

[BLOG](#) [ABOUT](#) [CONTACT US](#) [TWITTER](#)[FACEBOOK](#)

Commerce City metro districts required to honor obligations

Oct 1

An Adams County judge has appointed a neutral third party to manage the finances of two Commerce City metro districts after their boards failed to make payments towards the millions of dollars of debt they accrued for the construction of the districts' infrastructure and amenities.

The districts' resident-controlled boards, which appear to have relied on advice from their recently hired financial and legal advisers – CPA Charles Wolfersberger and lawyer, Paul Rufien – also refused to cover day-to-day expenses as required by a 2016 agreement, according to court documents.

The court's decision to hand over financial control to a third party, known as a receiver, is considered an "extraordinary" legal step. The judge ordered the districts – North Range Metropolitan Districts No. 1 and 2 – to "perform all their obligations," including paying hundreds of thousands of dollars for services and for the repayment of bonds used for improvements that benefit all residents.

If the North Range metro districts lose this case, residents in these districts could end up on the hook for tens of thousands of dollars for attorney fees, accountant fees, interest on overdue payments and additional related costs. In Thornton, for instance, a metro district also advised by Wolfersberger and Rufien was sued by creditors for not paying the metro district's bills. The judge threw out that district's countersuit which alleged the district wasn't obligated to pay the bills, and now those metro district homeowners might have to pay \$800,000 in attorney fees to the creditors.

In Grand County, another district board who retains CPA Wolfersberger filed a lawsuit – over the objections of many residents – contending it had ownership rights to ski and golf amenities despite a 2017 agreement to the contrary. The judge threw out its claims. The district owes more than \$400,000 to its own attorneys, and the parties they sued have said they will seek a court order for the district to pay their attorneys' fees as well.

The North Range districts are part of a larger plan which was approved by the Commerce City Council 20 years ago. Under both the plan and a 2016 agreement, the Reunion Metropolitan District handles the administrative tasks, while the North Range districts handle financing for the development of amenities and infrastructure such as water, streets, sewers, parks and other recreation facilities.

However, last year the North Range district boards' unilaterally decided the agreement was invalid and refused to pay their share. The judge's recent order against the North Range Metro Districts could be a sign of what's to come. It suggests that Reunion, the district that sued the two metro districts and their boards for not holding up their financial end of the bargain, may have a good chance of success.

Reunion has filed a motion to dismiss the counterclaim, which has not been ruled on.

Comments (0)

Newest First

[Preview](#)[Post Comment...](#)

< **CANDIDATE PROFILES: The race for
Ward IV** **CANDIDATE PROFILES: The race for
Ward III** >

EYE ON COMMERCE CITY | EyeOnCommerceCity@gmail.com