will meet City and/or CSU standards and in most cases these improvements will end up dedicated to the City]

(c) The proposal is in substantial compliance with a master plan adopted pursuant to section [30-28-106](#), C.R.S. / (in the City's case, substantial compliance with a Comprehensive Plan adopted pursuant to City Code.

[There is limited language in any element of the Colorado Springs Comprehensive Plan addressing use of special districts and staff is not aware of any inconsistency with these documents]

(d) The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.

[Not particularly applicable]

(e) The creation of the proposed special district will be in the best interests of the area proposed to be served.

[This would be a determination of City Council]