

STAFF MEMO

DATE OF COUNCIL MEETING: SEPTEMBER 13, 2021 / AGENDA ITEM NO. 10

To: Mayor and City Council

From: Jay N. Hutchison, Director of Public Works, 303-987-7901

Subject: **METROPOLITAN DISTRICT ORDINANCE**

SUMMARY STATEMENT: A proposed ordinance has been prepared in response to discussions of future potential metropolitan districts within the City of Lakewood. Prior to second reading of the proposed ordinance, a presentation will be available on Lakewood Speaks for public review and City Council consideration. City staff, including from the Public Works Department, the City Attorney's office and the Finance Department, have been involved in the development of the ordinance and, will be available during City Council's discussion. Approval on second reading of the ordinance is recommended by City staff.

BACKGROUND INFORMATION: Colorado law provides for a variety of types of local government entities. In addition to cities, towns and counties, special districts, including metropolitan districts, can be created. By state law, creation of a metropolitan district and, in some instances, amendments to district service plans require City Council approval.

The proposed ordinance has been prepared based on staff's understanding of discussion by the City Council during its 2020 planning session, meetings of the City Council's Ad Hoc Development Dialogue Committee on July 23, September 17, and December 10, 2020, and City Council study sessions on March 15, April 19 and June 21, 2021. Each of those meetings included opportunity for public input. The first of the Development Dialogue Committee's meetings included a panel discussion of various viewpoints regarding metropolitan districts. The Committee's recommendations guided the City Council's discussion during the 2021 study sessions.

The background memorandum that preceded the Ad Hoc Development Dialogue Committee's meetings (dated June 11, 2020) and the memorandum associated with the 2021 City Council study sessions (included with the packets for the three city council meetings) are not attached but are available upon request.

One of the Committee's recommendations was for the City Council to consider whether to prohibit creation of additional metropolitan districts within Lakewood. The consensus of City Council was to first proceed with development of a proposed metropolitan district ordinance.

During this process, the Colorado General Assembly adopted four bills that have some effect on metropolitan district regulation. The attached proposed ordinance was reviewed with those state law changes in mind. The proposed ordinance is compatible with current state law.

Attached to this memorandum are summaries of effects the proposed ordinance will have on several topics that received significant attention during past discussions. While not comprehensive and, of necessity, containing abbreviated descriptions, perhaps these documents will be helpful in identifying some of the changes that adoption of the proposed ordinance would institute.

BUDGETARY IMPACTS: There will be costs associated with implementing this ordinance. Because proposals for new metropolitan districts tend to be infrequent, it is difficult to quantify the additional costs, which fall into two primary categories. Additional city council and city staff time will be necessary to review metropolitan district proposals for compliance with the ordinance. The use of existing staff is not anticipated to cause increased financial outlay.

The proposed ordinance would require utilization of consultant(s) to review the financial aspects of any proposed metropolitan district to support a recommendation to City Council regarding the proposal and to respond to City Council questions. City staff does not perform this type of evaluation routinely and does not have the expertise necessary. Consequently, City-selected consultant(s) is a reasonable method to provide this portion of the review. The proposed ordinance would obligate the petitioners seeking to create a new metropolitan district to pay the costs of the consultant(s) selected by the City.

STAFF RECOMMENDATIONS: Approval of the Ordinance.

ALTERNATIVES: City Council could amend the ordinance or choose not to adopt it.

PUBLIC OUTREACH: The normal methods of notifying the public and seeking input have occurred with each of the three meetings of the City Council's Ad Hoc Development Dialogue Committee, each of the three 2021 City Council study sessions, and the City Council meeting during which a public hearing will occur regarding the proposed ordinance.

NEXT STEPS: If an ordinance is adopted, City staff will prepare the implementation documents required by the ordinance.

ATTACHMENTS: Ordinance O-2021-25
Summaries of Several Topics Addressed in the Proposed Ordinance 2021-25

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Alison McKinney Brown, City Attorney