



## Legislation Text

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### Special Districts Overview- Session No. 2

#### **Presenters:**

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#### **Summary:**

This is the second of six anticipated Work Sessions requested by Council as an overview of City special districts and policy. Today's areas of focus will be metropolitan districts along with background on the overall district application submittal, processing review, and decision processes.

#### **Background:**

Please refer to the attached PowerPoint presentation. Supporting materials are attached, including the following:

- Overview of Colorado Springs metropolitan district context and issues- September 2019 (prepared by Comprehensive Planning Division staff)
- Single Metropolitan District Model Service Plan
- Colorado Revised Statutes Title 32 District Legislative Declaration
- Colorado Revised Statutes findings for metropolitan district service plan approval
- Special District Committee membership and distribution list
- Summary of district applications 2009 to present
- Special district submittal item matrix
- Descriptions of submittal items
- Overall updated list of City special districts
- Two updated maps with the current boundaries of city metropolitan districts and other special districts (also available at the following link:  
<https://coloradosprings.gov/planning-and-development/page/special-districts?mlid=33886>)

### **1) Metropolitan Districts**

Colorado Revised Statutes Title 32 metropolitan districts are by far the most prevalent type of district used in Colorado. In Colorado Springs they are the most common type of district in total numbers, and are the most popular structure for new districts being proposed. Most post-2005 large master planned developments in the City have (or are expected to have) metropolitan districts. Because of their economic advantages to developers, metropolitan districts are now being used with more

frequency for smaller projects, including a number of infill and/or redevelopment projects.

Altogether, the City has about 76 individual metropolitan districts, with one more pending creation by 2019 year end, and others expected to be proposed for creation by May of 2020. In a number of cases multiple metropolitan districts are approved together in the form of a consolidated service plan (e.g. Flying Horse Metropolitan District Nos 1-3). Counted this way, there are about 42 distinct metropolitan district service plans.

By definition, a metropolitan district is a special district organized under C.R.S. Title 32 with two or more services. These include the following:

- (a) Fire protection;
- (b) Mosquito control;
- (c) Parks and recreation;
- (d) Safety protection;
- (e) Sanitation;
- (f) Solid waste disposal facilities or collection and transportation of solid waste;
- (g) Street improvement;
- (h) Television relay and translation;
- (i) Transportation;
- (j) Water.

The powers and authorities of Title 32 districts are outlined in Colorado Revised Statutes, and are highlighted in attached materials. The City has some ability to place limits on these powers at the time of initial district authorization.

The boards of metropolitan districts are typically comprised of five elected directors.

The “chartering” document for a metropolitan district is its **service plan**. These are applied for by petition and approved by the general purpose government with approving authority. The approving authority is the city or town in the event all of the property in the proposed district falls within the boundaries of that municipality. In the event any of the property is located in an unincorporated area, the Board of County Commissioners becomes the approving authority.

Colorado Revised Statutes forth the findings that either need to be made or may be made to approve a service plan. There are included as a separate attachment.

Since 2006, the City has required metropolitan district petitioners to use Model Service Plans. These effectively serve as a standard form agreement including key information and limitations. Petitioners essentially fill in the blanks with a focus on any requested deviations from the model. Required exhibits also identify allowable future property inclusions, if any, as well as any authorized operations and maintenance functions in addition to general administration for the district.

Once a metropolitan district service plan is approved, and these districts are created, further Council involvement and discretion is limited until and unless the district requires and amendment of their service plan. The trigger for an amendment is referred to as a “material modification”. What constitutes a material modification is addressed in statute, but can also be further stipulated by the City. Since 2006, Council has reserved the authority to separately review and approve formal

issuances of debt by districts. Colorado Revised Statutes also allow the City to require and annual report from metropolitan districts. Colorado Springs has embedded this requirement in its Model Service Plans.

The attached “*Overview of Colorado Springs Metropolitan District Context and Issues*” provides additional background and information.

A few emerging topics and trends are highlighted in an attached PowerPoint.

## **2) District Application Submittal, Processing Review, and Decision Processes.**

Based on a combination of statutory requirements, and City Council direction, the review and processing of essentially all special district-related petitions and applications is limited to a staff level Special District Committee followed by City Council action. Unlike with certain County district formation actions, the Planning Commission has formal no role in the special district review and recommendation process.

Although this is a matter of stated preference and not a formalized requirement, the typical process for Council action on most major and non-recurring district items includes three steps:

- 1) Discussion at a City Council Budget Committee meeting
- 2) Introduction at a Council Work session
- 3) Formal action at regular Council hearing (two hearings for an ordinance).

As further described in attached materials, the primary categories of special district-related petitions or applications that are regularly considered by City Council are the following:

### Petitions or applications

- Resolution approving a service plan for creation of a new metropolitan district
- Resolution approving an amendment of an existing metropolitan district service plan
- Ordinance creating a business improvement district (BID)
- Ordinance including or excluding property from a business improvement district
- Resolution authorizing issuance of formal debt by a metropolitan district or BID

Less common petitions or applications include but are not limited to the following:

- Temporary appointments to district boards
- Off-cycle amendments to BID Operating Plans and Budgets
- Intergovernmental agreements with districts
- Dissolution of an existing general improvement district (GID)
- Ordinance creating a new GID
- Issuance of debt by a GID
- Ordinance creating a new special improvement maintenance district (SIMD)
- Resolutions pertaining to creation of a local improvement district (LID)
- Other actions

A spreadsheet summarizing total district-related Council actions by year since 2009, is attached. There has been an increase on overall agenda items in the last few years, particularly in the category or debt issuance authorizations.

Annual/regular City Council Actions

- Motions approving BID Operating Plans and Budgets
- Motion approving DDA budget
- Appointments to Downtown BID and DDA boards
- Appointments to SIMD advisory boards
- Approval of SIMD budgets as part of overall City budget
- Certification of GID\* and SIMD mill levies
- Adoption of GID budgets\*

\*- as the GID board

In early 2019, by Resolution, Council adopted a revised district fee resolution. Concurrent with this, the details of the staff level and operational aspects of the application and review processes are no longer governed by a Council resolution.

There are important, and in some cases mandated, roles and responsibilities for the City and County Clerks as well as the Colorado Department of Local Affairs (DOLA).

**Previous Council Action:**

This is an overview and Council discussion item only.

**Financial Implications:**

N/A for this agenda item

**Board/Commission Recommendation:**

N/A

**Stakeholder Process:**

N/A for this agenda item

**Alternatives:**

N/A

**Proposed Motion:**

N/A

N/A