

Special District Ordinance Overview

Council Worksession
March 8, 2022



Context

- **Title 32 of CO State law sets out provisions that allow for the creation of “Special Districts” as an economic alternative to the development of municipal infrastructure (the Special District Act).**



Key Provisions

- **Permitted improvements**
- **Minimum District size**
- **Use of eminent domain; application for grants**
- **Disclosure**
- **Referral notice**
- **Fees**
- **Annual Report**
- **Application process**
- **Service Plan**
- **Public hearing/application of criteria**
- **Amendment/modification process**
- **Financing, Land Use and Capital Facilities**
- **Enforcement**



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Permitted Improvements

Minimum District Size

- **May only construct improvements called out in the Service Plan**
- **Unless it can be demonstrated that the district can accomplish its goals with a smaller area the District must be at least one square mile in size with all land contiguous except for streets, ditches, similar easements**



Eminent Domain

- **The use of eminent domain to acquire land is expressly prohibited without prior permission of the City Council**

Grants

- **The District may not compete with the City for grants unless approved by the City Council.**



Service Plan

Key component of the application and basis for the physical and service delivery component of the District

Would be analyzed by Community Development, Finance, City Attorney, Culture Parks and Recreation and Public Works



Key Elements:

- **District Boundary Map**
- **Itemization and timing of any costs petitioners expect to be assumed by the City**
- **Proof of ownership of all District property**
- **All proposed contractual/operational agreements**
- **A Capital plan of all planned improvements (description, cost est. pro-forma)**
- **Financial plan (total amount of planned debt issuance, sources of revenue, detailed repayment plan, reserve fund, total authorized debt, any credit enhancements, risk analysis)**
- **Other info as appropriate (such as potential impacts to other developments)**

Notice/Public Hearing

Testimony

- **Once the administrative report is complete a public hearing is scheduled at a regular City Council meeting**
- **Any testimony deemed relevant by Council may be considered**



Approval Criteria

Council applies specific criteria to the proposed District & Service Plan



Key Elements:

- Is there sufficient existing & projected need for District
- **Is the existing service in the area inadequate to meet existing and proposed needs**
- Is the District capable of providing economical and sufficient service within its boundaries
- **Is the proposed service not available currently or in a reasonable time to be provided by the City or equivalent**
- Will the District will provide exceptional or special improvements or service
- **Is the proposed District in compliance with City Comp Plan or other water or waste water plans**
- Is approval in the best interests of area residents or general public and able to be successfully integrated into other urban development and services

Add'l Criteria

Specific to a Parks and Recreation District



Key Elements:

- **The facility or service is not adequately provided by private providers;**
- **There is sufficient existing or projected need for the facility or district improvements;**
- **The existing facilities or services in the district are inadequate to meet present and projected needs;**
- **The District has or will have the financial ability to reasonably discharge any proposed debt;**
- **The facility or service will be in the best interests of the District, its residents and the general public**

Process & Decisions

Authority

- **Special District Ordinance in place**

Eligibility

- **Is the proposed District land annexed?**
- **Is the District the minimum size of at least one square mile?**

Review Process

- **Petitioners submits Special District application**
- **Staff reviews application with applicant and relevant departments; may refer to outside City entities for comment**
- **Completes analysis based upon ordinance criteria**
- **30 day notice sent to all other special districts located within the proposed district's boundary**

Consideration

- **Application presented to City Council with staff comment/recommendation**
- **Public Hearing conducted to hear application and all public testimony of interest**

Council Action

- **Council has full discretion to approve, approve with conditions, deny or suspend application indefinitely**
- **If Council approves the application, it advances to an election among District landowners to approve/deny**
- **If approved by land owners, District is established and may commence on its development/service plan as approved**

Discussion....

