

FAQ: METRO DISTRICTS AND THE UPLANDS COMMUNITY

Uplands is proposing the use of a metropolitan (metro) district within the boundaries of this new, amenity-rich community. A metro district will ensure that the infrastructure for this new development be financed by the future homeowners of Uplands through the collection of property taxes rather than the city funding it and subsequently passing on the costs to existing Westminster residents.

UNDERSTANDING METRO DISTRICTS AND THEIR ROLE IN PLANNED COMMUNITIES

Metro districts have existed in Colorado since the late 1800s, and have operated under a legal framework since 1949. However, there's still a lot of confusion about what they are and who they serve so let's break down what it is, how it functions, and what it might look like in Uplands.

WHAT IS A METRO DISTRICT?

Authorized under the Colorado legislature's Special District Act, a metro district is a type of **governmental entity that operates independently to finance, design, construct, operate and/or maintain public improvements and amenities within a designated boundary that are not otherwise being funded by a municipality**. Metro districts are common in large-scale, master planned communities that require all new infrastructure.

What are the benefits of a metro district?

There are many benefits to having a metro district for amenity-rich, master planned communities like Uplands. The primary benefits include the following:

✔ Keeps home prices within reach

If builders were to add lump sum costs for long-term infrastructure to the price of a home, people would be priced out. This way, the cost to each homeowner is spread out over time. And when someone sells their home, the next owner assumes the cost.

✔ Removes any tax burden from residents not living within the district – making development pay its way

There's a reason the City of Westminster is not paying for any of the infrastructure improvements around Uplands, even though many of them will directly benefit adjacent neighbors. This is a way to ensure that development pays its own way and that the people not living within Uplands aren't taxed for infrastructure they won't use.

✔ Provides guardrails around future development

Because newly-constructed master planned communities are often managed by a developer-led Board of Directors, residents can be assured any future development will be compatible with the overarching vision and approved plans for the community. And while these Boards may be originally populated by developer representatives, as residents move into these communities there will be opportunities for them to join the Board.

✔ Offers opportunities to be part of hyper-local policy decisions

Because a metro district is a form of government, residents within Uplands will have the opportunity to participate in important governance issues affecting the community. Homeowners in Uplands will be eligible to run for a Board seat and help establish and serve on specialized committees.

DID YOU KNOW?

- ➔ The Colorado General Assembly adopted the Special District Act in 1949
- ➔ There are over 2,800 special districts in Colorado – a portion of which are metro districts
- ➔ Other types of districts include those focused on library, fire, school, water, sanitation, parks and rec, hospital services, and more
- ➔ The Hyland Hills Park and Recreation District is an example of a type of special district Westminster residents pay taxes to
- ➔ You can find a complete list of taxing districts for your particular home or neighborhood by visiting the Adams County Treasurer's website

Who has oversight?

In order for a metro district to be formed, a developer must present a service plan to city council for approval.

Once approved it operates independent from the city, but is **managed by a Board of Directors** and has regular reporting requirements to the city. This Board is responsible for the governance of the metro district and thus sees to it that they hold open meetings, conduct elections, and ensure fiscal responsibility.

What protections are in place for potential home buyers and residents?

Uplands, along with the entire development industry, takes transparency seriously. There are new and improved disclosure requirements enforced by state law at several steps of the homebuying process. For instance, there were new home disclosures that went into effect in January 2022. It's important to all developers and homebuilders that every prospective homebuyer in a metro district understands there is likely to be a taxing authority for this community in the future.

While we have yet to announce our builder partners, Uplands will work closely with them to ensure these disclosures are obvious and easy to understand.

And finally, the mill levy for a metro district is typically capped so that the metro district cannot tax a property over the allowed amounts.

HELPFUL RESOURCES

 Website: Metro District Education Coalition at: metrodistricteducation.com

 Article: [Read MDEC's Kristie Pollard's guest column in the Denver Gazette](#)

 Website: Find the taxing districts for your home or neighborhood by visiting [Adams County Treasurer](#)

A PROPOSED METRO DISTRICT FOR AMENITY-RICH UPLANDS

Why is a metro district needed in Uplands?

To fully realize the vision for Uplands, there will be millions of dollars needed to finance and build City-owned water and sewer infrastructure; new roads, medians, crosswalks, sidewalks, and trails; parks and public gathering spaces; native plant palettes, tree lawns, and community gardens and landscaping; a multi-modal hub, and much more.

The City of Westminster does not provide any funding for these public improvements, so as not to burden existing property owners and taxpayers who may not directly benefit. So the most equitable way to finance this infrastructure is to share the cost among the community developer and residents who will eventually call Uplands home.

How are funds collected and how much will people pay?

Metro districts, just like a school district or a park and recreation district, have the authority to collect a portion of property taxes (via an approved mill levy) from those properties within the boundaries of the district. It's the Board of Directors that determines the long-term costs needed to build the public improvements.

The mill levy for the Uplands community is proposed to be 50. That's broken up into 10 mills to be dedicated to funding ongoing operations and 40 will repay the debt service (principal + interest) needed to fund the infrastructure costs, which is a multimillion dollar investment.

ASSESSED HOME VALUE	×	ASSESSMENT RATE	×	MILL RATE	=	ANNUAL COST
\$450,000		7.15%		0.050		\$1,608.75

The amount of tax people will pay will depend on the value of their property as determined by the Adams County Assessor. The mill levy is the amount of tax payable per dollar of the assessed value of a property, so 50 mills on a home valued at \$450,000 is about \$1,500 annually or about \$130 monthly (based on the current state government set residential assessment rate of 7.15%). Most people's mortgage loan will take into consideration the anticipated property taxes so the costs for both property taxes and insurance are wrapped into monthly payments and are paid out of an escrow account.

Will people who don't live in Uplands have to pay into the metro district?

NO.

No one outside of the boundaries of the Uplands community will be subject to paying property taxes into this community. That also means **no one outside of Uplands or anyone in or around Westminster city limits will have to pay for the benefits they receive from the public amenities and improvements Uplands will pay for.** Examples of this include:

- Access to 47 acres of public land dedication and parks (which will be open to the public)
- Upgrades to aging water and sewer infrastructure
- Roadway, sidewalk, and crosswalk improvements in and around Uplands

In addition, Uplands will be paying for major stormwater fixes that have caused flooding along Shaw Blvd in the Shaw Heights neighborhood for years. Those residents will not bear any tax burden as a result.