

Council Agenda Summary

May 3, 2022

Agenda Item Number

Key Staff Contact: Becky Safarik, Interim Community Development Director/Deputy City Manager, 350-9786; Mike Garrott, Planning Manager

Title

Consideration of Metropolitan District Code Amendments and Options

Summary

Colorado State Statutes allow for the creation of Metropolitan Districts as a means of financing and maintaining certain types of development. This is accomplished by a jurisdiction allowing a Metropolitan District to be formed as a quasi-governmental entity which can then assesses a mill levy to landowners within the district to pay for infrastructure costs or services and to maintain certain common elements within the district. Unlike Special Districts, a Metropolitan District must provide at least two services. Like traditionally financed developments, once the infrastructure is in place it is typically dedicated to the governing entity for perpetual maintenance though there can be exceptions, such as with private streets or areas within a gated community that a District would maintain.

A petitioner who seeks permission to create a Metropolitan District must submit a service plan to the governing entity along with a financial analysis and mill levy rate to cover the cost of improvements, which could be as much as 70 mills. The governing entity has full discretion to approve or deny the proposed service plan. The districts are typically residential or commercial but can be a blend of land use types.

Greeley's first two Metropolitan District areas were allowed in the Promontory development in 1999. Since then, another eight metropolitan district areas have been approved by City Council. The Greeley Municipal Code mirrors state statutes in the minimum elements that must be part of a Metropolitan District. Community Development staff reviews the application and service plan with input from a variety of internal City departments and may involve from a third-party reviewer as needed before it is advanced for Council consideration.

Council conducts a public hearing and then determines if it is in the public's best interest to allow the use of a Metropolitan District to construct the infrastructure improvements as proposed.

Current Considerations

Several conditions make review of the City's metropolitan Districts timely:

1. The City's Metropolitan District Code and model service plan regulations were adopted in 2007; an update to the service plan standards was approved in 2018. Staff has been tracking the existing code relative to other City development code amendments as well best practices from other Colorado communities. This results in a short list of recommended "housekeeping" amendments to update obsolete references, better align with the current municipal code, and incorporate common and basic elements found in other municipalities' metropolitan district codes.
2. City Council and Planning Commission have each expressed an interest in developing higher standards for metropolitan districts to warrant the extra mill levy that the districts impose upon property owners within those areas, often perpetually. Staff has researched a number of other communities' codes along the Front Range and has collected a list of additional goals and provisions that are factors considered as part of metropolitan district authorization.
3. Coincidentally, a new bill is in the process of being introduced in the State legislature that proposes additional conditions on metropolitan districts. The City is monitoring that legislation and will evaluate any aspects that should be incorporated into Greeley regulations if the proposed bill becomes law.

Attached is a summary of proposed corrective code provisions, a menu of additional criteria and elements to consider with new metropolitan districts, and a summary of key provisions in the draft legislation introduced in the legislature.

Fiscal Impact

Does this item create a fiscal impact on the City of Greeley?	No
If yes, what is the initial or onetime impact?	
What is the annual impact?	
What fund of the City will provide funding?	
What is the source of revenue within the fund?	
Is there grant funding for this item?	NA
If yes, does this grant require a match?	
Is this grant onetime or ongoing?	
Additional Comments:	

Legal Issues

The code correction items have been reviewed with the City Attorney's Office, which concurs with the proposed changes. Any future proposed amendments would include further CAO review.

Other Issues and Considerations

Legislation concerning Metropolitan Districts has been introduced at the State level and will be monitored for consistency with any local amendments or code modifications.

Applicable Council Goal or Objective

Infrastructure & Growth: Establish the capital and human infrastructure to support and maintain a safe, competitive, appealing and successful community.

Recommendation:

1. Advance formal consideration of the proposed routine code updates immediately. This would align the metro district standards correctly in the municipal code and clarify other mechanical aspects of the metropolitan district standards. Timeline: an ordinance could be presented for Council action within 2-3 months (mid-summer 2022).
2. Explore priorities from the menu of optional criteria of greatest interest, refer to the Planning Commission for additional comment and to facilitate stakeholder engagement, and return to the Council with a proposed set of metropolitan district criteria for consideration. Timeline: early 2023.
3. Continue to monitor the draft State Metropolitan District legislation for response as aligned with Council's priorities and interests.

Decision Options

1. Direct staff to proceed as recommended; or
2. Offer additional direction to staff on recommended actions; or
3. Curtail action on the recommended actions; or
4. Continue consideration of the recommended actions to a date certain.

Council's Recommended Action

A motion to direct the staff to proceed with code amendments and additional research and community engagement on Metropolitan District code amendments as recommended.

Attachments

A – Metropolitan District Summary of proposed changes (routine)

B – Menu of Potential Additional Metropolitan District goals and criteria

C – House Bill 22-1363