



TO: FRUITA CITY COUNCIL AND MAYOR

FROM: SHANNON VASSEN, CITY MANAGER

DATE: MAY 20, 2025

AGENDA TEXT: Overview of Metro Districts (5:30 p.m. – 6:30 p.m.)

PURPOSE

The purpose of this agenda item is for the City’s Special Counsel, Dalton Kelley of Butler Snow, to provide general information on metropolitan districts (hereinafter “Metro Districts”) in Colorado, in anticipation of an upcoming request. The presentation is intended to support informed decision making by offering backgrounds on how metro districts function, their role in financing public infrastructure, and potential policy considerations for municipalities evaluating requests.

BACKGROUND

Metro Districts are independent, quasi-municipal corporations and political subdivisions of the state that are formed under Title 32 of the Colorado Revised Statutes. Metro Districts are commonly used to finance public infrastructure, such as roads, utilities, parks, or sewer, primarily through the issuance of tax-exempt bonds, which are repaid through property taxes or special assessments levied on property within the district.

Metro districts are a widely used tool throughout Colorado to facilitate the development of residential and commercial development. While there are advantages in terms of financing infrastructure, there are policy considerations that need to be considered when evaluating requests. The City has received (or will receive) a service plan for a metro district in City limits, as since this is the first within City limits, staff and special counsel are providing this overview and discussion on metro districts to brief the Council on. The presentation, which is included with this agenda item, will cover the following questions and items:

- What are metropolitan districts?
- How are they formed?
- Metro district governance.
- Metro district revenue raising powers.
- What transparency requirements do metro districts have?
- What enforcement rights does the City have?
- Policy considerations

As with any workshop item, this presentation is informational only and no formal action is needed. Staff anticipates bringing the proposed service plan forward for Council consideration at a future meeting.