STERLING RANCH FILING NO. 2: FINAL PLAT

LETTER OF INTENT

JUNE 2020 REVISED JANUARY 2021

APPLICANT/OWNER: CONSULTANTS: SR Land LLC N.E.S. Inc.

20 Boulder Crescent St. Suite 102 619 N. Cascade Ave. Suite 200 Colorado Springs, CO. 80903 Colorado Springs, CO. 80903

OWNERS

Challenger Communities LLC. Morley Bentley LLC./Trader Vics LP 8335 Vollmer Road LLC/Pioneer Sand Co. 8605 Explorer Dr. St. 250 P.O. Box 217 5000 Northpark Dr.

Colorado Springs, CO. 80920 Galena, KS. 66739-0217 Colorado Springs, CO. 80918-3822

REQUEST

SR Land, LLC. requests approval of the Final Plat for Sterling Ranch Filing No. 2 on 49.54 acres. The Final Plat includes 49 single-family lots, 1 tract for future residential lots, 9 tracts for landscaping, public improvements and public utilities, the widening of Vollmer Road adjacent to the filing, and the construction of Marksheffel and Sterling Ranch Road within the filing. This plat request a finding of water sufficiency.

LOCATION

Sterling Ranch Filing No. 2 is located generally east of the intersection of Vollmer Road and Glider Port Road, south of the Barbarick industrial subdivision, north of Pioneer Sand construction yard and west of Sand Creek.



PROJECT DESCRIPTION

The Sterling Ranch Sketch Plan for 5,225 dwelling units on 1,444 acres was approved November 13, 2008. A rezone of 243.14 acres from RR-5 and I-3 to RS-5000 was approved March 24, 2015. A Preliminary Plan for 182.26 acres of the RS-5000 zoned parcel was approved May 26, 2015. The Preliminary Plan is for 457 single-family lots, 6 commercial lots and open space/drainage tracts.

A Final Plat for Sterling Ranch Filing No. 1 for 134.38 acres was approved February 13, 2018. This includes 4 future single-family development tracts and 24 open space, drainage, trail corridor and landscape tracts. Final Plats for Homestead at Sterling Ranch Filings 1 & 2 (176 lots) and Branding Iron at Sterling Ranch Filings 1 & 2 (126 lots) on four of the future single-family development tracts have been approved.

Sterling Ranch Filing No. 2 plats the remaining area of the approved Preliminary Plan that lies south and west of Filing No. 1 and is not included in the Filing 1 future development tracts. This completes the connection of Sterling Ranch Phase 1 to Vollmer Road via the proposed construction of Marksheffel Road and Sterling Ranch Road.

Parks and Open Space

The Preliminary Plan included an interconnected system of trails, open spaces and neighborhood parks to allow for a recreation-oriented community. This system of open spaces, trails and parks is intended to provide a comprehensive off-street pedestrian circulation system to supplement the standard sidewalks along streets. Parks have been located so that residents have a ten-minute walk or less to these facilities. Parks will be maintained by the Sterling Ranch Metropolitan District. This plat provides tracts for the interconnected system of trails and a 25' trail easement for a County Trail connecting to the Sand Creek Regional Trail system.

Traffic

A Traffic Impact Analysis was prepared by LSC Transportation Consultants, Inc. for the entirety of the Phase One Preliminary Plan (*Sterling Ranch Phase One, Traffic Impact Analysis, February 2015*). An updated Traffic Study has been prepared in support of Filing No. 2, which incorporates subsequent analysis related to Sterling Ranch Filing No. 1, Homestead at Sterling Ranch, Branding Iron at Sterling Ranch Filings, and Sterling Ranch Phase 2 (*Sterling Ranch Filing No. 2 and Sterling Ranch Phase 2 Traffic Impact Study, February 2021*).

Filing No. 2 includes the construction of Marksheffel Road between Vollmer Road and Sterling Ranch Road, and Sterling Ranch Road will be constructed from Marksheffel Road to Dines Boulevard, thereby connecting it to the southern point of Filing No. 1 and replacing the current emergency only access. Previous Deviations were approved for intersection spacing between Marksheffel and Sterling Ranch Boulevard, for the inclusion of meandering sidewalks, and for the cross-section of Sterling Ranch Road. A deviation request is submitted with this application for the construction of Marksheffel to the City of Colorado Springs standards.

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Add request for Alzada grade

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A full-movement site access is to be provided at the intersection of Vollmer Road and Marksheffel Road. Vollmer Road will be widened to a four-lane section adjacent to the western boundary of the site. This will taper back down to the existing two-lane sections adjacent to the Barbarick subdivision and to the south. The short-term and long-term future conditions outlined in the traffic study will trigger improvements and widening of Vollmer through the Barbarick subdivision and to the northern boundary of Sterling Ranch. A phasing plan of these improvements is included in the traffic study.

Drainage

The drainage improvements associated with the Final Plat are consistent with the Master Development Drainage Plan and Preliminary Drainage Report for Sterling Ranch Phase One. The drainage improvements have been designed based upon the most current El Paso County Engineering Criteria Manual, Sand Creek Drainage Basin Planning Study, City of Colorado Springs/El Paso County Drainage Criteria Manual, and the Urban Storm Drainage Criteria Manual. Details related to the design, construction and maintenance of the required drainage improvements are set forth in the proposed Subdivision Improvements Agreement for the Final Plat.

In order to assure completion of Sand Creek Channel drainage improvements, such as drop structures, check structures and similar stabilization or protection improvements, as well as a fair apportionment of the costs of said drainage improvements amongst adjacent Sterling Ranch subdividers, the District agrees to establish a Sand Creek Channel Drainage Fee to be paid into a District Escrow Fund by adjacent subdividers at the time of final platting. The amount of the fee shall be a minimum of One Thousand Dollars (\$1,000.00) per single family lot. The funds in the Escrow Account may only be disbursed for the design and construction of regional drainage improvements pursuant to the Sand Creek Drainage Basin Planning Study and Sand Creek channel improvements after the prior written approval of the El Paso County Engineer. Pond improvements related to the channel are included with the Sand Creek Channel Improvements.

Utilities

The property is located within the boundaries of Sterling Ranch Metropolitan District No. 2. water, wastewater, stormwater, and park/recreational services will be provided by Sterling Ranch Metropolitan District No. 1 pursuant to an intergovernmental agreement with Sterling Ranch Metropolitan District No. 2.

Mountain View Electric Association, Inc. will supply electricity service and Colorado Springs Utilities will supply natural gas. The utility commitment letters are submitted in support of the Final Plat for Filing 2.

Roads

The following road improvements will be constructed with this subdivision, as required in the Subdivision Improvements Agreement and Construction Drawings:

 Construction of Marksheffel Road from its intersection with Vollmer Road to its intersection with Sterling Ranch. Marksheffel Road will be constructed per City standards in order to align with the future connections to the existing City roadways.

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Discuss the necessary City/County agreement and City plan approval and acceptance of the Marksheffel Road improvements.

- Improvements at the intersection of Marksheffel Road and Vollmer Road required to serve this
 plat.
- In the short-term future scenario Vollmer from Marksheffel to Lochwinnoch will be constructed to a standard 4-lane Urban Minor Arterial cross section.
- The full cross section of Sterling Ranch Road from its intersection with Marksheffel Road to its intersection with Dines Boulevard.
- A noise wall as depicted in the Noise Study prepared by LSC Transportation Consultants, Inc. will be built along Vollmer and at the corner of Vollmer and Marksheffel Road.
- All local roads within the subdivision.

It is understood and agreed that applicable traffic impact fees in accordance with the County Road Impact Fee Program Resolution (Resolution No. 19-471) will be paid at or prior to the time of building permit submittals. The applicant elects to include the property into the 10 mil El Paso County Public Improvement District No. 2. The recommended plat note will be added to the Final Plat and all sales documents.

Districts Serving the Property.

- Academy School District 20
- Mountain View Electric Association
- City of Colorado Springs Utilities Department Gas
- Black Forest Fire Protection District
- Water, wastewater, stormwater services to be provided by Sterling Ranch Metropolitan District No.
 1 & District No. 2 through intergovernmental agreements.
- Tracts containing open space, landscaping, trails, detention ponds, entry signs, and mail kiosks will be maintained by Sterling Ranch Metropolitan District No. 1.

PROJECT JUSTIFICATION

Consistency with County Plans

The relevant County Plans for Sterling Ranch are the County Policy Plan, the Falcon-Peyton Small Area Plan, and Black Forest Preservation Plan. A detailed analysis of the relationship of the Sterling Ranch Sketch Plan and the goals and objectives of these plans were previously provided with the Sketch Plan, Zoning and Preliminary Plan submittals with findings of consistency having been made by the respective Planning Commission and Board of County Commissioners. These include the provision of adequate buffers and transitions from lower, rural density residential development, the provision of adequate urban services by Sterling Ranch Metropolitan District, an interconnected system of trails, open spaces and neighborhood parks, and the preservation of open space.

Sterling Ranch Filing No. 2 is consistent with the approved Sketch Plan, Zoning and Preliminary Plan. As there have been no changes to the relevant County Plans since these approvals, the Final Plat continues to be in compliance with the County Master Plan.

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County Policy Plan

The following County Polices are relevant to the requested Final Plat:

- **Policy 6.1.11**: Plan and implement land development so that it will be functionally and aesthetically integrated within the context of adjoining properties and uses.
- Policy 6.4.4: Encourage new rural residential subdivisions to be located within or contiguous with
 existing rural residential areas or to be incorporated as a buffer between higher density and
 undevelopable areas.
- **Policy 13.1.1:** Encourage a sufficient supply and choice of housing at varied price and rent levels through land development regulations.
- Policy 13.1.2: Support the provision of land use availability to meet the housing needs of county residents.

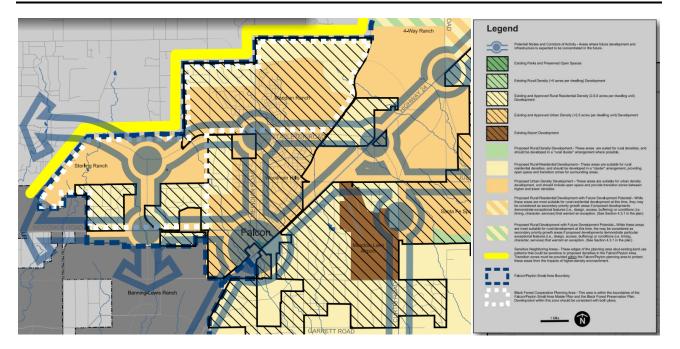
The project is consistent with the policies of the County Plan which encourages contiguous new development that is contiguous with existing residential and is incorporated as a buffer between varying densities and housing types. The plat provides for a mix of housing densities and types. Buffers are provided in the form of tracts with landscaping and open space along the perimeter of the project. The plat provides for additional single-family lots for much needed housing in the County. Tract E will be developed in the future with single-family attached units providing an additional housing option in the area.

Falcon Peyton Small Area Plan

The site is in an area identified as "Proposed Urban Density Development" specifically defined as an area suitable for urban density development. The proposed development directly supports this identification and the following goals and policies of the small area plan.

- 3.1.1 Provide a balance of land uses that respects existing and historical patterns while providing
 opportunities for future residents and businesses.
- 3.1.4 Provide a variety of different densities of development options.
- 3.3.1 Encourage **diversity and variety in housing** types, sizes, locations, and prices to meet the needs of existing and new residents.
- 3.3.2 Promote **predictable growth** in the housing market that is consistent with the Small Area Master Plan.
- 3.3.4 Meet the **housing needs** of as many existing and new residents of differing ages, incomes, and desired living accommodations.

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Black Forest Preservation Plan

The Filing 2 area is located within the Southern Transitional Area also identified as the Cooperative Planning Area. The area is located along two arterial roadways identified to be identified as four lane roadways in the future and will be constructed by the developer. Adequate services including water wastewater, electric, natural gas, roadways, and fire protection have been identified. The site provides an additional housing type and appropriate densities to transition from the existing rural residential and the future development of the area.

Water Master Plan

- Goal 1.1 Ensure an adequate water supply in terms of quantity, dependability and quality for existing and future development.
- Goal 3.1 Promote cooperation among water providers to achieve increased efficiencies on infrastructure.
- Goal 3.2 Promote cooperation among water providers to achieve increased efficiencies on treatment.
- Goal 3.7 Encourage the interconnection of infrastructure owned by water providers and projects
 that will have access to more than one water source, both to foster conjunctive use and to better
 accommodate water supply emergencies.
- Goal 5.1 Identify the potential water supply gap at projected full development build-out (2060).
- Goal 5.4 Promote the long-term use of renewable water.
- Goal 5.5 Identify any water supply issues early on in the land development process.
- Goal 6.0 Require adequate water availability for proposed development.
- Policy 6.0.8 Encourage development patterns and higher density, mixed use developments in appropriate locations that propose to incorporate meaningful water conservation measures.

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Policy 6.0.11

— Continue to limit urban level development to those areas served by centralized utilities.

Sterling Ranch Metro District has sufficient supply and infrastructure in the area to serve this development. The total current commitment of the existing Sterling Ranch water supply is 592.89 annual acre feet. The total Sterling commitments stand at 453.10 annual acre-feet.

The Sterling Ranch System includes both decrees and determinations. Local groundwater rights are associated with three service area portions; Sterling Ranch, The Retreat, and The Ranch. The system includes a central system and some well and septic systems. The Water Resources report primarily focuses on the central supply and does not include the 41 rural style lots in the Retreat served by wells in the calculations.

The project is located within Region 3, Falcon Area, containing 4 growth areas projected to be completed by 2040, three areas to be completed by 2060, and two other growth areas located on the north and south sides of Falcon Highway directly east of Falcon. Specifically, the Water Master Plan states:

"Region 3 contains four growth areas west of Falcon projected to be completed by 2040. Other areas of 2040 growth are projected for the north-central part of the region west of Highway 24 extending from Falcon to 4-Way Ranch. North of Falcon along Highway 24, growth is projected by 2060 on both sides of the highway. Just west of Falcon, another small development is projected by 2060 on the north and south sides of Woodmen Road. On the east side of Highway 24, three separate areas of growth are projected for development by 2060, with the largest of the three spanning from south of Judge Orr Road to east of Peyton Highway into Region 4c. This development will likely consist of 35-acre lots that will require individual wells to use Denver Basin groundwater. The other two growth areas will be located on the north and south sides of Falcon Highway directly east of Falcon. See Figure 5.5 for Region 3 growth map projections."

Region 3 has a current water supply of 7,164-acre feet per year and a current demand of 4,494-acre feet per year. The 2040 water supply is projected to be 7,921-acre feet per year and the project demand is 6,403-acre feet. The 2060 water supply is projected to be 8,284-acre feet per year and the projected demand is 8,307-acre feet.

The Sterling Ranch System is expected to serve 3,710 single-family equivalent (SFE) homes in the year 2040 requiring 1,310 annual acre-feet. In the year 2060 the system is expected to serve 7,310 single-family equivalent homes requiring 2,580-acre feet per year.

In order to meet future demands, contractual arrangements have been made to obtain additional legal and physical supply including contracts with McCune Water SR Water LLC. And the Bar X Water. In addition to adding off-site sources, additional priority is to acquire and invest in additional renewable water supplies. Future supply has been contracted for and implementation is under way. A substantial amount of Not Nontributary water is available on the Sterling Ranch site and is the purpose of a pending augmentation plan.

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The Sterling System has opportunity to connect with both the Cherokee Metro District and Woodmen Hills Metro District storage and delivery facilities. Sterling wastewater is discharged into the Meridian System which in turn has potential to convert some reusable flows to available physical supplies

Consistency with Plat Approval Criteria. The Final Plat is in substantial compliance with the approved preliminary plan and is consistent with the County's subdivision design standards and regulations. All areas of the proposed subdivision that may involve soil or topographical conditions presenting hazards or requiring special precautions have been identified and the proposed subdivision is compatible with such conditions. Adequate drainage improvements are proposed that comply with State Statute C.R.S. 30-28-133 (3)(c)(VIII) and the requirements of the Land Development Code and the Engineering Criteria Manual. Necessary services, including police and fire protection, recreation, utilities, and transportation systems, are or will be made available to serve the proposed subdivision. The final plans provide evidence to show that the proposed methods for fire protection comply with Chapter 6 of the Land Development Code. Necessary off-site improvements have been evaluated through the various reports submitted with the Final Plat, as well as the previously approved Preliminary Plan, and will mitigate the impacts of the subdivision in accordance with the applicable requirements of Chapter 8 of the Land Development Code. All public facilities and infrastructure reasonably related to the Final Plat have either been constructed or are financially guaranteed through the Subdivision Improvements Agreement so the impacts of the subdivision will be adequately mitigated. The extraction of any known commercial mining deposit will not be impeded by this subdivision.

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