

HANDBOOK FOR RESIDENTS AND CITY/COUNTY ON METRO DISTRICT REFORM

April 18, 2021

Executive Summary

On November 5, 2013, 5 employees and family members of a developer "voted" to give the developer authority to impose debt on future homebuyers of \$21.6 billion.

The developer also "voted" to eliminate the right of those future homebuyers to vote on actually imposing that authorized debt.

Once residents began to arrive, the developer issued bond debt of over \$139 million. The same developer used proceeds from a 2019 bond issue of \$35 million to write himself a check in 2019 for \$27 million to repay part of his "advances".

Now the homebuyers owe more to pay the developers' debts than the assessed value of their homes. The debt is 137% of the assessed value of their homes. According to the Colorado Department of Local Affairs 2006 publication, concerns about financial health of the community begin at 20%.

The residents are paying 170.945 mills in total property taxes. 89.062 mills pays for developer debt. 52% of their total property tax bill.

Residents pay more in taxes for developer debt than they do schools, county, city, fire, library and storm drainage taxes combined.

And the homebuyers don't have clue. Neither did the county in approving the creation of this developer run government.

There are almost 2000 metro districts in Colorado exhibiting the same abuses - with different numbers - but always the same abuses.

How did this happen.

Colorado developers quickly abandoned the traditional model of financing subdivision development when they discovered metro districts and amended the law in 1982 to pave the way for risk free development. Very expensive to the homebuyer. Extraordinarily profitable to the developer.

At a recent symposium sponsored by ULI, one industry spokesperson explained that the sole reason for metro districts was to repay the developer money he used to pay for developing raw land into a subdivision. Another industry spokesperson explained that amending the law to provide for these metro districts shifted the risk of failed development from the developer to the residents.

Along the way, the state legislature and development community abandoned simple constitutional truths we cherish - including the right to vote on taxes and the checks

and balances vital to the integrity of self government.

The result is a terribly abusive system that drains billions of dollars of wealth from Colorado communities and pays it into significantly high developer unearned profit centers typically located outside of Colorado. Money that could be used to fund roads, education, mental health, law enforcement and other public services as well as personal savings.

An industry of lawyers, accountants, managers, bond investors and engineers is heavily invested financially in the proliferation and maintenance of metro districts. Many of them are your elected representatives.

This handbook provides an orientation to the abuses and offers struggling residents with suggestions for a way out.

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Paying Twice to Finance Land Development for New Residential Subdivisions - The First Abuse

We start with open land. And a developer. How do we get from vacant land to a new subdivision of homes.

The developer takes the raw land and builds roads, installs water and sewer pipes, and lays lines and cable for electricity and internet. Infrastructure. The developer makes money by selling the improved developed lots to home builders. Nationwide and in Colorado the average cost of the infrastructure is \$30,000 per lot.

The home builder buys the developed lot from the developer. Price is the cost of the land, the cost of the improvements, plus profit for the developer. The home builders then build the homes on the developed lots. The builder makes money by selling the new home and developed lot to new residents.

The residents buy a new house. Price includes the cost of the land, the cost of the improvements, profit to the developer, the cost of the house and profit to the home builder.

The developer gets the "up front" money to improve the lots (pipes and streets) through his own company, private investors or borrows the money from a bank. He is paid back his costs plus a profit when he sells the improved lots to a builder.

Some developers in Colorado still follow this "traditional" model. In the City of Longmont for example, residential metro districts are prohibited and there is no shortage of quality residential areas built without metro districts. Developers in most other states follow this traditional model.

The Colorado metro district model is different from the traditional model. In theory, with metro district financing, the homeowner pays for the cost of the improvements (streets, sewer, water, electricity, cable, recreational facilities) through property taxes paid after the lots and homes are sold. Theoretically, the price of the developed lot, including developer profit is not included in the price of the home.

If the metro district model theory was true in practice, the cost of developed lots in metro districts would be significantly less expensive than the cost of developed lots outside metro districts. The cost of the developed lot in a metro district would not include the cost of the improvements plus profit. The developers have failed to prove this is true. A recent study proved it is false:

<http://rooneyvalleynews.com/new-research-discloses-brookfields-double-billing-for-solterra-infrastructure-costs/>

This is the first abuse. Residents are paying twice for infrastructure cost and profit.

The Metro District Model is Extraordinarily Expensive - The Second Abuse

In the Colorado metro district model, the developer theoretically recovers his cost plus profit for the infrastructure (pipes and streets) through property taxes.

Here is how that works. There are two loans and two sets of interest.

In the first loan, the developer is both the developer and the metro district at the same time - there are no residents. The developer has already paid for the improvements (streets and pipes) with his own money. The developer calls these payments "advances" which he is "loaning" to the future residents. (Exhibit A) Before the residents arrive, the developer enters into a loan agreement with himself obligating the future residents to repay this "loan" of the "advances". (Exhibit B) Plus interest. This first loan of course includes not only profit to the developer built into the advances but additional interest on the loan (interest equals more profit).

The second loan is created to pay off the first loan, plus the interest on the first loan. After residents start buying the homes but before the residents govern the district, the developer (who is still running the district) issues bond debt. The bond debt is a second "loan" to pay off the first loan. (Exhibit C) The bond is a promise by the district to pay money over time plus interest. The district (developer) sells bonds to private investors. The private investors write a check to the District to pay for the bonds. The district (developer) then writes a check to himself to pay down the loan from himself as the developer. (Exhibit A) The bond investors who wrote the check to the district (developer) to pay off part of the first loan are paid back, with interest, through the residents' property taxes.

Typically for at least the next 40 years and in some cases forever, the residents pay property taxes to pay off the bond debt, plus interest, to pay off the first loan, plus interest.

There is no oversight by a bank, the city, the county or the state to check what the "advances" and the first loan from the developer actually paid for. Research and inadvertent disclosures by developers have provided examples where the "advances" paid for future development outside the district as well as unearned profit.

Two loans. Two sets of interest. With no objective check and balance on what the original advances paid for.

This is the second abuse - metro districts are an extraordinarily expensive way of paying for the infrastructure (streets and pipes). The traditional model of paying for the infrastructure cost as part of the cost of the developed lot is less expensive. Metro district financing is the opposite of affordable housing.

Taxation Without Representation - The Third Abuse

It is hard to imagine that in 2021, at least 300 years after the abuses which led to the American Revolution, American citizens would be taxed by a private developer government which deliberately excludes the right of residents to vote on tax issues. Yet, that is precisely what metro district government does. Here is how it works.

A developer wants to create a metro district government for his new development. Typically he has done nothing more than purchase the land.

Under Title 32, rewritten in 1982, the developer files an application with the city or the county to create a new government. It is an application for approval of a metro district "Service Plan". The Service Plan sets the purpose (pay for infrastructure) and the "Service Area" (physical boundary of the new government district). (Exhibit D).

Title 32 states that the developer must prove there is a need to create this new government - essentially that he cannot finance infrastructure in any other manner. Unfortunately, the city or county approves the application based solely upon the developer's statement that there is a need because a metro district does not already exist for the development site. No check and balance by the city or county.

Then the developer holds an election. But since there are no residents, the only voters are the developer and his family or employees. Typically the number of voters is 2 - 8. (Exhibit E). The "voters" vote on several ballot issues. First, they "vote" to "elect" members to the board of directors - again the developer, his family or employees. Second, they "vote" that for the next 20 years the board of directors (developer) shall have the power to issue bond debt on behalf of the future residents without a vote of the residents. (Exhibit E). And even after residents arrive, the residents won't have the right to vote on issuing bond debt or taxes. Third, the developer (family or employees) vote to authorize an extraordinarily high amount of debt and repayment debt - like a credit card limit - that the developer can spend without a vote of the actual future residents and taxpayers. (Exhibit E).

This information is never disclosed to the city or county at the time of the application to create this new government. This information is never disclosed to the future homebuyer.

Under Title 32, the residents have a right to vote and serve on the board of directors as soon as they have a contract to purchase property in the district. From experiences reported by residents of many districts we know that developers have deliberately discouraged residents from serving on the boards. In at least one district, residents were told they could not serve until the development was built out. The developer typically cancels elections "because no one wanted to run" for up to 20 years. (Exhibit F)

Note the purpose of the district is to repay the "advances" by the developer. The developer already has the money to pay for the infrastructure before the streets and pipes are installed. The district is a mechanism to repay those costs. But, the costs cannot be repaid until enough residents buy homes. There is no financial reason to create a metro district before the residents arrive. Unless the purpose is to impose debt on the future taxpayer before they can object. If the district is created and these "elections" held before the residents arrive, the residents won't have an opportunity to decide for themselves how to repay those costs in the most cost efficient manner and with checks and balances on how the money was spent.

One of the myths promoted by the developers is that metro districts "pay their own way" for new infrastructure to be financed by the new residents who need that new infrastructure. But that has always been the case. Under the traditional model, new residential development always paid for itself through the cost of the developed lot. Both the traditional model and metro districts have the residents pay their own way. Neither model relies upon the city to pay for infrastructure.

In addition to voting on the ballot issues at the first election, the developer also creates an internal hierarchy for the new development area that guarantees developer control.

In many instances the developer will create more than one district at the same time. Through single party loan agreements that the developer enters into with himself, the developer establishes one district will be the "master" district and the other districts will be "subservient" districts. (Exhibit B) The master district is as small as 10 square feet and will never have any residents - always owned by the developer. This postage stamp district will make all the spending and taxing decisions - the developer. The subservient districts will include all the resident taxpayers. Through the agreement with himself as both the developer and the districts, the developer agrees with himself that the subservient districts shall pay all their taxes to the master district and agrees with himself that the master district will make all the taxing and spending decisions. Like feudal Europe. Kings and serfs.

Some districts go a step further to have the master and subservient districts create yet another separate board ("with the same powers as a special district") run by the developer that will make the substantive taxing and spending decisions. (Exhibit G) In one example, the master district got 5 votes on the governing board and the resident districts only got 1 vote. The residents would not have a majority (6) until the development was completely built out. Title 32 does not authorize special districts to create new special districts.

This is the third abuse. The developer eliminating the right of the residents to vote on taxes and bonds. Literally, taxation without representation.

No Checks and Balances and No Oversight - Fourth Abuse

Developers and their supporters claim that there is significant oversight and checks and balances to prevent abuse. That the abuse is the exception by a few "bad actors". That claim is not supported by the facts.

Every metro district is created using the same abusive documents and model. They all rely upon creating a government that will tax residents to pay unknown costs at an extraordinarily high cost without any opportunity by the residents to vote before the tax obligations are imposed. The collective experiences of metro districts in Colorado establish that the abuse is the rule, not the exception.

There is no oversight. In the traditional model, the private marketplace provided checks and balances. Competition and the motivation to fund infrastructure in the most cost efficient manner with, in some cases, oversight by a loan officer.

The metro district model completely eliminates the private marketplace checks and balances. The metro district places the developer in absolute charge. It guarantees payment of costs and profit to the developer with property taxes imposed by the same developer who will receive the payments. Property taxes paid by future residents with no vote. The developer writes the check to himself, cashes the check from himself and gives the bill to the future residents.

Most cities and counties until just recently did not recognize their role and authority in providing oversight. In most cases the city believed the developer had a right to create a metro district and simply "rubber stamped" the applications. The city relied upon the developer for guidance as to the process. The cities and counties routinely approve metro districts just because there is no metro district.

The state provides no oversight. DOLA, the state Department of Local Affairs, maintains a website of documents filed by metro districts, sorts data and prepares reports generated by the documents. <https://dola.colorado.gov/lgis/> However, DOLA has no enforcement powers beyond requesting that the districts comply with the requirements to file certain documents and post them on their website.

The residents have the greatest opportunity to provide oversight. However, the developer - through the ballot issues, Service Plan, Intergovernmental Agreements and direction to the residents - suppresses the ability of the residents to oversee the taxing and spending by the developer controlled metro districts.

Title 32 provides for filing an annual report by districts. It contains little information. Title 32 allows a city to have a 5 year review. Cities and counties don't realize they have that power and don't use it. And 5 years is usually too late. Financial audits are filed with DOLA but typically a year later and written by the developer accountants.

No Relevant Disclosures to Homebuyers - Fifth Abuse

You will know more about financing the cost of a used car than you will purchasing a home in a metro district. There is no truth in lending requirement for metro districts. Developers have recently produced "disclosures" which are public relations pieces.

All the information a homebuyer needs is readily available from documents prepared by the developer and filed in various locations. Here is a suggested disclosure form that can easily capture and disclose the relevant financial information. For each item there is a reference to where the information can be found:

Important Financial Disclosure Regarding Metro Districts

The home you are potentially buying is in a metro district. The taxes in metro districts are typically higher than taxes in non-metro districts.

You have the right to vote and serve on the Board of Directors for the District. Contact the District Manager, Designated Election Official or Attorney for the District to obtain a self-nomination form to get on the ballot.

Until the residents obtain positions on the Board of Directors, the Directors are family, employees or business associates of the developer and have a conflict of interest with the residents which is expressly disclosed in the District's Financial Audit each year.

Typically the developer "votes" to pass ballot issues before the residents arrive which deprive the residents of the right to vote on issuing bond debt for up to 20 years. Residents are advised to obtain seats on the Board of Directors as soon as possible in order establish the residents' right to vote on whether or not to issue bond debt. Bond debt is paid by the property taxes.

In many instances you have already paid for the infrastructure costs when you paid for your home or developed lot. Residents should get on the board as soon as possible to prevent over billing for the same expense.

1. The total amount of the resident debt limit for this district is _____. (Ballot Issue)
2. The total amount of the resident debt finance limit is _____. (Ballot Issue)
3. The debt limit allowed in the latest Service Plan is: _____. (Service Plan)
4. The total amount of debt issued is: _____. (DOLA disclosure)
5. The total current length of time that residents will be required to pay taxes to pay down the current debt is _____. (Service Plan; Bond)

6. The anticipated schedule for future debt is: _____ (Financial Plan in Service Plan)
7. The current annual payment by the entire community for debt is: _____. (Bond; Budget)
8. The average annual payment for each resident for the debt is: _____. (Bond; Budget; Financial Plan)
9. The maximum interest on any debt is _____. (Service Plan; Ballot Issue)
10. The mill rate for all the district debt and operations and maintenance are: _____. (Budget)
11. The current mill rate for all the property taxes other than district debt and operations and maintenance (city, school, fire, etc) are: _____. (County; DOLA; MLS)
12. The current amount of all property taxes is: _____. (County; DOLA; MLS)
13. The ratio district debt plus operations/maintenance to all property tax debt is: _____.
14. The assessed valuation of the district property is: _____. (Budget; Financial Audit; DOLA)
15. The total district debt is: _____. (Budget; Financial Audit; DOLA)
16. The ratio of debt to assessed valuation is: _____. (The Colorado Department of Local Affairs states that a ratio higher than 20% raises concerns about financial health of the district).

What Can Residents Do - Stop the Abuse

1. Obtain resident control of the resident district boards. There is a process under Title 32 for residents to file a petition to recall the developer employees off the boards for the resident districts. There are many residents who have experience with these recall procedures. For assistance, contact the Coloradans for Metro District Reform. <https://metrodistrictreform.org/home>
2. Identify all the agreements for the districts. Consider terminating the single party agreements entered into by the developer on behalf of himself and the districts at the same time. The service agreements require resident districts to pay the debts of the developer district with no accountability. They assign the tax and spend power to a board other than the resident district board. For assistance, contact the Coloradans for Metro District Reform. <https://metrodistrictreform.org/home>
3. Refuse to issue more bond debt without a.) an independent accounting through

a forensic audit to determine what the advances paid for, b.) a showing through verifiable documentation that the residents didn't already pay for the infrastructure when they paid for the developed lots through the cost of their homes, and c.) a vote of all the residents.

4. At the next election, place on the ballot the question of whether or not to repeal the ballot issues voted on by the developer and his family/employees before the residents arrived. This will not reverse or affect bond debt that has already issued but it will enable the residents to stop any more bond debt without a vote of the residents.

5. Support efforts to reform state, county and city law that enable the abuses. Contact the Coloradans for Metro District Reform <https://metrodistrictreform.org/home>

6. Don't buy a home in a metro district unless it qualifies as a financially healthy resident controlled district. Many districts have managed through the abuses to gain control of the tax and spend decisions and have reduced the pending debt to reasonable levels. In many districts, residents have paid more in taxes than the developer was owed, but they are financially stable. Contact the Coloradans for Metro District Reform <https://metrodistrictreform.org/home> for help in evaluating a district.

What Can Cities and Counties Do - Stop the Abuse

1. Require Meaningful Disclosures with the Service Plan Application:
 - a. Verifiable documentation of cost of the land
 - b. Verifiable documentation of cost of infrastructure (note industry average \$30,000 per lot)
 - c. Verifiable documentation of cost of lots to builders (or developer if they are also building some or all of the homes)
2. Expressly prohibit metro districts where the cost of the lot to builders already includes the cost of the infrastructure. If the cost of the lot is more than the pro-rata cost of the land to the developer, then there is a presumption that it includes repayment already for the cost of the infrastructure. If the cost of the developed lot already includes the cost of the infrastructure (industry average of \$30,000 which includes profit to the developer), there is no need for a metro district.

3. Require Review and Approval of:

a. Ballot Issues

- (1) prohibit ballot issue provisions which impose debt and debt repayment authorizations without vote of residents (actual qualified electors who will buy the homes, live in the community and pay the taxes)
- (2) Limit the amount of any debt authorization to one half of the cost of the infrastructure (the developer can always apply to modify the service plan authorization based upon verifiable data of how the money was spent and place the issue on a subsequent ballot)
- (3) eliminate any interest rate authorization
- (4) ensure term limits for directors

b. Agreements

- (1) require all agreements to be approved by council until board of directors is 100% actual residents with no affiliation to the developer
- (2) expressly prohibit agreements where district agrees to pay debts of developer or district agrees to pay debts of another district unless voted upon by actual residents
- (3) expressly prohibit agreements establishing any governing body other than the board of directors for the actual resident taxpayer districts

4. Prohibit any District from Issuing Bond Debt of any kind without approval after public hearing by the council or board of commissioners until the district board is 100% actual tax paying residents with no affiliation to the developer.

5. Service Agreement - Expressly . . .

- a. Provide that the boundaries and purpose are limited and any change must be approved by the city/county.
- b. Provide that the debt shall be limited to a specific number and that number must be equal to one half of the the cost of the verifiably documented cost of the infrastructure (if the developer needs more, he can apply to modify the service plan and prove with verifiable documentation how the money was spent)
- c. Prohibit any mill levy higher than 35 mills total for all metro district taxes
- d. Prohibit any cost sharing agreements and debt payment agreements with other districts unless approved at an election by the actual resident taxpayers.
- e. Prohibit the creation of any governing body other than the board

- of directors for the actual tax paying resident district(s).
- f. Require weekly reports to the city or county of verifiable expenditures and income related to the construction of infrastructure which will be open to inspection by the public
 - g. Require monthly review of status of the finances of the district by the city council until the district board is 100% actual resident taxpayers
 - h. Provide that the city/county may at any time and for any reason require the developer/district to show cause why the conditional approval of the service plan should not be revoked where the continued operation of the district is no longer in the best interests of the community
 - i. Provide that any and all approvals for the creation of a metropolitan district shall be conditioned upon approval of the financial management of the district until the district boards are 100% actual resident taxpayers with no affiliation with the developer
 - j. Provide that every potential homebuyer shall receive the prescribed disclosure at the time they first inquire about the home, at the time they make an offer and at the closing
 - k. Provide that every notice of a board of director meeting shall include a self nomination form and instructions that any resident may at any time self-nominate to serve on the board of directors. The instructions shall also state that once a resident self-nominates for a position, the board of directors must call for an election within 30 days and that the current board members who are not actual tax paying residents are immediately disqualified from serving on the board and voting on matters that come before the board.
 - l. Provide a right to citizen initiatives using the same process as the city

Here are highlights of the statutory tools to provide checks and balance on metro districts:

The City contributes to the content of the Service Plan and must approve the content of the Service Plan. There is no limitation on the frequency and extent of checks and balances the city can write into the service plan, including weekly financial reports until the board is 100% resident and prohibiting bonds from being issued without a public hearing and vote of council.

That approval for a metro district may be “conditional” which allows the City to continue to oversee and hold the developer accountable for the implementation of the Service Plan, especially during the first several years when the developer board of directors is making all the decisions - before the resident voter base is established and before residents are running the District Boards.

There is no limit to the nature of the additional information to be reviewed and no time limit for the conditional approval

Statutes:

CRS 32-1-204.5 (1) No special district shall be organized if its boundaries are wholly contained within the boundaries of a municipality or municipalities, **except upon adoption of a resolution of approval by the governing body of each municipality.** The information required and criteria applicable to such approval shall be the information required and criteria set forth in sections **32-1-202 (2) and 32-1-203 (2).** With reference to the review of any service plan, the governing body of each municipality has the following authority:

- (a) To approve without condition or modification, the service plan submitted;
- (b) To disapprove the service plan submitted;
- (c) To conditionally approve the service plan subject to the submission of additional information relating to, or the modification of, the proposed service plan or by agreement with the proponents of the proposed service plan.**

CRS 32-1-202 (2) The service plan shall contain the following:

- (a) A description of the proposed services;
- (b) A financial plan showing how the proposed services are to be financed, including the proposed operating revenue derived from property taxes for the first budget year of the district, which shall not be materially exceeded except as authorized pursuant to section 32-1-207 or 29-1-302, C.R.S. All proposed indebtedness for the district shall be displayed together with a schedule indicating the year or years in which the debt is scheduled to be issued. The board of directors of the district shall notify the board of county commissioners or the governing body of the municipality of any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan.
- (c) A preliminary engineering or architectural survey showing how the proposed services are to be provided;
- (d) A map of the proposed special district boundaries and an estimate of the population and valuation for assessment of the proposed special district;
- (e) A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the proposed special district are compatible with facility and service standards of any county within which all or any portion of the proposed special district is to be located, and of municipalities and special districts which are interested parties pursuant to section 32-1-204 (1);
- (f) A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the district;

(g) A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the proposed special district and such other political subdivision, and, if the form contract to be used is available, it shall be attached to the service plan;

(h) Information, along with other evidence presented at the hearing, satisfactory to establish that each of the criteria set forth in section 32-1-203, if applicable, is met;

(i) Such additional information as the board of county commissioners may require by resolution on which to base its findings pursuant to section 32-1-203;

(J) and (k) omitted as not relevant (health service districts)

CRS 32-1-203 (2) The board of county commissioners **shall disapprove** the service plan **unless evidence satisfactory to the board** of each of the following is presented:

(a) There is sufficient **existing and projected need** for organized service in the area to be serviced by the proposed special district.

(b) The **existing service** in the area to be served by the proposed special district **is inadequate for present and projected needs.**

(c) The proposed special district **is capable of providing economical and sufficient service** to the area within its proposed boundaries.

(d) The area to be included in the proposed special district **has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.**

(2.5) The board of county commissioners **may disapprove** the service plan if **evidence satisfactory to the board of any of the following, at the discretion of the board, is not presented:**

(a) **Adequate service is not, or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.**

(b) The facility and service standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section 32-1-204 (1).

(c) The proposal is in substantial compliance with a master plan adopted pursuant to section [30-28-106](#), C.R.S.

(d) The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.

(e) **The creation of the proposed special district will be in the best interests of the area proposed to be served.**

(3) The board of county commissioners **may conditionally approve the service plan** of a proposed special district upon satisfactory evidence that it does not comply with one or more of the criteria enumerated in subsection (2) of this section. **Final**

approval shall be contingent upon modification of the service plan to include such changes or additional information as shall be specifically stated in the findings of the board of county commissioners.

There must be a public hearing before approval is granted. CRS 32-1-204.

The City must approve any material changes to the Service Plan. There must be a public hearing before any changes are approved. CRS 32-1-207.

The developer must submit annual reports to the City for at least the first five years and thereafter, if requested. CRS 32-1-207 (3)(c) and (d)

The City is not limited in the nature of information it may require the applicant to submit in the annual report. CRS 32-1-207 (3)(c)

The annual reviews may be (should be) held as part of a public meeting with notice to the public. CRS 32-1-207 (3)(c)

CRS 32-1-207 (3) (c) If a special district files an annual report pursuant to this paragraph (c), **such report shall include but shall not be limited to** information on the progress of the special district in the implementation of the service plan. The board of county commissioners or the governing body of the municipality **may review the annual reports in a regularly scheduled public meeting, and such review shall be included as an agenda item in the public notice for such meeting. The City may require a hearing every five years after debt is issued on the status of implementing the Service Plan with particular attention to the burden of the financial debt repayment upon the residents:**

CRS 32-1-1101.5 (2)

II) Determine that the implementation of the service plan or financial plan will not result in the timely and reasonable discharge of the special district's general obligation debt and **that such implementation will place property owners at risk for excessive tax burdens to support the servicing of such debt.** If the board of county commissioners or the governing body of the municipality makes such a finding, **it shall deny a continuation of the authority of the board of the special district to issue any remaining authorized general obligation debt**

About the Author and Disclaimer

John Henderson lived in Solterra and worked with a group of neighbors to recall the developer employees off the governing metro district board. Beginning in 2016, he spent over 4 years researching and writing about metro district abuse in Colorado, publishing over 200 blogs on these sites:<http://rooneyvalleynews.com> and <http://solterracommunity.org>. He has been recognized as an expert on metro district abuse by the City of Lakewood, City of Longmont, Denver Post and numerous resident controlled metro districts in Colorado.

He was a Fellow with the Citizens Research Council of Michigan, a private think tank on state and local government sponsored by the Michigan business community

which included obtaining a Masters in Public Administration at Wayne State University. He was appointed to and served on the Inland Wetlands Commission in Bloomfield Connecticut, a statutory land use regulation agency. He was appointed to and served on the Airport Advisory Board to the Fairfax County, Virginia Board of Supervisors which focused on land use issues around Dulles Airport. He has served as the Land Use Committee Chairman for a Home Owners Association and the President of another Home Owners Association. He also served as the president for a regional Home Owners Association - the Sully District Council in Fairfax County, Virginia. For over 40 years he has worked on behalf of residents to address local government issues.

Mr. Henderson is an attorney licensed to practice law in several states, including Colorado, and also earned a Masters in Public Administration. All of his work on metro districts is "pro-bono". He will not accept any compensation.

To the extent individual residents or districts consider taking action based upon the information contained in this handbook, they should consult an attorney with experience representing resident controlled boards. Every situation will have unique features that require individual analysis. This educational handbook is intended to educate, raise issues, provide a starting point for identifying choices and opportunities for change.

