Urban Land Colorado Institute
ULI
03/04
7:30 am - 10 am
Sharp Auditorium
Denver Art Museum
100 W 14th Ave Pky
Denver, CO
Metropolitan Districts
Wild West or Promised Land?

ULI Colorado's 2020 Annual Sponsors

Summit

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Stantec
TAYLOR KOHRS Successful Construction Experiences
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wsp
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zf CAPITAL

ULI Colorado 2020 priorities and beyond…

- SLOW GROWTH/ ANTI-GROWTH/ RESISTANCE TO GROWTH
- MOBILITY
- HOUSING
- SUSTAINABILITY & RESILIENCE

Urban Land Colorado Institute

Coming in 2020 - 2021…

Call for Entries for the 2021 Impact Awards open on **July 16th, 2020.**
SAVE THE DATE: The 2021 Impact Awards celebration takes place on Thursday, **February 18th, 2021** at the Seawall Ballroom! *Registration opening this Fall.*

ULI Colorado IMPACT 2021 Awards

The launch of a local arrangements committee to host ULI's National Spring Meeting in Denver in 2021!

ULI Spring Meeting
Connect with the world of real estate

ULI Women's Leadership Initiative

ULI Colorado's Women's Leadership Initiative launches a new mentorship program for mid-career women members called "Breaking the Glass Ceiling." Applications open mid-March 2020.

ULI Colorado is continuing and enhancing our efforts to improve diversity in the workforce and in our real estate community. Stay tuned for upcoming mentorship programs and other events to advance diversity in 2020!

ReDi
REAL ESTATE DIVERSITY INITIATIVE

ULI Urban Land Institute
Advisory Services Program

ULI Colorado will continue all of our monthly events, 6 mentorship programs,12 committees who meet monthly, 4 Technical Advisory Panels, and 4 Product Councils throughout the year in 2020! We are also planning for a **National Advisory Services Panel** to enhance our mobility corridor along the South Platte River.

Introducing today's Moderator…

Bruce O'Donnell
President
Starboard Realty

STARBOARD REALTY GROUP, LLC

Urban Land Colorado Institute

Metropolitan Districts 101

Sam Sharp
Managing Director
Public Finance
DA Davidson

Jason Carroll
Managing Principal
CliftonLarsonAllen

Urban Land Institute Colorado

Metropolitan Districts & How They Work

Sam Sharp & Jason Carroll

March
2020

Next 30 minutes…

- Why do metro districts exist?
- How do metro districts work?
- Master planned communities and metro districts.

Why do Metro Districts Exist?

To finance the construction and acquisition of public infrastructure.

- Districts allow public infrastructure costs to be financed at low rates and to be paid over time.
- Without districts the costs of the public infrastructure would have to be included in the price of the house which would drive up housing prices significantly.
- Districts are a mechanism for growth to pay its way.
- Many growing states in the southwest have similar tools to pay for public infrastructure.

How do Metro Districts work?

Districts are regulated through State statute and by local jurisdictions.

- Created by a landowner or developer through a county or city and governed by a service plan.
- Title 32 of CRS governs the creation and operation of metro districts.
- Cities and counties are able to create and impose additional regulations to exert local control over metro districts.

How do Metro Districts Work?

Governance and transparency

- Metro districts are governed by elected boards from qualified property owners or residents.
- Metro districts follow rules for governmental entities regarding:
  - Open meeting laws
  - CORA requests
  - Publicly posted meetings
  - Transparency notices
  - Annually adopted budget
  - Audit or audit exemption requirement

How do Metro Districts work?

Financing and operations

- Metro districts are able to issue tax exempt debt to pay for public infrastructure improvements.
- Service plans limit the amount of debt that a metro district can issue.
- Most districts created in last 20 years have debt service mill levy caps that protect homeowners and shift risk to the bond buyers.
- Based on changes in the residential assessment ratio a mill levy cap of 50 mills for Districts created today only generates 90% of taxes of a 50 mill levy cap from 2016.
- In addition to paying for public improvements property taxes pay for operations to all for a higher level of services and amenities than the city or county would provide.

Master planned communities and metro districts

Property taxes

		With a District	Without a District
Median House Price Denver		460,000.00	460,000.00
Assessment ratio		7.15%	7.15%
Assessed Value		32,890.00	32,890.00
Mill levy		145.00	85.00
District Mill levy		60.00	-
Taxes		4,769.05	2,795.65
Percentage		1.04%	0.61%

- For residential districts the cost of public infrastructure is greater than what a metro district will be able to finance.
- Per Taxfoundation.org using 2018 data Colorado ranked as the 44th state in ratio of property taxes paid as a percentage of value at .56%. New Jersey was 1 at 2.21% and the median was Florida at .94%

Master planned communities and metro districts

Denver Market Top 20 Master Plans (ranked by annual starts)

Ranking	Masterplan	Metro District
1	Stapleton	Park Creek MD/Westerly Creek MD
2	RainDance	RainDance MD No.3
3	The Meadows	Meadows MD No.6
4	Colliers Hills	Colliers Hill MD No.1
5	Candelas	Vauxmont MD
6	Sterling Ranch - DG	Sterling Ranch Colorado MD No.2
7	Copperleaf	Copperleaf MD No.2
8	Denver Connection	Denver Connection West MD
9	Terrain	Castle Oaks MD
10	Inspiration Colorado	Inspiration MD
11	Crystal Valley Ranch	Crystal Valley MD No.2
12	Reunion	North Range MD No.1
13	Ridge at Harmony	The Ridge at Harmony Road MD No.2
14	Barefoot Lakes	St. Vrain Lakes MD No.2
15	Adonea	Adonea MD No.2
16	Timnath Ranch	Timnath Ranch MD No.4
17	Southshore	Southshore MD No.2
18	Anthem	Anthem West MD
19	Highlands Ranch	Highlands Ranch MD
20	Lowry	NA*

* Lowry Redevelopment Authority

Source: Metrostudy 4Q19 Denver Metro Executive Meeting. Includes SW Weld County.

THANK YOU!

Sam Sharp

Jason Carroll

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303-265-7835

Email

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Jason.Carroll@claconnect.com

The Market Study

Andrew Knudtsen
Managing Principal
Economic & Planning Systems

ECONOMIC & PLANNING SYSTEMS

Urban Land Institute Colorado

METRO DISTRICTS

Urban Land Institute

Economic & Planning Systems, Inc.
The Economics of Land Use

730 17th Street, Suite 630 ▪ Denver, CO 80202
303.623.3557 ▪ www.epsys.com

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PARKS & OPEN SPACE ECONOMICS

Andrew Knudtsen, Managing Principal

aknudtsen@epsdenver.com

METRO DISTRICTS

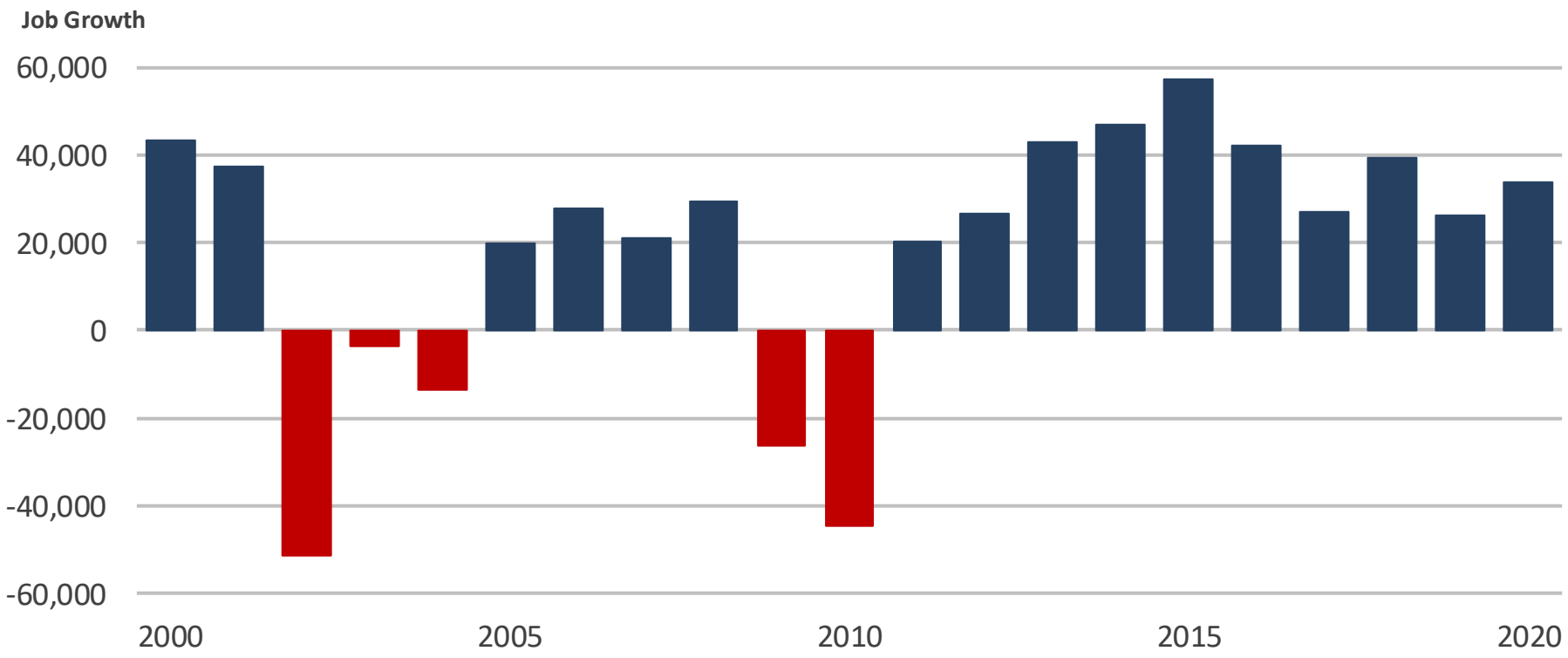
ECONOMIC FRAMEWORK

1. Market evaluation
   - Demand, as represented by job growth
   - Supply, as represented by housing construction
2. Composition of new residential product
   - What factors set the market direction?
3. What can we do to create better balance between supply and demand?
4. Metro District Analysis
   a) Distribution within metro-area
   b) Rate of development, by decade
   c) Location
   d) Land use: Commercial, Residential, Mixed Use
   e) Rate of Mills
5. Market Trends
   - How do the data reflect developer and consumer choices?
   - How can the data be used to inform policy?

DENVER METRO EMPLOYMENT GROWTH

2000-2020

- Increasing annually since 2010



Source: Bureau of Labor Statistics; Economic & Planning Systems

DENVER METRO EMPLOYMENT GROWTH

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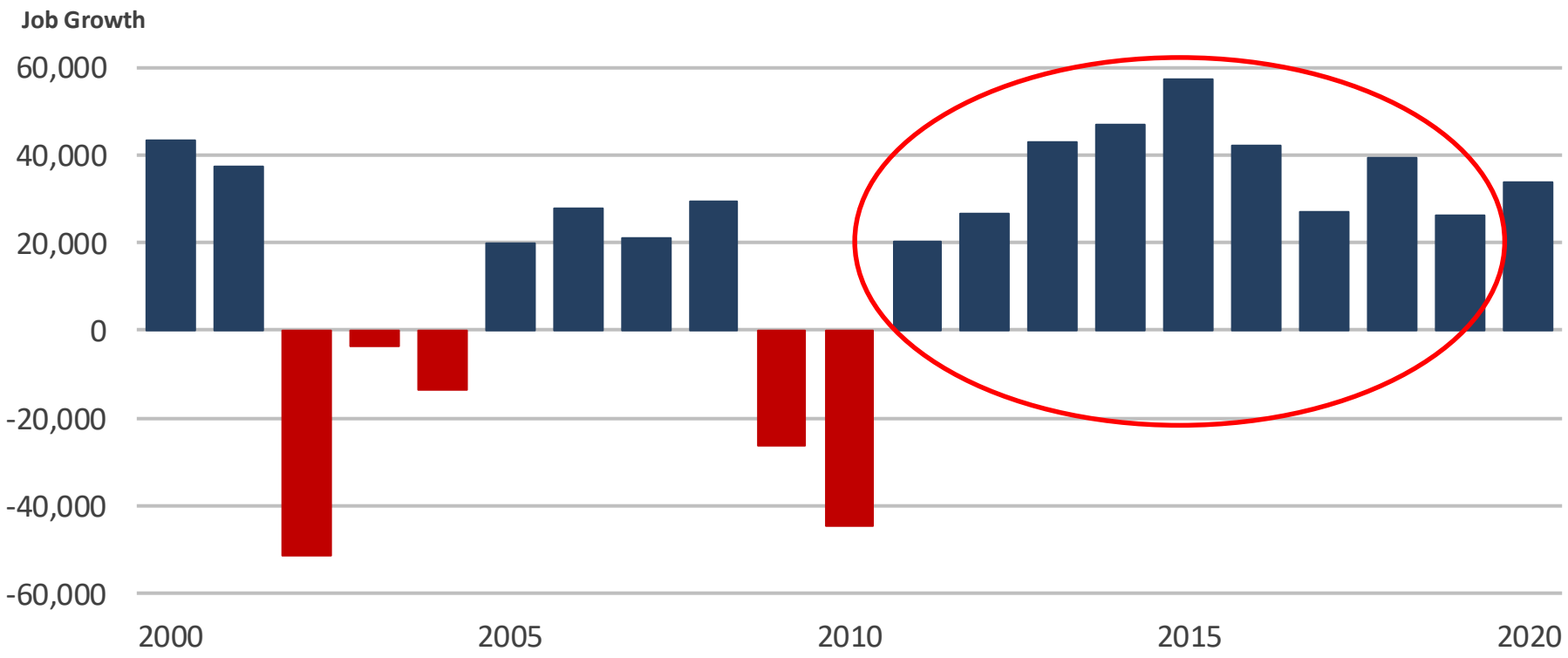


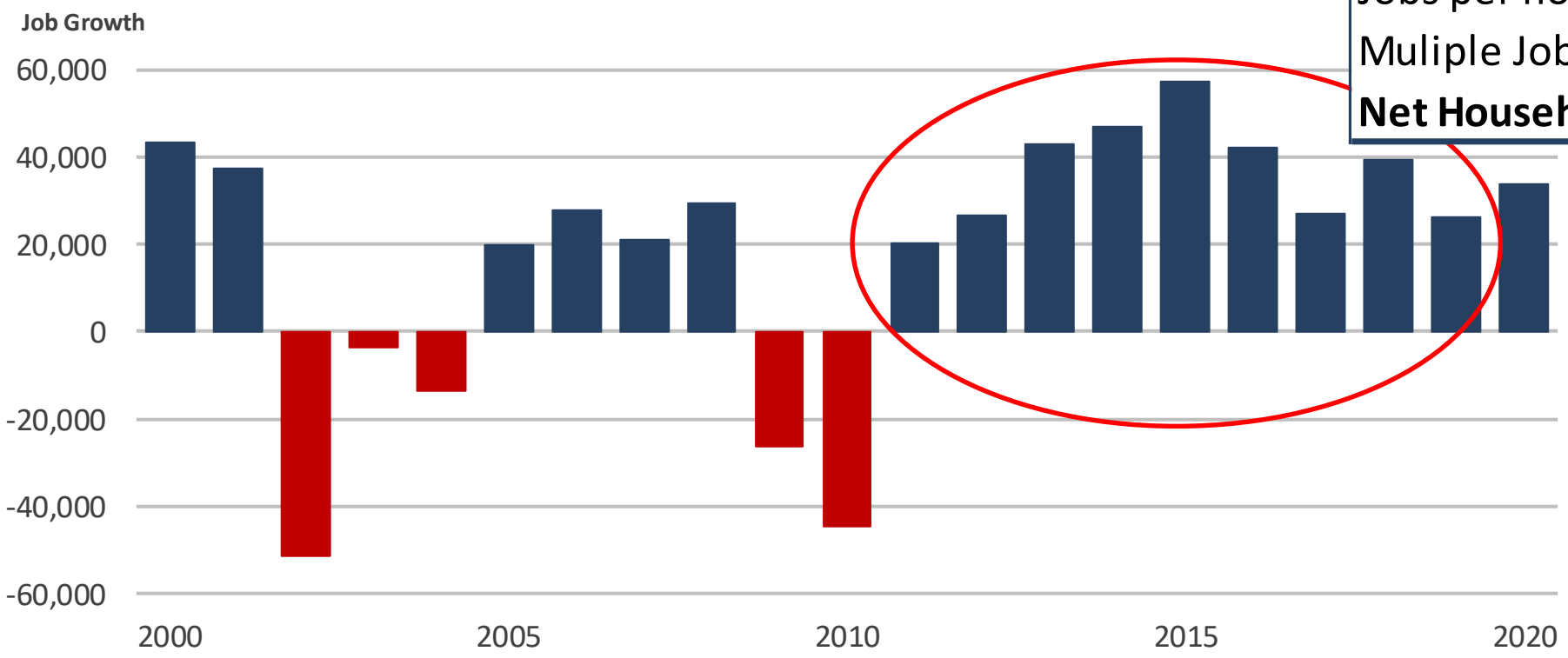
Source: Bureau of Labor Statistics; Economic & Planning Systems

DENVER METRO EMPLOYMENT GROWTH

2000–2020

- Increasing annually since 2010

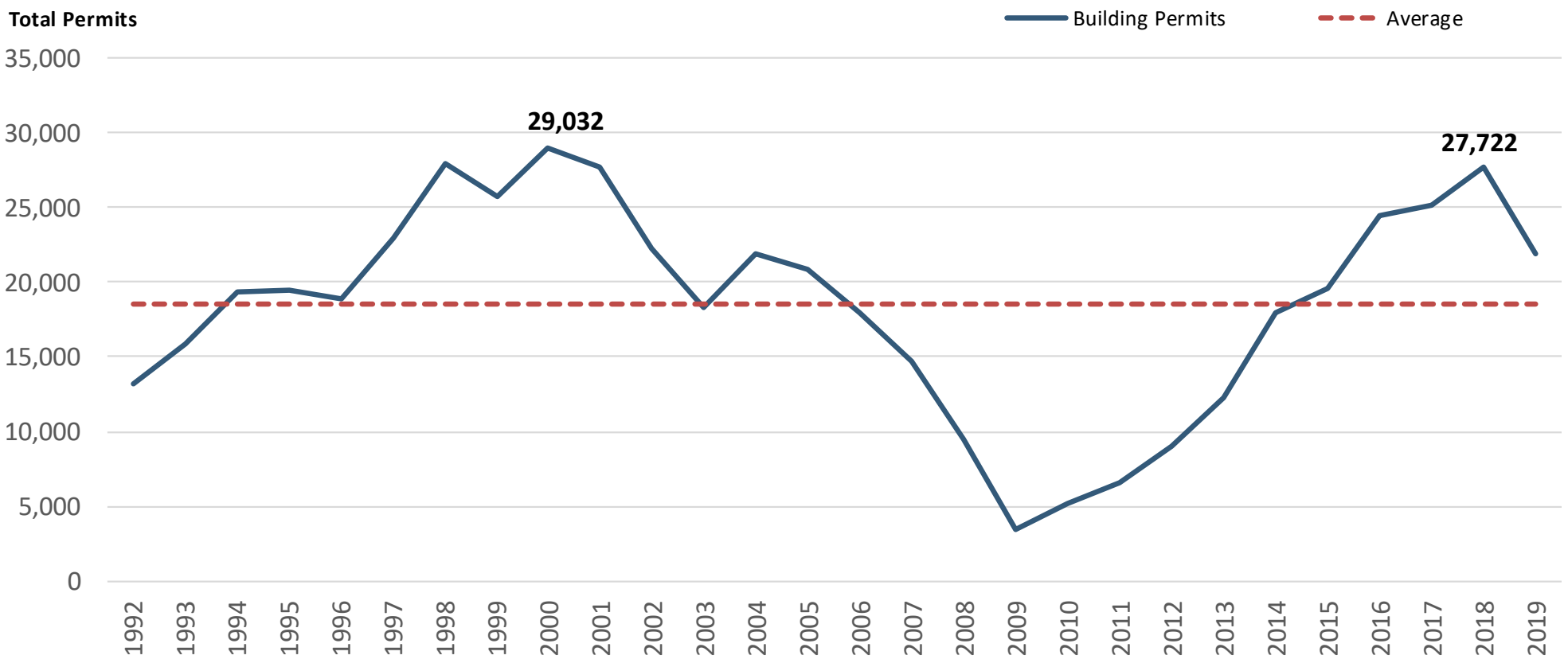
2011 - 2019	
Total Job Growth	328,800
Average for 9 years	36,533
Jobs per household	1.26
Muliple Job Holdings	1.15
Net Households per year	**25,213**



Source: Bureau of Labor Statistics; Economic & Planning Systems

DENVER METRO RESIDENTIAL BUILDING PERMITS

1992–2019



Source: HBA of Metro Denver; Economic & Planning Systems

DENVER METRO RESIDENTIAL BUILDING PERMITS

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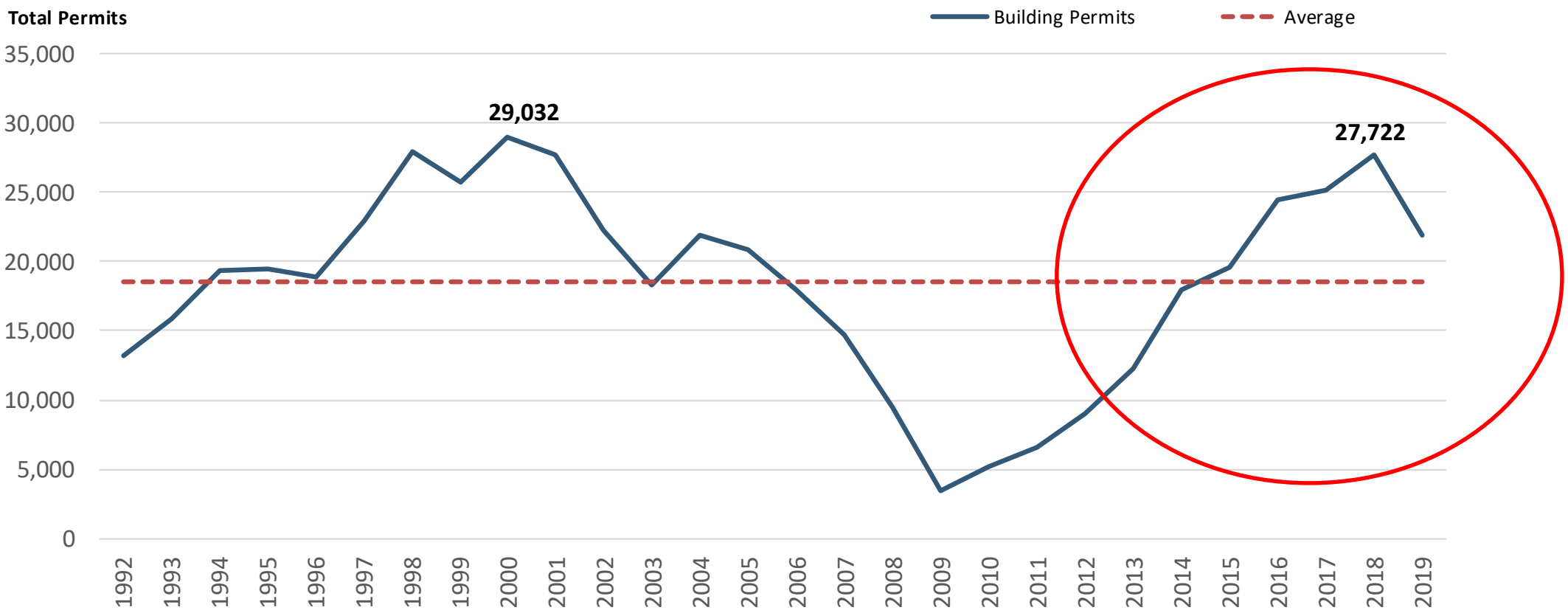

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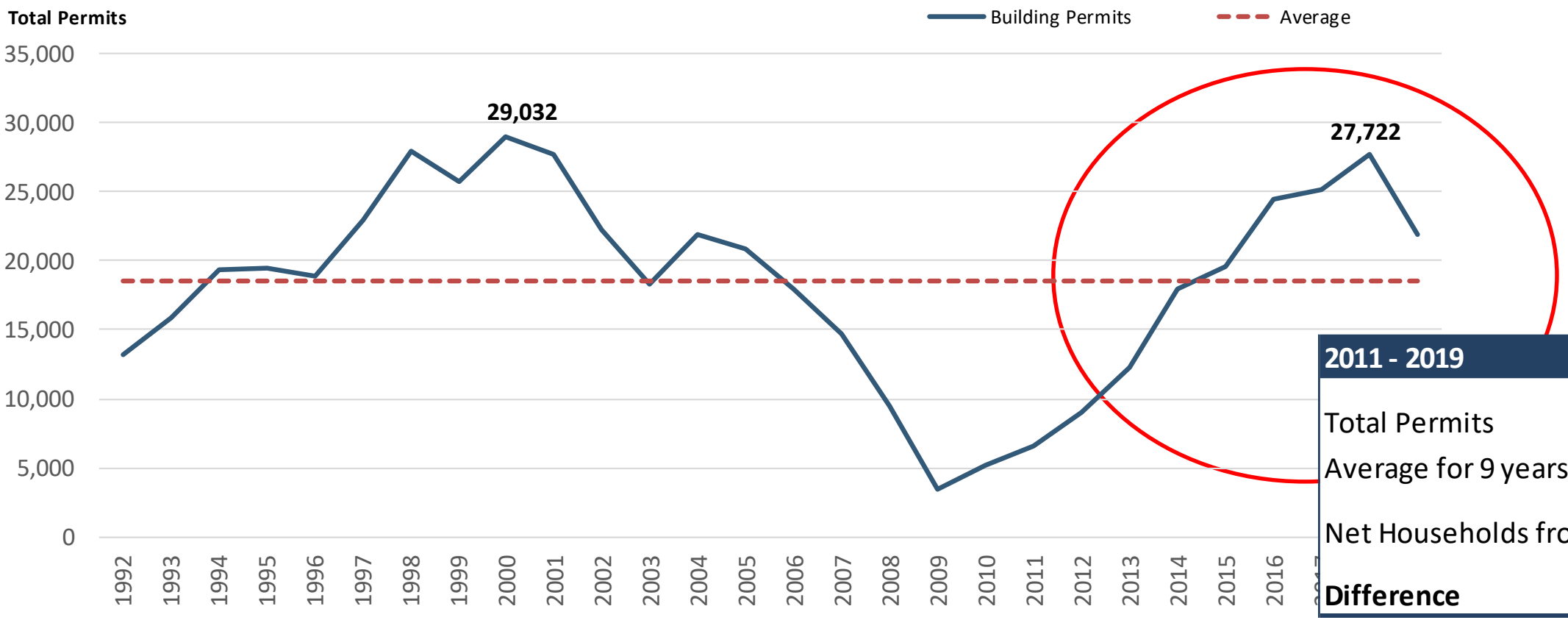
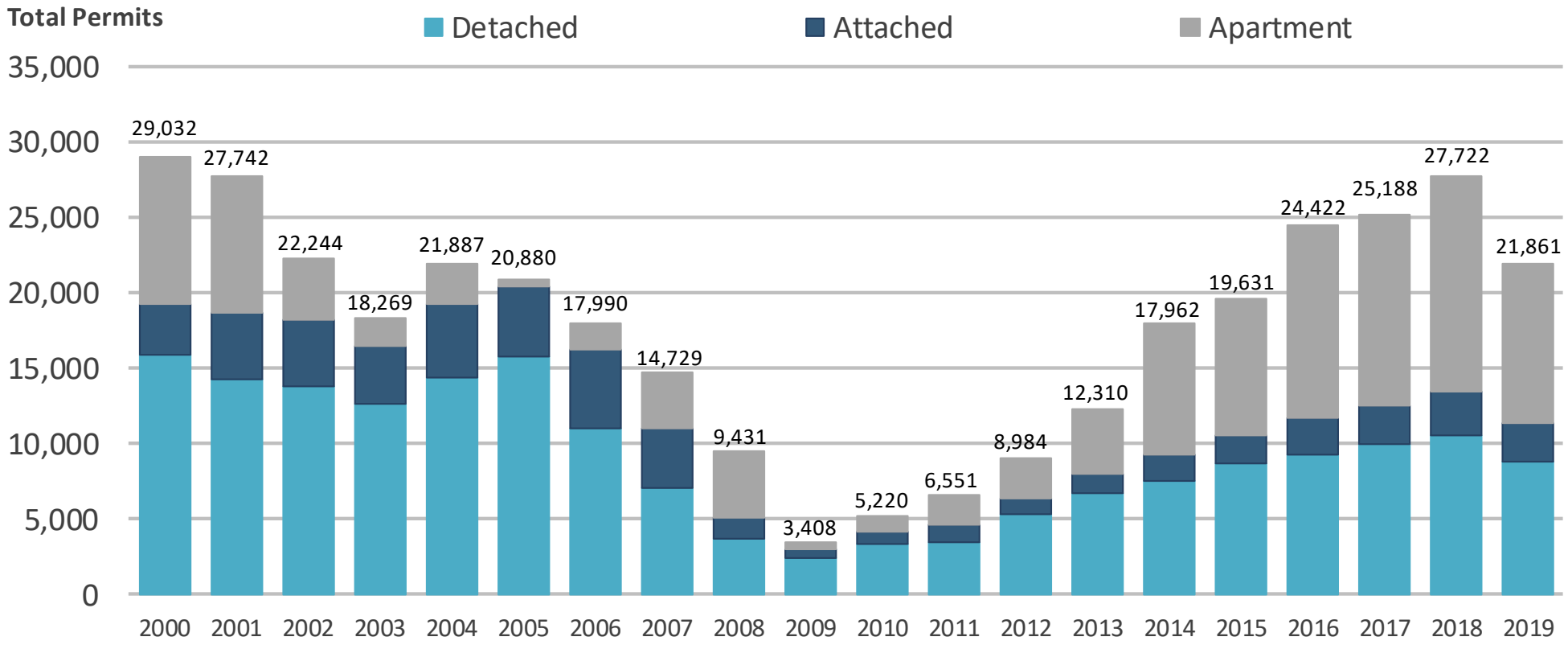


2011 - 2019	
Total Permits	164,631
Average for 9 years	18,292
Net Households from Jobs	25,213
Difference	**-6,920**

Source: HBA of Metro Denver; Economic & Planning Systems

METRO DENVER RESIDENTIAL BUILDING PERMITS

2000–2019

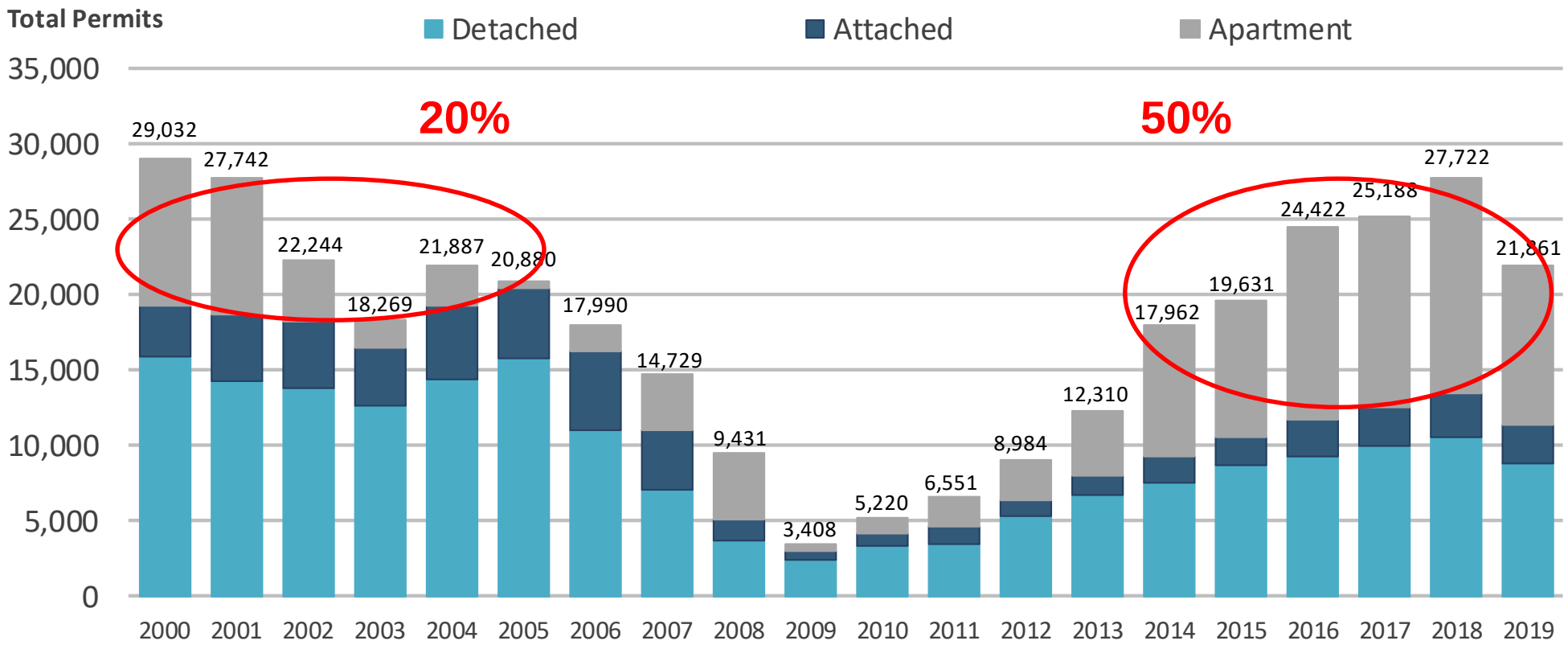


Source: HBA of Metro Denver; Economic & Planning Systems

*Through November 2019

METRO DENVER RESIDENTIAL BUILDING PERMITS

2000–2019



Source: HBA of Metro Denver; Economic & Planning Systems

*Through November 2019

METRO DISTRICTS

7-COUNTY DENVER METRO

County	Total	%Total
Adams	220	29.6%
Arapahoe	204	27.5%
Douglas	162	21.8%
Jefferson	85	11.5%
Denver	32	4.3%
Broomfield	28	3.8%
Boulder	11	1.5%
Total	**742**	**100.0%**

Source: DOLA; Economic & Planning Systems

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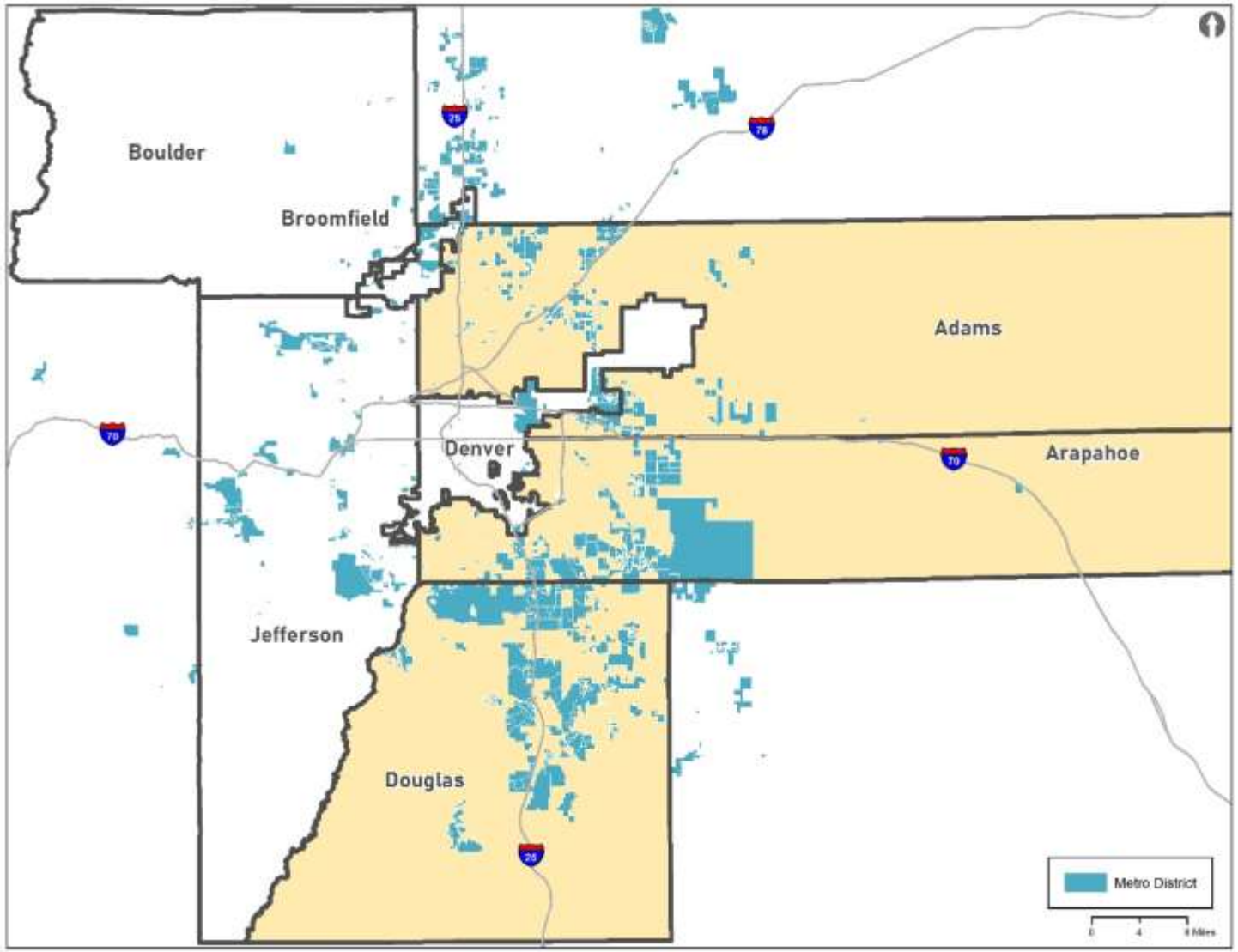
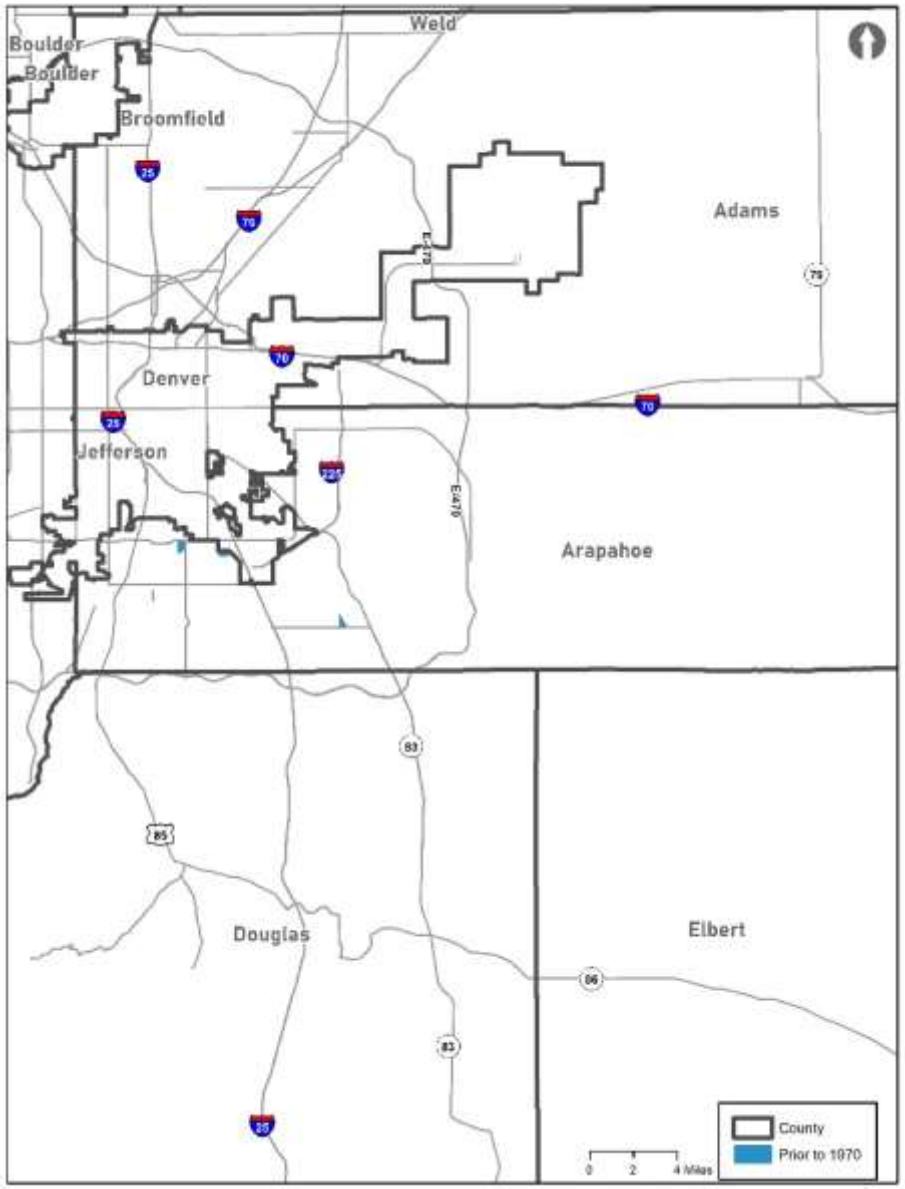


METRO DISTRICTS BY YEAR CREATED

EXISTING METRO DISTRICTS BY YEAR CREATED

ADAMS, ARAPAHOE, & DOUGLAS

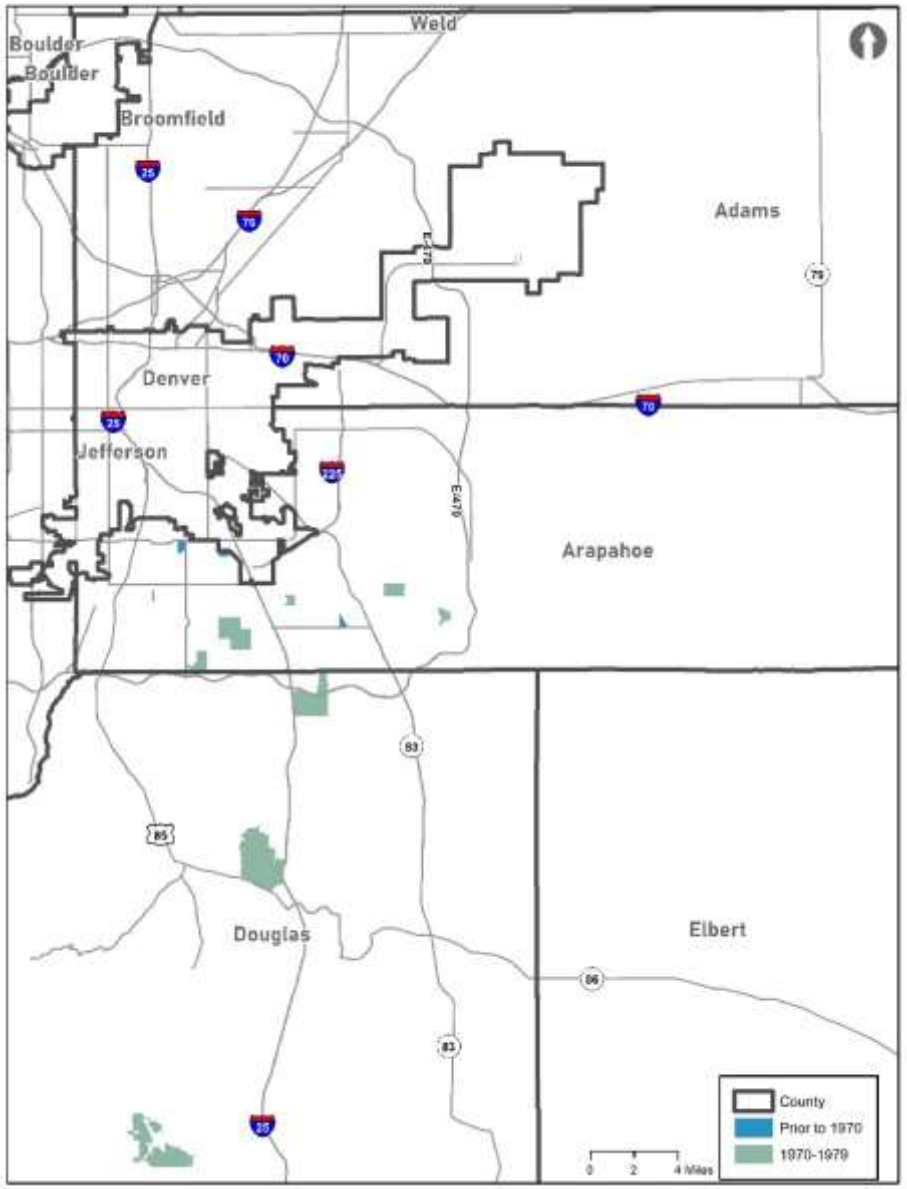
- 1960's



EXISTING METRO DISTRICTS BY YEAR CREATED

ADAMS, ARAPAHOE, & DOUGLAS

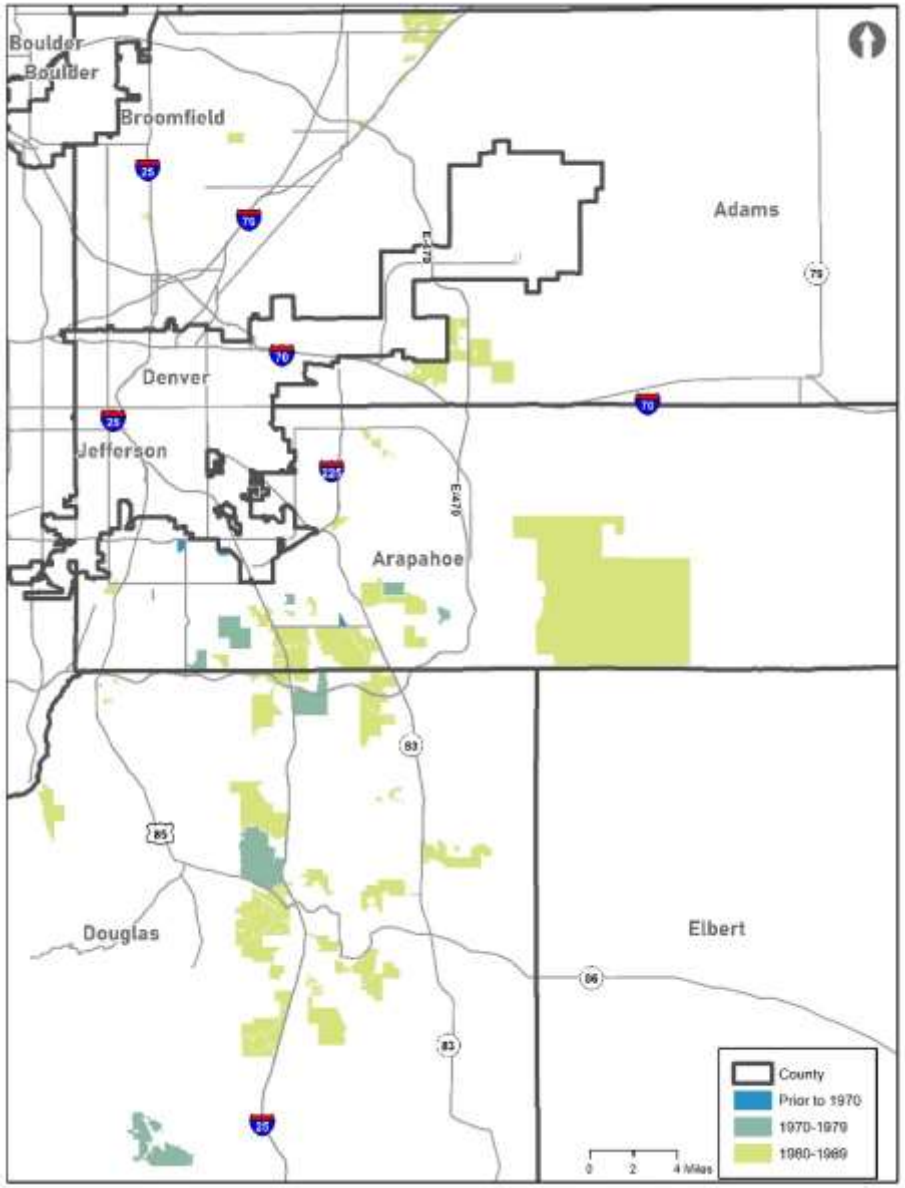
- 1970's



EXISTING METRO DISTRICTS BY YEAR CREATED

ADAMS, ARAPAHOE, & DOUGLAS

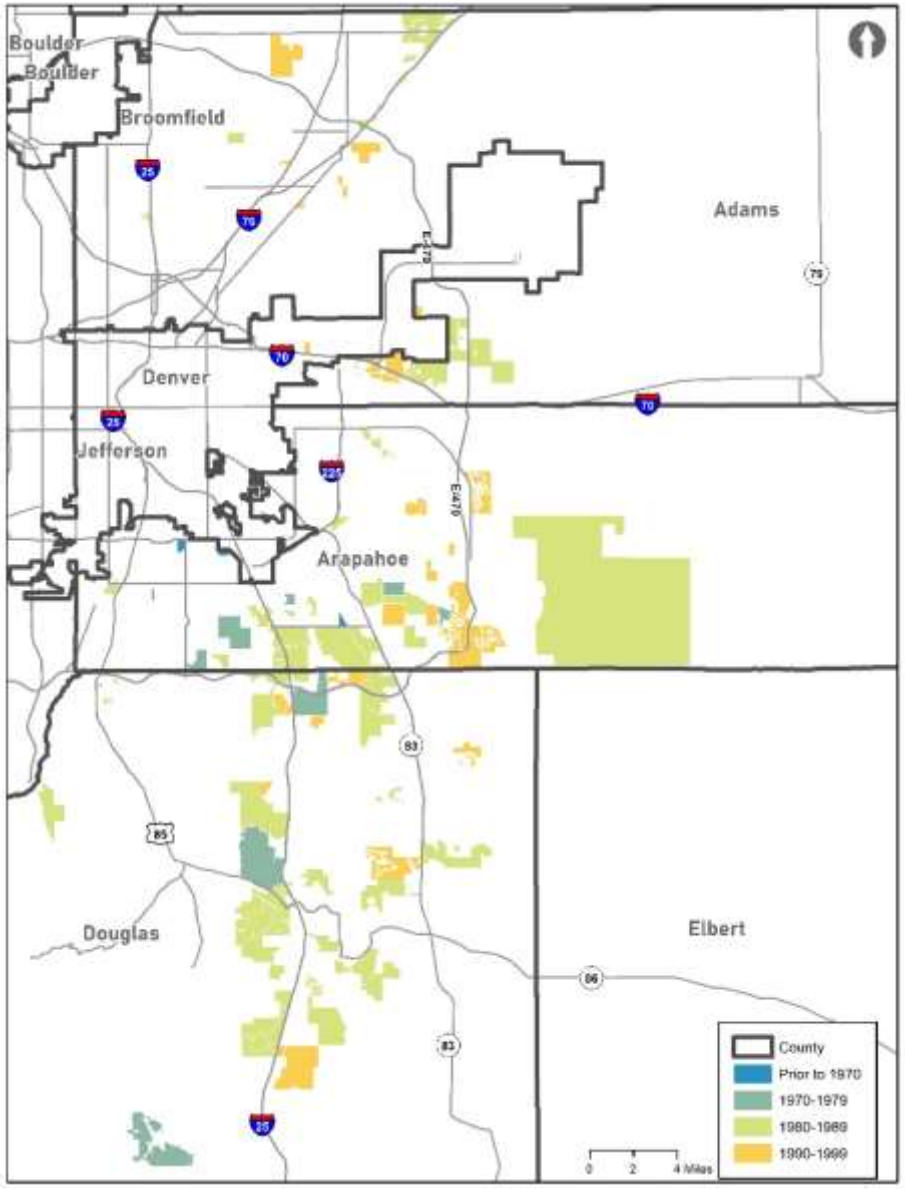
- 1980's



EXISTING METRO DISTRICTS BY YEAR CREATED

ADAMS, ARAPAHOE, & DOUGLAS

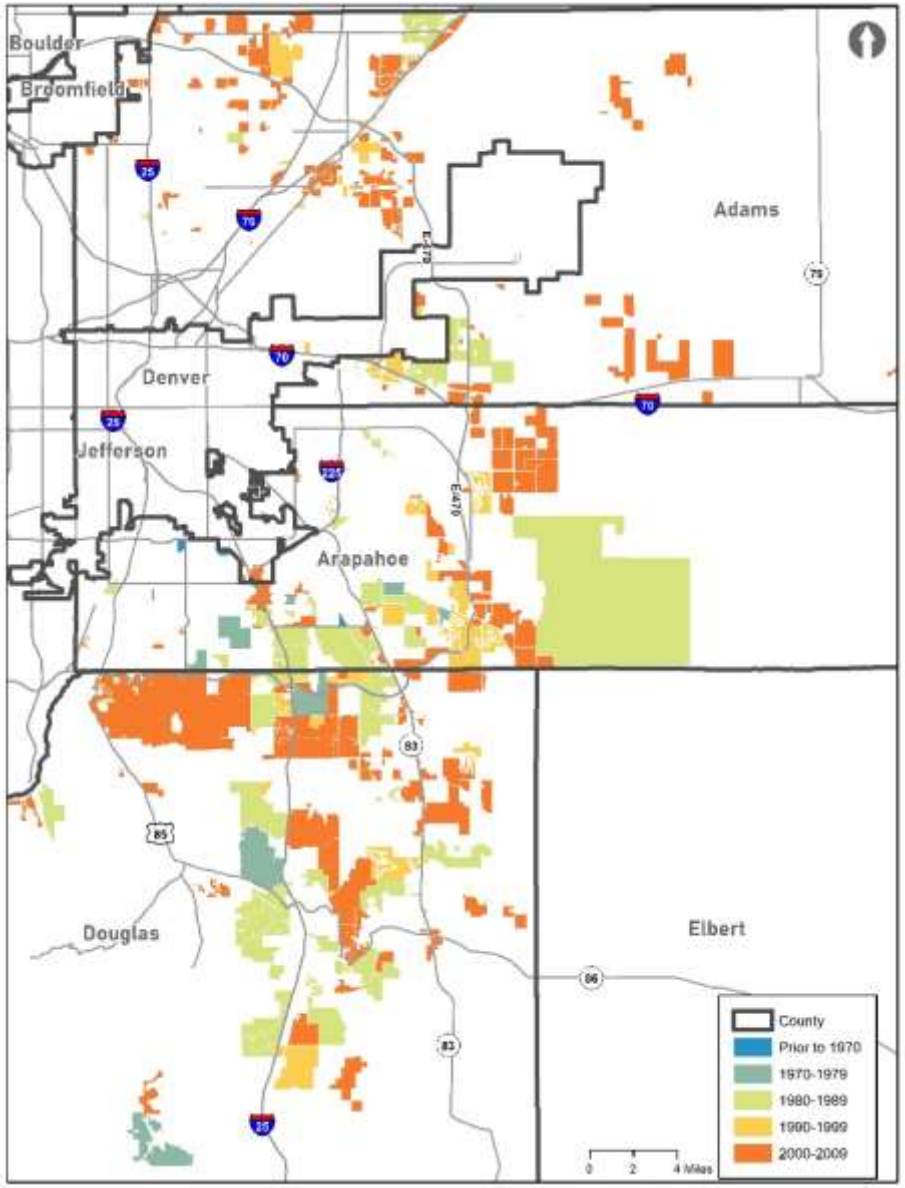
- 1990's



EXISTING METRO DISTRICTS BY YEAR CREATED

ADAMS, ARAPAHOE, & DOUGLAS

- 2000's

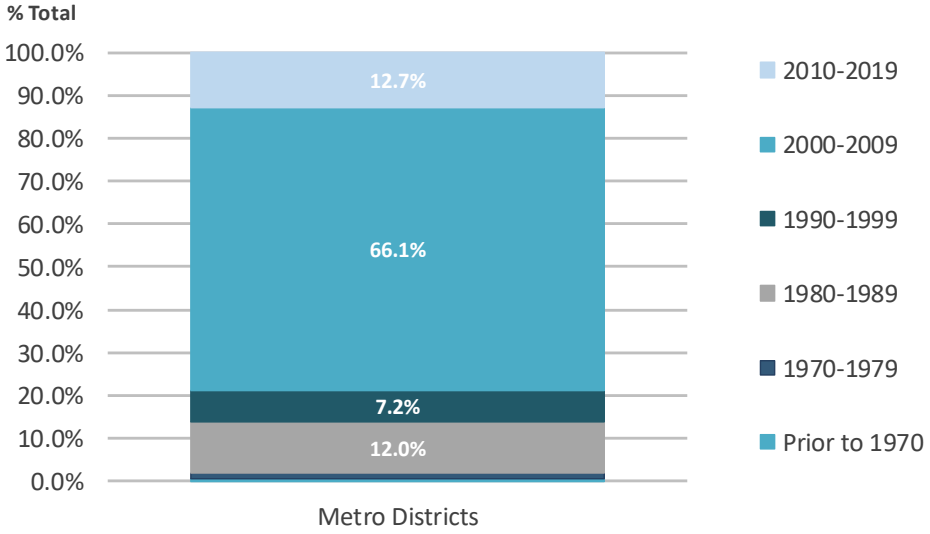


EXISTING METRO DISTRICTS BY YEAR CREATED

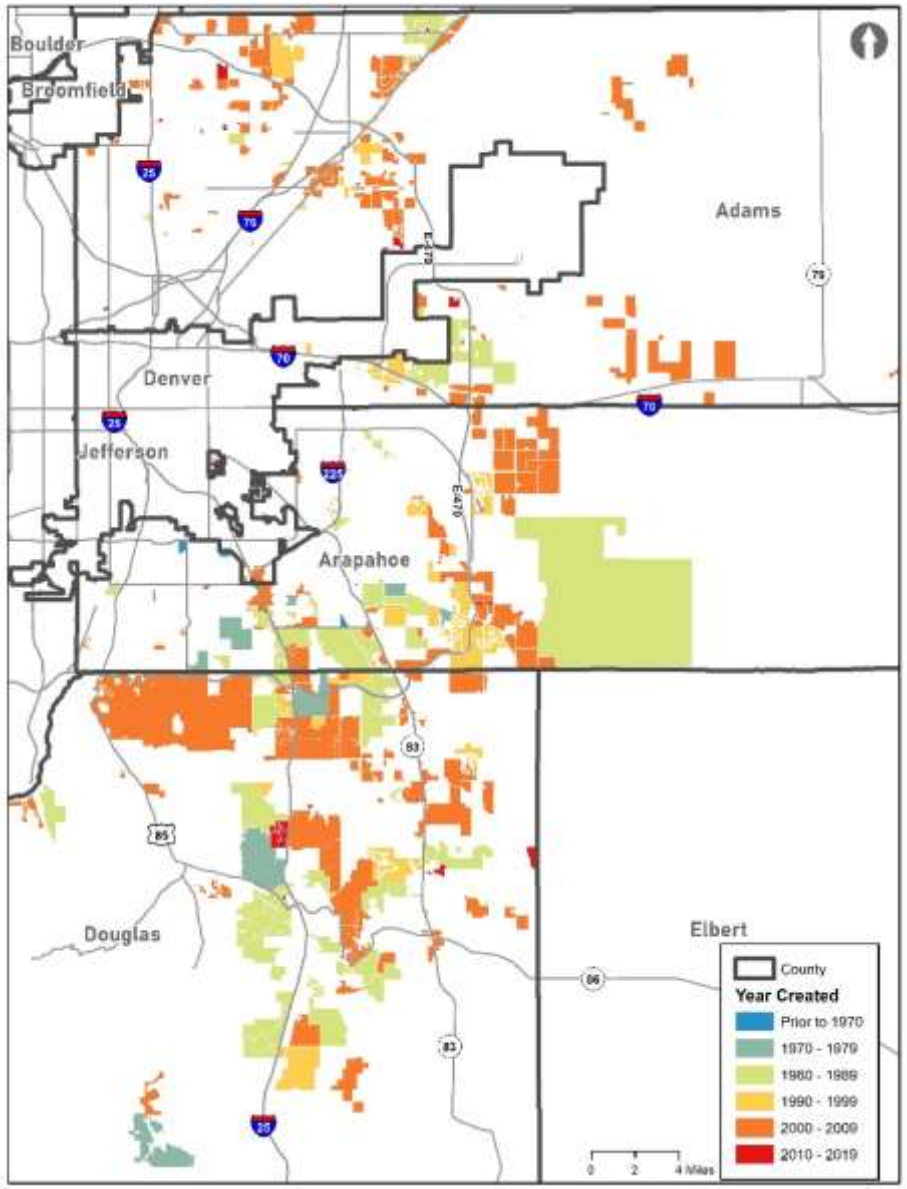
ADAMS, ARAPAHOE, & DOUGLAS

Year Created	Residential	Commercial	Mixed Use	Total
Prior to 1970	0	0	1	1
1970-1979	2	0	3	5
1980-1989	22	3	14	39
1990-1999	9	4	15	28
2000-2009	128	48	80	256
2010-2019	11	6	28	45
Total	**172**	**61**	**141**	**374**
% Total	*29.6%*	*10.5%*	*24.3%*	*64.4%*

Source: DOLA; County & Municipal Zoning; Economic & Planning Systems



Source: DOLA; Economic & Planning Systems



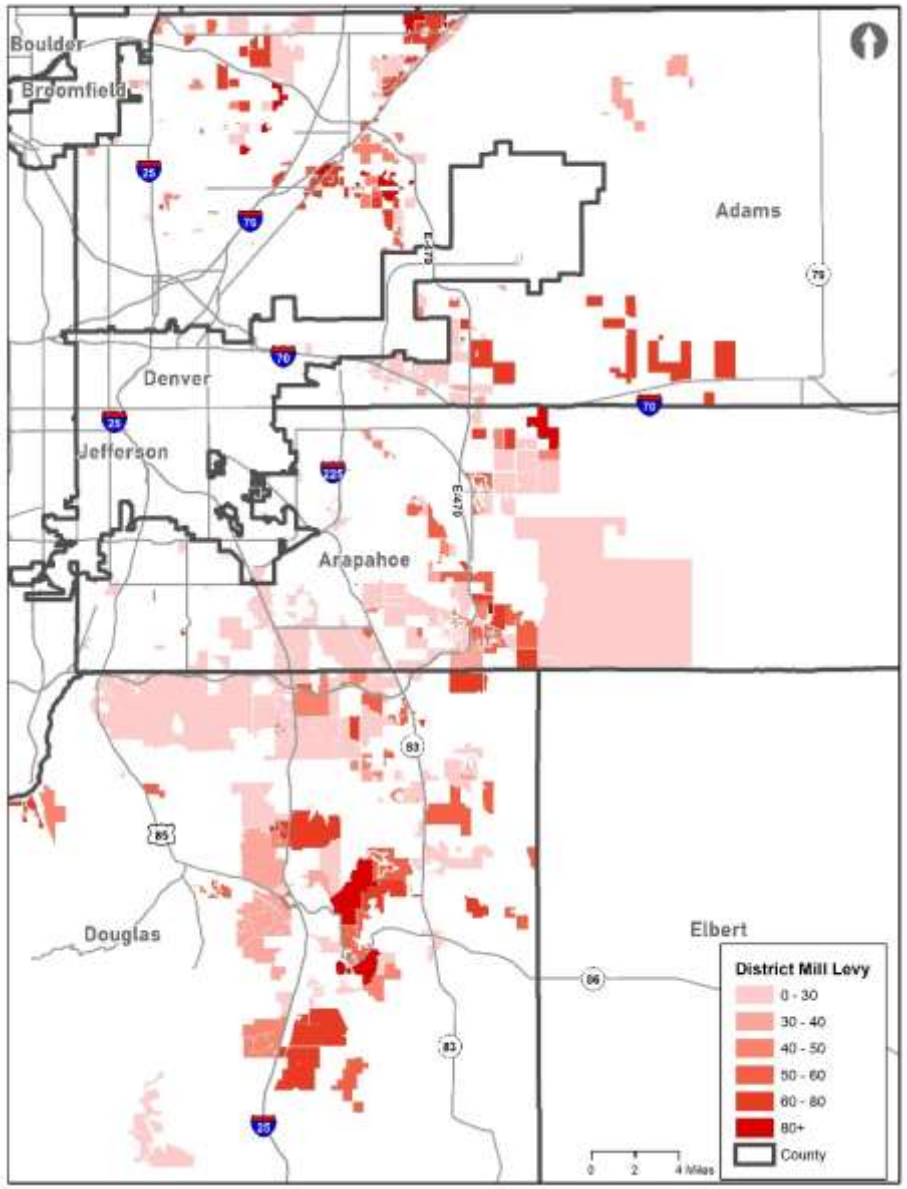
METRO DISTRICTS BY YEAR MILL LEVY

EXISTING METRO DISTRICTS BY MILL LEVY, 2019

ADAMS, ARAPAHOE, & DOUGLAS

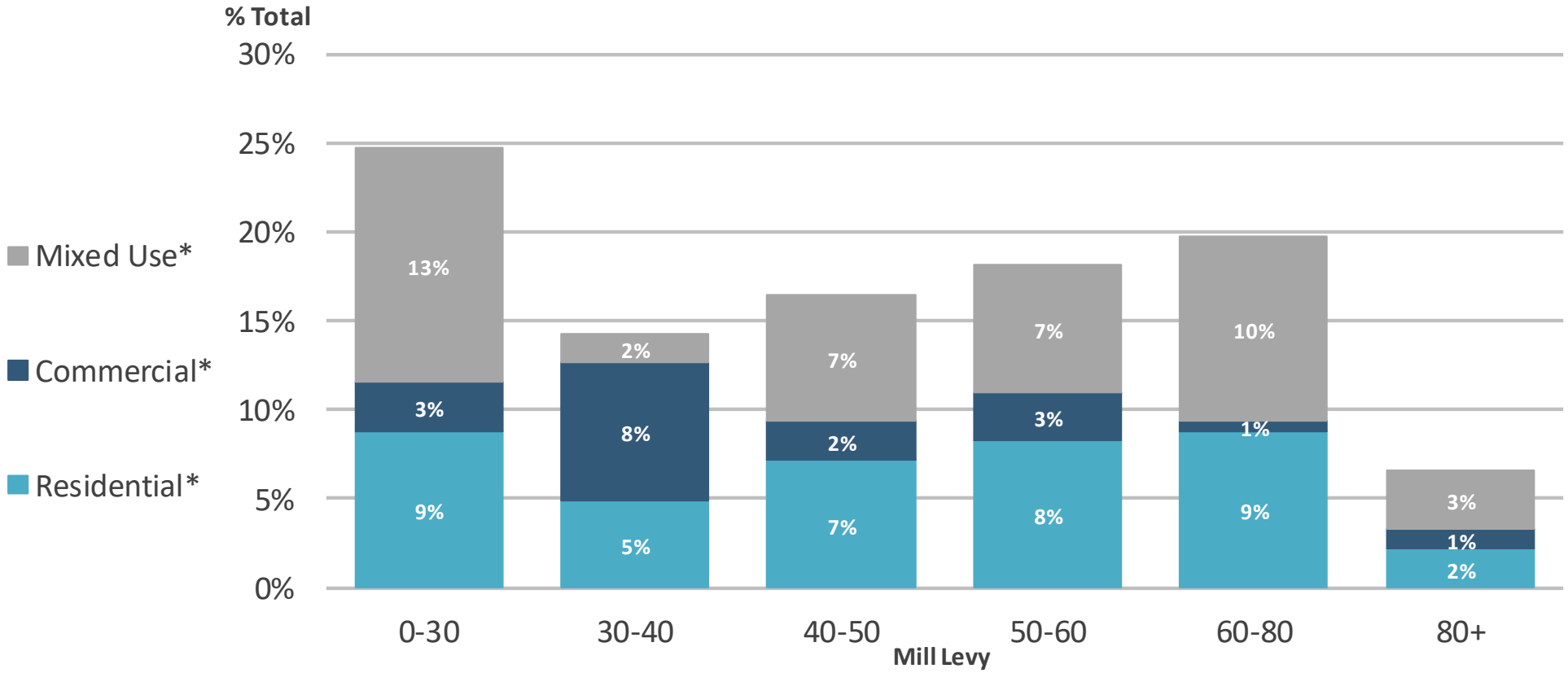
Authorized Mill Levies

- Range from “0 to 30”
- “30 to 40”
- “40 to 50”
- “50 to 60”
- “60 to 80”
- Highest is “80 plus”



MILL LEVY BY METRO DISTRICT TYPE, 2019

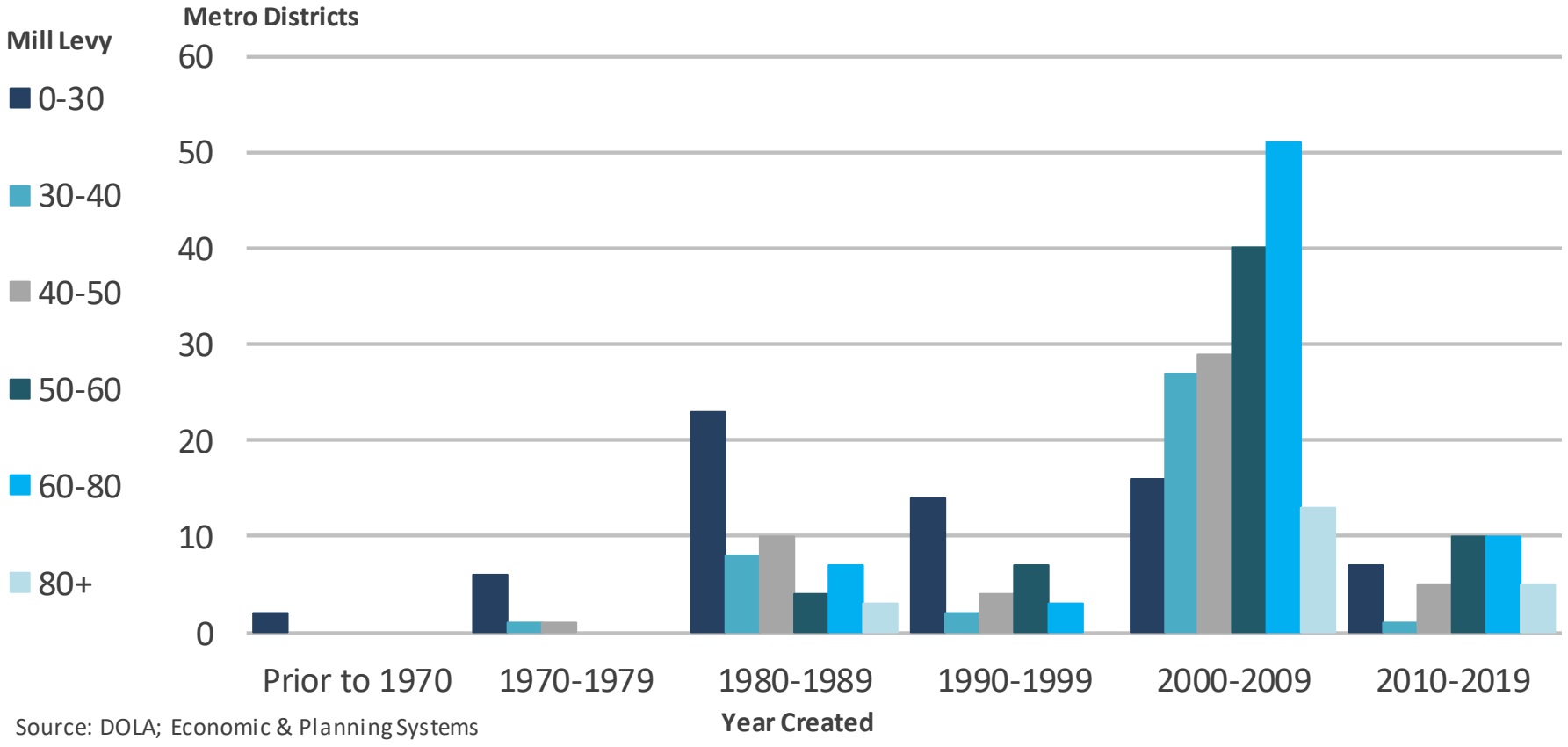
ADAMS, ARAPAHOE, & DOUGLAS



Source: CO Dept. of Local Affairs; County and Municpal Zoning; Economic & Planning Systems
*Representing a total sample of 182 Metro Districts in Adams, Arapahoe, and Douglas Counties

METRO DISTRICTS BY MILL LEVY & YEAR CREATED

ADAMS, ARAPAHOE, & DOUGLAS



Source: DOLA; Economic & Planning Systems

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Wild West or Promised Land?

Metropolitan Districts Roundtable…

Calvin Brown
President, Roxborough Village Metro District; Firefighter, Larkspur Fire Protection District

Denise Gammon
Mixed use Community Developer, Denise A. Gammon

Thomas George
Partner
Spencer Fane LLC

Erin Goff
Senior Vice President
Legal Strategies, Axiom Politics

Michael R. McGinnis
Shareholder
Greenberg Traurig

Megan Schrader
Editor
Denver Post Editorial Pages

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