



City and County of Denver Statutory Special Districts Rules and Regulations

Title 32 Metropolitan Districts

This document addresses the City and County of Denver's rules and regulations only for metropolitan districts created under C.R.S. Title 32. For information and policy statements related to local improvement and local maintenance districts created under the City charter, please refer to Denver Charter Sections 7.6.1 and 7.6.2.

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CITY AND COUNTY OF DENVER SPECIAL DISTRICT OBJECTIVES

The City adopts these regulations pursuant to Section 2.5.3(I) of the City's Charter, Article VI of Chapter 2 of the Denver Revised Municipal Code, and Article 1 of Title 32, C.R.S. These rules replace and supersede existing rules regarding Title 32 metropolitan districts. The Manager of Finance retains the authority to waive any regulation or fee, in whole or in part, contained herein.

The City shall consider creation of metropolitan districts under the provisions of C.R.S. Title 32 based upon the statutory provisions together with the objectives of the City. The City's objectives include fostering economic growth, improving and maintaining public assets, promoting the vitality of Denver neighborhoods, and improving the overall quality of life for Denver citizens.¹ The City will more favorably consider proposed districts that align with the City's objectives and can demonstrate a significant benefit to the City resulting from their creation. Such objectives may include, without limitation: proposed districts whose boundaries include land adjacent to transit stations; districts that include properties of significant prominence; or districts that propose a substantial investment in public assets or goods.

SPECIAL DISTRICT WORKING GROUP REVIEW

Each application submitted will create a working group to review all applications requesting creation of a special district within Denver. The working group is comprised of representatives from several City departments, including the Department of Finance, Department of Public Works, Department of Parks and Recreation, Department of Community Planning and Development, Department of Law, and Office of Economic Development. The working group will review special district applications and make recommendations to the Mayor's Executive Development Council.

STATE OF COLORADO REQUIREMENTS

All districts must follow applicable state legal requirements including, but not limited to, audits, reporting, debt issuance, budget submission, election requirements, financial regulations, and other governance actions. Budget submission requirements can be found on the State of Colorado, Department of Local Affairs website. Audit submission requirements can be found on the Office of the State Auditor website.

CITY AND COUNTY OF DENVER GUIDING PRINCIPLES

The formation of a statutory district enables certain public benefits and creates a long-term partnership between the City and the special district. The City seeks districts which align with City initiatives, objectives and values. Applicants should consider the following guiding principles in their service plan submittal such as:

- Due to economies of scale, districts should anticipate the issue of more than \$10 million in debt.
- Debt mill levies not imposed beyond 40 years.
- Mill levy aggregate cap of 50 mills and O&M cap of 10 mills, adjusted for Gallagher Amendment.
- Enhancements to community by conformance with City Comprehensive Plan and supplements.
- Economic or physical asset contributions for open spaces, multi modal transportation, regional facilities and/or affordable housing.
- Authorization of Regional Mill Levy in support of regional infrastructure facilities such open spaces, transportation and/or storm drainage.

¹ Additional details on the City's goals and objectives can be found on the City's website <http://www.denvergov.org/>

TITLE 32 METROPOLITAN DISTRICTS

CREATION PROCESS

Service plans of Title 32 metropolitan districts shall be considered by Denver City Council for approval. Adherence to these rules and regulations, City policies, and state statutory requirements in no way guarantees City Council approval of the proposed service plan.

The district's service plan shall outline the district's purpose, powers, requirements, and financial plan.

The City has created a model service plan for Title 32 metropolitan districts. Applicants that use the model service plan may anticipate a streamlined creation process and a reduction in administrative burden. Non-model service plans will be subject to additional oversight and reporting requirements as determined by the City.

Use of either a model or non-model service plan does not alter, reduce, or waive any requirement to follow the applicable review and approval processes in the Denver Revised Municipal Code or any department regulation. Development review shall still be required for land use, construction standards and specifications, land dedications, zoning, or similar categories as required by the Denver Revised Municipal Code or regulation. While a service plan discloses activities subject to review by one or more City departments, the service plan review and approval process shall not replace or remove any City review requirements. Likewise, development reviews and approvals shall be processed in the manner that would occur absent the presence of a service plan.

Initiation of Service Plans

Applicants using either a model or non-model service plan shall follow the below process for submitting a service plan to the City for review and approval. Non-model service plan applications and applications contemplating use of tax increment will receive best efforts to schedule the City Council process.

1. **Letter of Intent** – All district applicants must submit an LOI to the City providing high-level commentary on the proposed district. The LOI must describe or include the following:
 - a. The LOI fee of \$5,000;
 - b. Notice of the intent to use Denver's model service plan;
 - c. Description of the proposed district, location, size, and primary objective or purpose of the district after creation;
 - d. Overview of the district's proposed sources and uses of funds;
 - e. Whether the district will request debt authority, and if so, the level of debt anticipated;
 - f. Identification of any overlapping or neighboring districts and the opportunity for consolidation or coordination with the existing districts;
 - g. Identification of any services to be provided beyond infrastructure maintenance;
 - h. Overview of the proposed development scenario and schedule;
 - i. Description of what regulatory development process documents have been submitted or approved at time of LOI submission. If planning has not been reviewed, then provide a description of how the proposed development will support and enhance the neighborhood.

City staff will not provide comment on the feasibility of the district's structure or on the likelihood of approval until a formal LOI is received. Applicants should email LOIs to capitalplanningandprogramming@denvergov.org. A hard copy of the LOI should also be mailed to *Department of Finance, Attention: Capital Planning and Programming, 201 W. Colfax, 10th Floor Denver, CO 80202*.

- 2. Working Group Service Plan Review** – When the City is satisfied with the LOI and any follow up questions, the City will ask the applicant to submit a draft service plan. The working group will review the first draft submission. Comments and questions will be documented and shared with the applicant. Applicants will be given the opportunity to meet with the working group after the written response is provided to discuss the LOI response if desired. The working group will discuss with the applicant establishment of a City Council process by mutual agreement and consider constraints with the City Council calendar.
- 3. Final Service Plan Submitted** –The applicant shall submit one hard copy of the final working group approved service plan(s) and a portable USB drive with an electronic copy to the Department of Finance to the same address used for the LOI submission in step one. The final draft shall incorporate any comments or amendments requested per the City's written response of the draft review.

DISTRICT FINANCING

Service plan approval, when granted, is intended to authorize the district to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of public improvements from proceeds of district obligations.

Financial Plan

All service plans must include a financial plan exhibit that presents the district's reasonable forecast for revenue collection, capital and operating expenditures, and debt structure. The purpose is to establish evidence of anticipated financial resources required to support the purposes of the district. The City acknowledges that the financial plan provides a numerical example of how development might proceed based on current market expectations and that actual performance will be dictated by actual market conditions which will fluctuate through time. The financial plan will not be binding upon the district with respect to the timing and amount of development unless clearly stated in the body of the service plan.

SERVICE PLAN AMENDMENT PROCESS

Amendment to service plans due to the need for a material change shall be reviewed by the working group and will follow a similar review process as the district's creation process. The Letter of Intent Fee does not apply to service plan amendments as there is a separate Amendment Review Fee due upon submission of the amended service plan.

1. **Letter of Intent** – Request for service plan amendments shall begin by the submission of an LOI that provides the City's working group with information on the proposed amendment. The LOI shall include:
 - a. Description of the amendment being requested, including reference to the existing service plan section/text to be amended.
 - b. Description of how the amendment relates to the district's development and/or operations.
 - c. Explanation of why the amendment is required.
 - d. Additional information that will be helpful to the working group review process.

Applicants should email LOIs to capitalplanningandprogramming@denvergov.org. A hard copy of the LOI should also be mailed to *Department of Finance Attention: Capital Planning and Programming, 201 W. Colfax, 10th Floor Denver, CO 80202*.

2. **Working Group Amended Service Plan Review** – When the City is satisfied with the LOI and any follow up questions, the working group will ask the applicant to submit the proposed service plan amendment. The working group will review the first draft submission. Comments and questions will be documented and shared with the applicant. Applicants will be given the opportunity to meet with the working group after the written response is provided. The working group will discuss with the applicant establishment of a City Council process calendar by mutual agreement while considering constraints with the City Council calendar.
3. **Final Amended Service Plan Submitted** –The applicant shall submit one hard copy of the final working group approved amended service plan(s) and a portable USB drive with an electronic copy to the Department of Finance to the same address used for the LOI submission in step one. The final draft shall incorporate any comments or amendments requested per the City's written response of the draft review.

FEE STRUCTURE:

CREATION AND AMENDMENT FEES

Fees for Title 32 metropolitan districts shall be set by the Manager of Finance and are subject to change. Fees will be charged to applicants of Title 32 metropolitan districts as called out in the table below to offset the costs of City resources required to review, administer, and manage the creation process of special districts through the City Council process. The required fees are described below and outlined in Table 1. No service plan shall proceed until all required fees set forth herein are paid.

TABLE 1

Table 1 Creation and Amendment Fees

Fee Type	Fee Amount	Fee Frequency	Time of Payment
Letter of Intent Fee	\$5,000	One Time	Submission of LOI
Model Service Plan Application Fee			
-First District	\$10,000	One Time	At time of service plan submission
-Each Additional District	\$5,000	One Time	At time of service plan submission
Non-Model Service Plan Application Fee			
-First District	\$40,000	One Time	At time of service plan submission
-Each Additional District	\$10,000	One Time	At time of service plan submission
Additional Fees:			
Amendment Review Fee	\$5,000	Per occurrence	At time of amended service plan submission
Inclusion of a TIF within Service Plan Area	\$10,000	One Time	At time of service plan submission
Property Data Request Fee	\$55 ¹	Per Hour	At time of data request
Costs incurred by City for legal, financial, or other external support.	Cost Incurred	Per occurrence	As billed by City

¹ Fee is a pass-through of Assessor's Office rates and subject to change.

Checks to cover fee payments shall be made payable to the Manager of Finance and sent to the *Department of Finance, City and County of Denver, Department 1010, 201 W. Colfax Ave., Denver, CO 80202.*

Letter of Intent Fee

The Letter of Intent Fee is required before applications will be considered. Service plan amendment requests do not require this fee as there is a separate Amendment Review Fee.

Model and Non-Model Service Plan Fees:

The service plan review fee shall be a two-tiered fee structure that differentiates between a model and non-model service plan submission. The Service Plan Application Fee will be applied to the first district being submitted for review for the development. Each additional district and accompanying service plan will incur a flat additional fee per district as outlined in Table 1.

Amendment Review Fee:

An amendment review fee shall apply to any district that requires a material change to its adopted service plan and which requires City Council approval.

Tax Increment Financing Inclusion Fee:

The TIF Inclusion Fee, outlined in Table 1, will be added to any service plan that proposes a district service area that overlaps, or is anticipated to overlap, an urban renewal area and has a request to use tax increment financing (TIF) for the related development. The fee is due upon submission of the final service plan(s). Service plan applications contemplating the use of tax increment will receive best efforts to schedule the City Council process.

Property Data Request Fee:

The applicant may request property data information of the proposed district’s boundary to support the applicant’s petitioning effort. Applicants wishing to submit a formal data request should fill out the property data request form outlined in Exhibit A. Data requests should be directed to the Department of Finance Capital Planning and Programming Division. The applicant’s data request must provide a map of the proposed boundary along with a description of the boundary and should include payment of the property request fee outlined in Table 1. The typical response time is 30 days after the receipt of the completed form and the fee for real property data. If the request seeks personal property data, the City’s response will take longer.

RECURRING FEES

Fees for Title 32 metropolitan districts shall be set by the Manager of Finance and are subject to change. Fees will be charged on a recurring basis to Title 32 metropolitan districts as called out in the table below to offset the costs of City resources required to review, administer, and manage special districts. The required fees are described below and outlined in Table 2.

TABLE 2

Table 2 Other Recurring Fees

Fee Type	Fee Amount	Fee Frequency	Time of Payment
Annual Fee	\$3,000	Per Year	Payable annually by June 30th
Treasurer Collection Fee	1% of Funds Collected	At Funds Disbursement	Deducted at time of fund disbursement to district
Property Data Request Fee	\$55 ¹	Per Hour	At time of data request
Costs incurred by City for legal, financial, or other external support.	Cost Incurred	Per occurrence	As billed by City

¹ Fee is a pass-through of Assessor’s Office rates and subject to change.

Annual Fee:

Set by Manager of Revenue validated by a fee study based on complexity and amount of work the City will incur for annual review and monitoring. All active districts in the City and County of Denver are subject to this fee. Inactive districts which have inactive status approval from the Colorado Department of Local Affairs are not subject to this fee. Additionally, any districts paying an Application Fee or Amendment Review Fee are eligible for a single year exemption of this fee.

Treasurer Collection Fee:

The City Treasurer shall withhold a one percent fee for property tax or fee collection on behalf of the district in accordance with state law.

Property Data Request Fee:

The applicant may request property data information of the proposed district’s boundary to support the applicant’s petitioning effort. Applicants wishing to submit a formal data request should fill out the property data request form outlined in Exhibit A. Data requests should be directed to the Department of Finance Capital Planning and Programming Division. The applicant’s data request must provide a map of the proposed boundary along with a description of the boundary and should include payment of the property request fee outlined in Table 2. The typical response time is 30 days after the receipt of the completed form and the fee for real property data. If the request seeks personal property data, the City’s response will take longer.

Additional Costs Incurred by City:

The applicant for a special district service plan or amendment shall pay all reasonable consultant, legal, and other costs and expenses incurred by the City that may be required in the process of reviewing the draft service plan, documents related to a Debt issue, or other such costs and expenses as may be necessary to interface with such requests. All such costs and expenses shall be paid within 30 days of receipt of an invoice for these additional costs and expenses.

REPORTING REQUIREMENTS

Title 32 metropolitan districts shall provide the following information to the City's Manager of Finance c/o Capital Planning and Programming Division as required.

Information shall be provided no later than 30 days *before* the occurrence of the events below:

- Approved inclusions and approved exclusions to the boundaries of the district.
- Notice of change(s) or amendment(s) to the district's service plan.
- Annually the district shall submit a map clearly identifying the boundaries of the district.

Information shall be provided no later than 30 days *after* the occurrence of the events below:

- Disclosure of litigation involving the district
- Event notice filing required by disclosure documents.
- Change in official contact information for district mailings or other required communication.

EXHIBITS

Exhibit A - Proposed Special District Property Data Request Form



Proposed Special District Property Data Request Form

Proposed District Information

Proposed District Name: _____ Date: _____
 Submitter Name(s): _____ Neighborhood: _____
 Submitter(s) Phone: _____ City Council District: _____

Proposed District Type

Metropolitan District Business Improvement District General Improvement District

Property Data Request

Market Value Property Type Exempt Amount
 Total Assessed Value Personal Property Value Assessed Value of Improvements
 Schedule Number Owner Address Assessed Value of Land
 Site Address Tax Rate Assessed Value of Personal Property
 Owner Name Square Footage

Details

Please provide a general description of the proposed district boundary:

Please provide an attached map of the proposed district boundary:

Signature of Submitter

By signing this form, you confirm that the applicable data request fee has been paid and that in absence of a formal text description of the property boundary by a licensed land survey professional, the data provided by the City will be done based on the best interpretation of the map and/or description provided above.

 Submitter Signature _____ Date

 Submitter Signature _____ Date