

Colorado Metropolitan Districts' Purpose and Benefits – Fact Sheet

PURPOSE

Metropolitan Districts are local government entities approved by a city council or county commission to provide specific services essential to a community's health, safety, economy, and well-being. They are an effective public financing tool for creating affordable housing developments. Residents pay property taxes for both basic services and enhanced amenities, ensuring growth is self-funded. Metro districts are regulated by local and state laws on taxation, services, and transparency.

2400+

There are 2,400 Colorado metro districts.¹

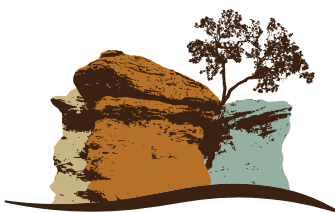
87%

of new homes sold in the Colorado front range in 2023 were located within a metro district;² and

90%

of Colorado master-planned communities are within a metro district.²

The concept is not new, special districts date back to the early mining camps in Colorado. As the camps grew, the residents sought mechanisms to provide essential services such as fire protection and sewer services. Today, they are a critical funding source for roads, sidewalks, streetlights, water and sewer systems, parks, and recreational facilities.



BELLA MESA
METROPOLITAN DISTRICT

www.bellamesametro.specialdistrict.org

BENEFITS



Housing Shortages

Metro districts can provide essential public infrastructure development that facilitates homes being built with lower initial costs to homeowners because major upfront costs can be financed for 20 to 30 years, at lower rates than home mortgages.



Housing Affordability

Metro districts fund essential public infrastructure, such as roads, water and sewer systems, parks, and recreational facilities, in new areas. Without the metro district, those public infrastructure costs will be added to each home, significantly increasing the cost of purchasing a home.³



Growth Pays Its Own Way

Because infrastructure costs are financed locally in new projects, present residents are not taxed for newcomers' impacts. Thus, new residents are paying for their own infrastructure.



Local Control

The County or municipality that approves a Metro District's service plan typically sets limits on mill levies and the amount of debt that can be issued.



Taxation Structure

To pay the public infrastructure costs, Metro Districts typically impose property taxes within their boundaries to finance the infrastructure and services provided. This allows the costs to be distributed among those directly benefiting from the public infrastructure.



Transparency

Metro districts must be financially and operationally transparent and publicly accountable to their residents. Metro Districts are generally required by law to:

- Hold regular meetings open to residents and the public.
- Adopt and publish an annual report.
- Operate a public website.

¹ SPECIAL DISTRICTS: A BRIEF REVIEW FOR PROSPECTIVE HOMEOWNERS, Colorado Department of Local Affairs, Division of Local Government, p2.

² Metropolitan District Analysis, New Homes Transactions, Master Planned Communities, Zonda Colorado, 2023.

³ Background on Metro Districts, Colorado Association of Homebuilders, 2019.