City Council
Study Session Summary
January 28, 2020
Library Meeting Room
951 Spruce Street
7:00 PM

Mayor Stolzmann called the meeting to order at 7:00 pm.

City Council Present: Mayor Ashley Stolzmann
Mayor Pro Tem Dennis Maloney
Council member Kyle Brown
Council member Caleb Dickinson
Council member Deborah Fahey
Council member Chris Leh
Council member Jeff Lipton

Staff Present: Heather Balser, Deputy City Manager
Megan Davis, Deputy City Manager
Kevin Watson, Finance Director
Rob Zuccaro, Planning and Building Safety Director
Lisa Ritchie, Senior Planner
Kathleen Kelly, City Attorney
Dawn Burgess, Executive Administrator

Others present: Jim Manire, Hilltop Securities
Kim Crawford, Butler Snow

I. Call to Order – Mayor Stolzmann called the meeting to order

II. Discussion – Metropolitan District Overview
Mayor Stolzmann explained the purpose of the study session is discussion
and that no decisions will be made and no discussion of specific property
will be undertaken. Mayor Stolzmann introduced City Attorney Kathleen
Kelly.

Attorney Kelly reviewed the Metropolitan Districts (Metro Districts)
presentation in the packet, describing the purposes of metro districts. Metro
districts are separate governmental entities with their own elected officials, taxing power and borrowing power. Metro Districts may raise revenue by imposing property taxes, special assessments, and by imposing fee and penalties. Metro districts can issue general obligation bonds, revenue bonds, special assessment bond and tax exempt municipal bonds. The most common way is to issue common obligation bond but it must be approved by voters.

Council member Brown asked about different types of bonds: Ms. Crawford said the difference is what is being pledged – general obligation bonds typically vs unlimited. Any debt is subject to TABOR.

Council member Fahey asked what happens in the unlikely case of collecting more than needed to put in the improvement. In that scenario, the bonds can be paid down or used for other capital improvements outlined in the ballot language.

Attorney Kelly said the service plan is the most important decision to be made. It must include a description of proposed services, financial plan, a preliminary engineering survey, a map of the proposed district, estimate of population and valuation for assessment, general description of the facilities and standards of such construction. It must also include a general description of major expenses related to the organization and any proposed IGAs.

The district proponents must file a service plan with the City. The City Council holds a public hearing to approve, approve with conditions, or disapprove the proposed service plan. If approved, district proponents file in district court for authority to organize and hold election.

Council member Lipton said the initial elections is by a small group, closely held election. How does TABOR enter into this? Does TABOR limit ability to raise revenue? Limits must be voted on by electors.

Council member Dickinson said the initial decisions are very important. Spread out over more people as time goes on. Attorney Kelly agreed and said the initial decisions chart a course that cannot be undone.

Mayor Stolzmann asked about multiple district structures.

Council member Maloney said people purchasing properties sometimes don’t seem to know they are in a metro district. How can this be communicated and allow people to do more due diligence? Attorney Kelly said that has been a struggle to communicate. Notices can be posted in sales office, showing a calculation of how much the homeowner will pay.
Steps can be taken so that notice is not lost in the closing paperwork. But these steps only work for the 1st buyer, when house is resold, no way to know if it has been communicated beyond the 1st transaction.

Council member Lipton said he is not sure a municipality would have the authority to require disclosure in subsequent transactions.

Policy Issues were discussed such as whether a metro district can erode the power of a City Council to determine the City’s direction. The metro district can be invisible and City can become focus of complaints. Metro district’s own mill levy can impact the City’s ability to pass levies.

Council member Maloney asked if we would want different service plans based on different land use? Would like Butler Snow recommendations. It may be case by case. Is there negotiation on a service plan? Staff will review and assess what is provided by the developer, and make recommendations.

You can have an HOA in a metro district.

Public questions– how is this integrated into land use process? A service plan approval does not compel City Council to approve the land use application.

Are there any statistics on how many districts pay off bonds? No bonds known that have defaulted. There have been restructurings.

Have cities decided to not approve metro districts? Some approve many metro districts, some not at all, depends on strategies and how you see growth.

Any legislative initiatives? There are some in the works.

III. Adjourn

Adjourn 9:15 pm

Submitted by – Dawn Burgess
January 28, 2020