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# Special Districts 101

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# Agenda

Types of Districts

Review of District Structures

General Improvement Districts (GIDs)

Business Improvement Districts (BIDs)

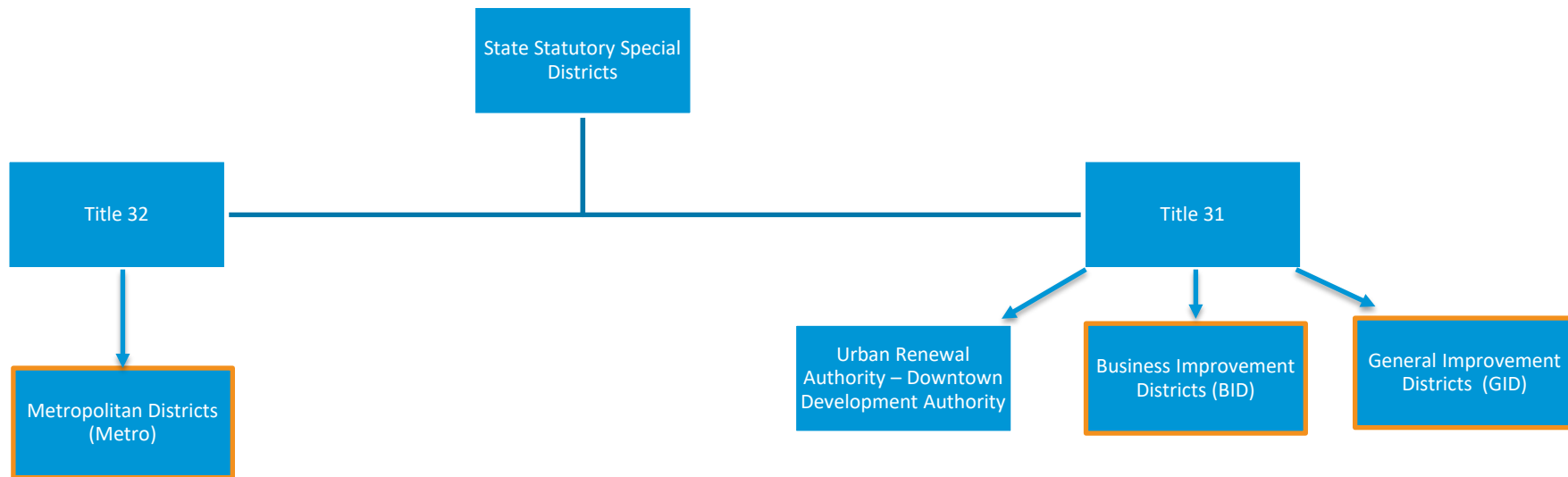
Metropolitan Districts (Metro)

Rules & Regulations Highlights

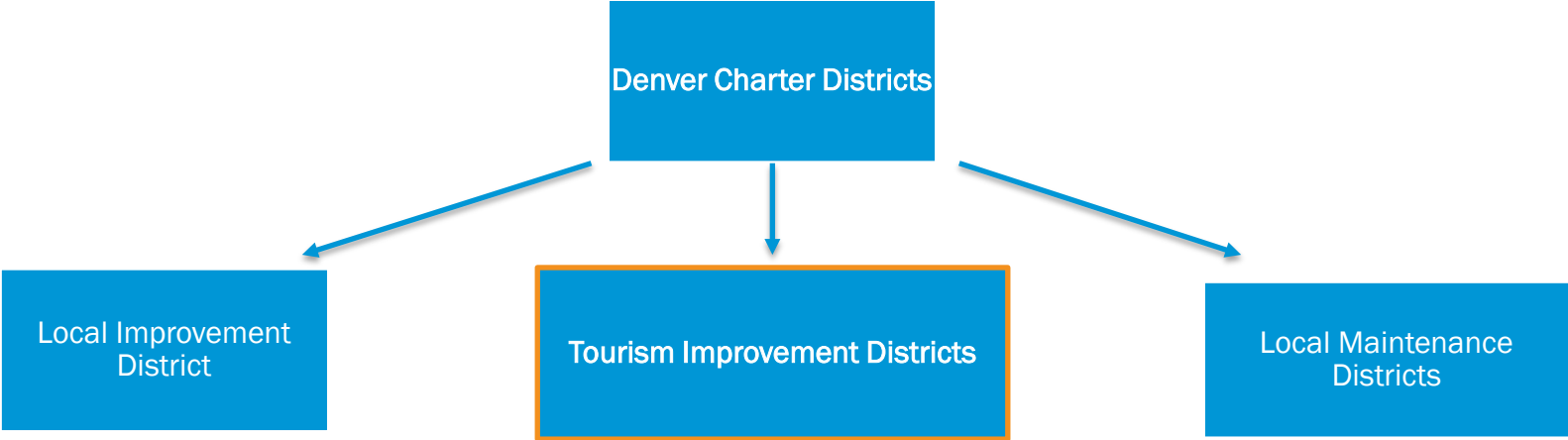
Tourism Improvement Districts (TIDs)

Questions?

# State Statutory Special Districts



# Denver Charter Districts



# District Structures

	Statutory Districts			City Charter District
	Metro Districts	GID	BID	TID
Primary Purpose	Public Infrastructure & Maintenance	Public Infrastructure & Maintenance	Economic Development & Marketing	Tourism Improvements & Services
District Eligible Properties	Commercial & Residential	Commercial & Residential	Commercial Only	50+ Room Lodging Establishments
Governance	Board of Directors	City Council as Board of Directors	Board of Directors	Board of Directors
Revenue Generation	Raised through increased property owner burden (taxes, rates, fees, tolls, charges)			
How Created	Service Plan Approval	Creation Ordinance Approval	Creation Ordinance Approval	Creation Ordinance Approval
	Created by local vote of the eligible electorate			
Debt Authority	Financing available if approved by voters			
Annual Budget Approval	Board of Directors	City Council as Board of Directors	Board of Directors & City Council	Board of Directors & City Council

# General Improvement Districts

**Legal authority:** Colorado Revised Statutes Sections 31-25-601 through 31-25-632. (Consists of residential and commercially assessed properties).

**Revenues Derived:** Through levy of ad valorem tax, special assessments, rates, fees, tolls, or charges.

**Creation:** Petition signed by at least 30% of the electors of the proposed district.

- A **Public Hearing** is held, and **City Council approves a creation ordinance** for the GID.
- Election authorization for organization, debt, and revenue.
- Once approved by Council and organization election passed (if needed), a new governmental authority is created.

# General Improvement Districts

**Powers:** Same powers as underlying government that approves the GID.

- Acquire, construct, install, own, operate, or maintain public improvements except solid waste disposal.

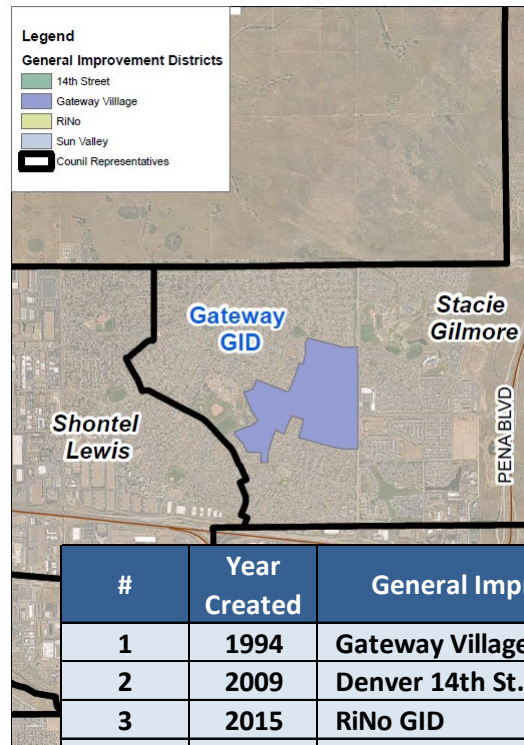
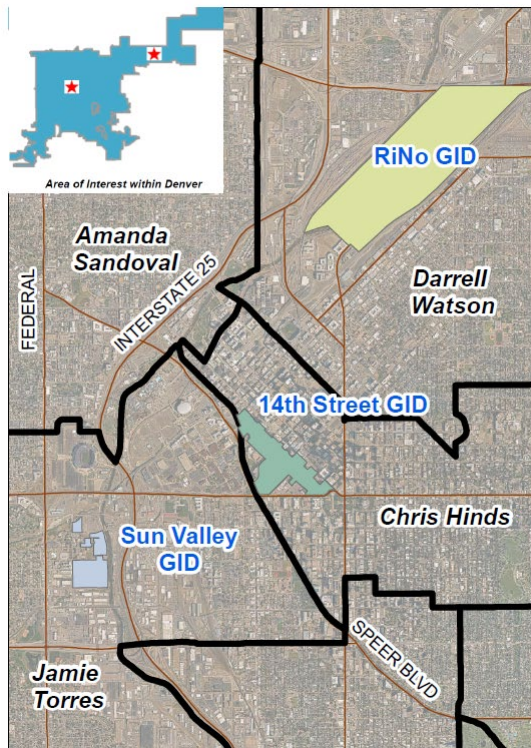
They have the power to issue general obligation bonds as allowed by a debt election.

**Board of Directors:** : City Council is the ex-officio Board of Directors.

- A **District Advisory Board (DAB)** is appointed by the Mayor and approved by City Council. Must meet at least once a year as board to adopt budget, audit etc.



# GENERAL IMPROVEMENT DISTRICTS WITHIN DENVER



#	Year Created	General Improvement District (GID)
1	1994	Gateway Village GID
2	2009	Denver 14th St. GID
3	2015	RiNo GID
4	2022	Sun Valley Denver GID



# Business Improvement Districts

**Legal authority:** Colorado Revised Statutes Sections 31-25-1201 through 31-25-1228. (Consists of **commercial property only** - “residential and agriculture exempt”).

**Revenues Derived:** Through levy of ad valorem tax (property taxes), special assessments, rates, fees, tolls, or charges.

**Creation:** Letter of Intent by property owners in the district; It is initiated by a petition of owners having at least 50% of the assessed valuation and at least 50% of the district’s land. It is approved by a **Creation Ordinance with Public Hearing.**

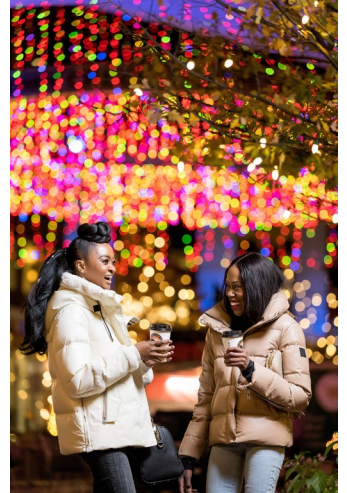
- BID’s revenue and debt authorization then placed on ballot for property owners in the proposed BID boundaries.
- Once approved by Council a new governmental authority is created.

# Business Improvement Districts

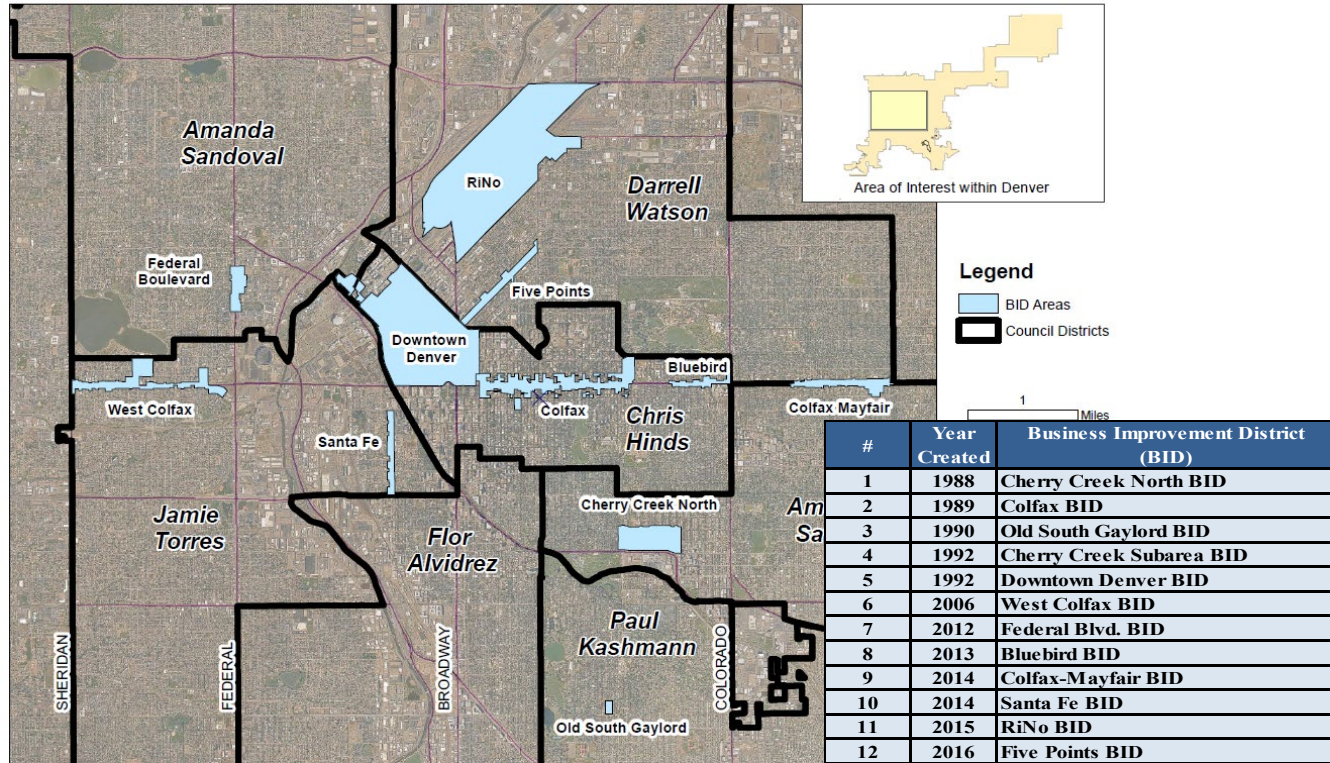
**Powers:** To conduct *economic development activities* for the district, manage, control, and supervise all the business affairs of the district. Acquire, construct, finance, install, and operate improvements and services within the district boundaries.

- They have the power to issue general obligation bonds (with election) and revenue bonds; Can acquire previously constructed improvements.

**Board of Directors:** Board of Directors are appointed by the Mayor and approved by City Council. Must meet at least once a year as board to adopt budget, audit etc.



# BUSINESS IMPROVEMENT DISTRICTS WITHIN DENVER



# Metropolitan Districts

**Legal authority:** Colorado Revised Statutes Sections 32-1-101 through 32-1-1807. **Metro Districts are separate political subdivisions of the state.** District has a perpetual life.

**Revenues Derived:** Through levy of ad valorem tax, special assessments, rates, fees, tolls, or charges.

**Creation:** Service Plan approval by City Council, district court order, and election question passing.

- Service Plan - The governing document outlining the District's purpose, organization, powers, and financing plan. Service Plan is reviewed by City staff

# Metropolitan Districts

**Powers:** To provide fire protection, parks and recreation, safety protection, sanitation, street improvements, television relay and translation, transportation and water improvements, and mosquito control. Acquire, construct, finance, install, operate, and maintain improvements.

- They have the power to issue general obligation bonds as allowed by a debt election.

**Board of Directors:** 5-member Board of Directors voted by the electors





# Metro District Creation Process

Action	Responsible Party
Application	Metro District applicant, typically a developer
Review of application and service plan.	City Staff- led by Dept. of Finance
Approvals	
Service Plan	City Council approves via an ordinance; creation and amendments require a public hearing.
District Court	Outside Law Firm representing the Metro District
TABOR/Organizational Election	Outside Law Firm representing the Metro District

\* State statutes have prescribed steps to create a metropolitan district. The Department of Finance has adopted Rules and Regulations regulating the district creation and amendment process for the City.

# Rules & Regulations Highlights

## Rules & Regulations

- Updating to better align the District creation process with development approval process
- Increasing transparency and disclosure requirements
- Cleaning up outdated DRMC references

## Transparent Process

- Outlines transparent process to review creation ordinance and service plans for districts, defines and sets expectations, establishes a fee schedule.

## Model Service Plan

- The model service plan will align with City initiatives, objectives, values, and preferences.



# Model Service Plan

50 mill limit on all mills, including a 10 mill cap for operations and maintenance

40-year authorization to impose a debt mill levy.

Regional mill requirement

Independent registered municipal advisor opinion for debt issuances.

Acts as a measurement against a standard to seek justifications when deviating.

## Form a Special District

Title 31: Special District Rules and Regulations (adopted April 12, 2019)

Title 32: Special District Rules and Regulations (adopted April 12, 2019)

Model Service Plan: Title 32

# TID Creation and Purpose

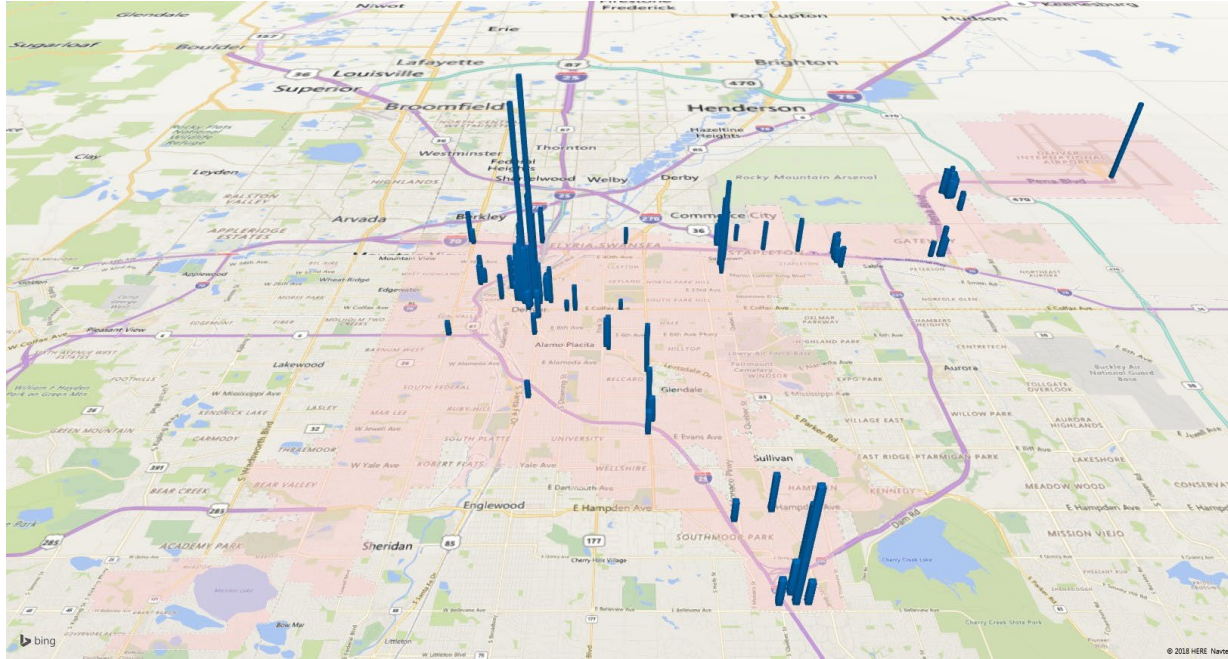
- TID created by Ordinance 17-0883 in August 2017.
- Imposes a 1% tax on the purchase of lodging at all hotels with 50 or more rooms in the City and County of Denver.
  - In the November 2017 election, TID-eligible electors supported the tax measure with 96% support.
- TID tax revenues are used to pay for tourism improvements and services.



## TOURISM IMPROVEMENT DISTRICT



# TID Hotel Locations



Questions?