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January 12, 2006

Lloyd Goff
1573 S. Jamaica Street
Aurora, CO 80012

Re: Ft. Collins Project

Dear Lloyd:

Here is a brief comparison of metropolitan districts and special improvement districts.

Variable	Metropolitan District	SID
A. Basic Governing Statute	Part 1 of Article 1 of Title 32, C.R.S.	Part 5 of Article 25 of Title 31, C.R.S.
B. Basic Governing Document	Service Plan that is approved by County and/or City in which District is located	Organizational Petition, City approval resolution or ordinance
C. Organizational Process	Option 1. In County: after public notice and hearing, county board approves service plan, petition is filed with court. Court, after public notice and hearing, orders an election. After election, court enters an order organizing the District. Option 2. In City, same except the public notice and hearing before City Council approval of service plan is not required.	Landowner petition, public notice and hearing, resolution or ordinance, TABOR election. (The city can skip most organizing steps if the petition is by 100% of the owners).
D. Legal Classification	quasi-municipal corporation and political subdivision, unit of local government	not a unit of government
E. Electorate	Colorado registered voters who are either residents or own taxable property in the District and Colorado registered spouse of property owners	Similar to metropolitan district plus each person designated by an entity to vote for the entity
F. Governing Body	5 members (rarely 7), elected to staggered 4-year terms. Term limits apply unless modified by electorate	City Council ex officio

Variable		Metropolitan District	SID
G.	Removal of Members of Governing Body	Can be recalled, can be removed by a judge for cause. Replacements for vacancies are appointed by the remaining board.	Recall of City Council by City electorate. Vacancies are filled as City Council vacancies are filled.
H.	Board Qualifications	Must be an elector of the District	City Council membership
I.	Board Compensation	\$100 per meeting attended with a maximum of \$1,600 per year	None
J.	Powers	Any combination of 9 services: water, sanitation (includes sewers and drainage), roads, safety (streets), fire protection, mosquito control, parks and recreation, television relay and translation, transportation. There are also a number of minor or special-purpose limited powers.	Generically, provision of any improvement or service that the City can provide, subject to organizing petition and resolution or ordinance.
K.	Other Powers	May exercise "all rights and powers necessary or incidental to or implied from the specific powers" which is not a "limitation upon any power necessary or appropriate to carry out the purposes or intent of [article 1 of title 32, C.R.S.]"	No maintenance functions past the first five years after completion of the improvements.
L.	Eminent Domain	Eminent domain and dominant eminent domain	No Eminent domain
M.	Applicability of TABOR (Colo. Const. Art. X, Sec. 20)	TABOR generally will apply. District can create enterprises. TABOR elections needed for applicable tax, debt and revenue/spending matters	Similar to metropolitan district.
N.	Elections	Board election in May of even-numbered years. TABOR elections in any November or with Board election. Elections on other public questions can be on other allowed dates.	Election dates would be in November for TABOR and other issues and also on the City Council's regular election date if different.
O.	Taxation	If approved in the service plan and in a TABOR election, can levy property tax. Service plan or election question may limit tax rate or amount.	No tax.
P.	Non-tax revenue raising powers	Can impose rates, fees, tolls, charges and penalties for services, programs and facilities furnished by the District	Assessments
Q.	Lien for Unpaid Charges	Perpetual lien that is prior to private liens including mortgages. Can have county treasurer collect unpaid water or sewer charges with taxes.	Lien as in metropolitan district
R.	Debt	If authorized in service plan and by TABOR election, may issue general obligation bonds or revenue bonds	Assessment bonds only.

Variable		Metropolitan District	SID
S.	Audit	Independent of any other entity	Component unit of City, done with City audit.
T.	Territorial area, Service Area	District has defined boundaries and may have a larger service area, powers in service area depend on terms of service plan. May serve outside of boundaries with few limitations	Has a defined territory.
U.	Inclusion and Exclusion of Territory	Board of Directors can approve either upon receipt of a petition from 100% of the landowners in the area and a public hearing. Can have an election to include in some instances. No elections to exclude are allowed in metro districts.	Not addressed by statute (some times done with a Petition by 100% of property owners required. Then notice, hearing, and resolution or ordinance.)
V.	Organization of Overlapping Districts	Can block organization of new special district or LID, PID, SID, or GID providing the same service	No effect
W.	Notice of Meetings	Posted 3 days in advance of a Board meeting in 3 public place in the District plus at the County Clerk and Recorder's office. Special notices are required for some actions.	Meetings as called by City Council
X.	Dissolution	Except for certain inactive districts, a plan and election are required	Following notice and hearing, board may adopt resolution to dissolve, debt must be handled

If you have any questions, please give me a call.

Very truly yours,

GRIMSHAW & HARRING,
 A Professional Corporation



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