

WILLIAM P. ANKELE, JR.
JENNIFER GRUBER TANAKA
CLINT C. WALDRON
KRISTIN BOWERS TOMPKINS
ROBERT G. ROGERS
BLAIR M. DICKHONER
GEORGE M. ROWLEY



OF COUNSEL:
KRISTEN D. BEAR
K. SEAN ALLEN
TRISHA K. HARRIS
ZACHARY P. WHITE
HEATHER L. HARTUNG

MEGAN J. MURPHY
EVE M. G. VELASCO
AUDREY G. JOHNSON
CAREY S. SMITH V
ERIN K. STUTZ
JON L. WAGNER

December 3, 2021

VIA ELECTRONIC UPLOAD

Planning and Community Development
El Paso County, Colorado
Attention: Kari Parsons
2880 International Circle, Suite 110
Colorado Springs, CO 80910

Re: Letter of Intent for Proposed Waterview North Metropolitan District Nos. 1 and 2

Dear Ms. Parsons:

This Letter of Intent is being submitted on behalf of CPR Entitlement, LLC (the “**Applicant**”), for the organization of the Waterview North Metropolitan District Nos. 1 and 2 (collectively, the “**Districts**”) located wholly within the County of El Paso, Colorado (the “**County**”).

The Districts shall be organized pursuant to and in accordance with the provisions in Title 32 of the Colorado Revised Statutes, Chapter Nine of the El Paso County Land Development Code, and the El Paso County Special District policies. The Districts’ boundaries will consist of 144.88 acres, encompassing the Waterview North development (the “**Project**”) located wholly within the County’s boundaries. The Project will consist of 114 single family homes, 388 townhomes, 300 apartments, 45.2 acres of commercial mixed use, and 25 acres of industrial uses.

We respectfully request consideration of the Service Plan for the Districts by the Planning Commission and then the Board of County Commissioners.

A. Purpose of the District

The Districts are independent units of local government, separate and distinct from the County, and, except as may otherwise be provided for by State or local law or the Service Plan, their activities are subject to review by the County only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the Districts, in their discretion, will provide a part or all of various public improvements necessary and appropriate for the

development of a project within the unincorporated County. The public improvements will be constructed for the use and benefit of all anticipated inhabitants, property owners and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these public improvements.

The public improvements the Districts intend to finance and construct within the Project include but are not limited to water, sanitation, streets, transportation, safety protection, drainage, parks and recreation, mosquito control, fire protection, television relay and translation, security services, and solid waste disposal.

Additional major purposes will include the Districts' power to furnish covenant enforcement and design review services within the Districts' Boundaries, and any ongoing operation and maintenance of the public improvements within the Districts not otherwise dedicated to the County or third party entities for ownership and/or ongoing operation and maintenance.

B. Justification

The Project is not presently served with the facilities and/or services proposed to be provided by the Districts, nor does the County nor any other special district have any plans to provide such services within a reasonable time and on a comparable basis. There are currently no private parties or other governmental entities, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment and financing of the public improvements needed for the Project. Formation of the Districts is therefore necessary in order for the public improvements required for the development of the Project, to be provided in the most economic manner possible.

C. Development and Financial Plans

The property within the Project is currently undeveloped. The Service Plan contemplates an estimated total infrastructure cost of \$12,961,932. The infrastructure cost estimates were prepared by the Applicant. The Service Plan's financing model provides an example of how the Districts may finance the public improvements. The financing model is a summary of development assumptions, projected assessed valuation, description of revenue sources (including applicable mill levies and fees) and expenses for both operations and debt service, and an overall debt capacity model associated with projected future development of the Project. The model demonstrates that the Districts are capable of providing sufficient and economic service within the Project, and that the Districts have or will have the financial ability to discharge the Districts' Debt on a reasonable basis. Any debt issued will be in accordance with the Service Plan's limitations. Prior to the issuance of any debt, the Applicant may pay for the public improvements costs, organizational costs, and operations and maintenance costs and subsequently may be reimbursed by the Districts. It is anticipated that in the formative years the Districts will have shortfalls in funding its capital costs and monthly operations and maintenance expenses. The Developer may fund these

obligations for the Districts to promote the Project's development subject to the Developer being repaid from future District revenues.

D. Compliance with County Master Plans

County Master Plan

The County Master Plan locates the development within the Colorado Springs Airport/Peterson Airforce Base Area on the *Key Area Map* as an area anticipating "New Development" on the *Areas of Change Map* with a projected "Employment Center" by the *Place Types Map*. The County Master Plan recommends prioritization of nonresidential growth in this area to help expand Employment Center land uses and densities in this area.

The zoning of the development, which was developed in response to market demand and absorption, is in general conformance with the intent, policies, goals, and recommendations of the County Master Plan. The Waterview North commercial and industrial zoning reflects the prioritization of supporting commercial land uses. The Waterview North residential zoning is supportive of the local economic consumer base needed to sustain the future land uses in the commercial zone.

The land uses and densities proposed under the Waterview Sketch Plan as amended and approved in July of 2021, had been in review by the County prior to development and adoption of the current County Master Plan. The individual rezone applications needed to implement the uses authorized by the Waterview Sketch Plan as amended were reviewed for consistency with the newly adopted County Master Plan Land Use framework and typology recommendations. Chapter 14, Implementation, states in the Land Use Applications and Master Plan Consistency narrative as follows:

Approval of a land use application does not necessarily require a finding that the application is fully consistent with each and every applicable component of the Master Plan. The Planning Commission and BOCC have the discretion to give greater weight to individual components of the Master Plan compared to other components when taking a formal action to either approve, approve with conditions, or deny an application.

- *Goal 1.1 - Ensure compatibility with established character and infrastructure capacity.*

All aspects of the development are compatible with the approved 23.1 acres of commercial adjacent to the site, the ± 167-acre urban residential Trails at Aspen Ridge, and ±5 acres of multifamily zone located along the southern border of Bradley Road opposite of the site and within the approved uses of the Waterview Sketch Plan Area.

The development will be within an existing previously approved Sketch Plan. Access is focused on Bradley Road at previously approved access points. The commercial and industrial proposed uses are focused at the Bradley Road and Powers Boulevard Corridors within a ¼ mile of an existing Intersection with Bradley Road. All urban residential land uses access within a ½ mile distance from Bradley Road.

Public services are being provided by Widefield Water and Sanitation District (“**WWSD**”) through extension of existing service lines. CSU Gas has recently increased service to this area (costs being shared by this development) and existing Mountain View electrical facilities are being extended underground through the development as construction commences. The area has been annexed into the Security Fire Protection District for taxing and service purposes. Screening and buffering will be considerations moving forward.

- *Goal 1.2 - Coordinate context-sensitive annexation and growth strategies with municipalities.*

The area is identified in the 3-mile Land Use Map (Map 3-1 Potential Annexation Areas) of the City of Colorado Springs Annexation Guide. It is identified as eligible, not recommended. The site lies within WWSD’s Service Boundaries which has committed to provide water and wastewater and other municipal type services.

- *Goal 1.3 - Encourage a range of development types to support a variety of land uses.*

The development is planned with a supportive of mixed land uses as depicted on the Waterview Sketch Plan (PCD File No. 20-2) as amended and approved in July of 2021. Uses approved under the Sketch Plan include light industrial, commercial retail, office, multifamily, and urban density single-family attached and detached residential.

- *Goal 1.4 - Continue to encourage policies that ensure “development pays for itself.”*

Development in the proposed Waterview North area (inclusive of commercial, light industrial, and residential zones) will be developer and district funded including, but not limited to Developer funded site and infrastructure improvements (roads, site preparation, and wet/dry utilities); applicable drainage/bridge, park, and school fees payable at individual plat recordation; applicable County Road Impact Fees; and Utility Service Design, Construction, and/or Service Connection (Tap) Fees.

Area: Colorado Springs Airport/Peterson Air Force Base

The County Master Plan locates the development within the Colorado Springs Airport/Peterson Airforce Base Area on the Key Area Map as an area anticipating “New Development” on the Areas of Change Map with as a projected “Employment Center” by the Place

Type Map. The Plan recommends prioritization of nonresidential growth in this area to help expand Employment Center land uses and densities in this area.

Development of the commercial and industrial zones reflects the prioritization of supporting commercial land uses while the residential zoning is supportive of the local economic consumer base needed to sustain the future land uses in the commercial and industrial zones shown on the sketch plan.

Colorado Springs Airport is the second largest in the State of Colorado with continually rising passenger totals and activity. Currently, large amounts of land adjacent to the airport are primed for commercial and industrial development, in part due to the establishment of a Commercial Aeronautical Zone (CAZ).

The County Master Plan recommends prioritization of nonresidential growth in this area to help expand the Employment Center Place type in this area to implement policies, plans, programs, and partnerships in support of County efforts to attract local businesses and promote development on the available land in the Area; to provide additional job opportunities for County residents; and to expand the County's tax base to provide more opportunities to address other County issues such as upgrades to infrastructure, expansion of services, and development of new roadways. *See Goal 1.4 above.*

Areas of Change: New Development

The plan assumes undeveloped areas “that are adjacent to a built-out area *will be developed to match the character of that adjacent development or to a different supporting or otherwise complementary one such as an employment hub or business park adjacent to an urban neighborhood.*” (Emphasis added).

Proposed zoning, land uses, and densities are compatible with the approved 23.1 acres of commercial adjacent to the site, the ± 167 acre urban residential Trails at Aspen Ridge, and ±5 acres of multifamily zone located along the southern border of Bradley Road opposite of the site and within the approved Sketch Plan Area. The proposed development areas and zones have been planned to mutually support each other and upon development will create the land use scenario with employment hub/business park uses.

Place type: Employment Center

The Plan characterizes this Place type with Light Industrial/Business Park, Heavy Industrial, and Office uses as the primary or dominant land uses. Supporting land uses include Commercial Retail, Commercial Service, and Restaurant land uses. These supporting uses are comparable to the supporting uses identified within the Urban Residential Place type identified as Mixed Use, Restaurant, Commercial Retail, Commercial Service, Institutional, Parks, and Office. While the employment center and urban residential Place types have differing primary uses, both

Place types share common supporting land uses demonstrating an interdependence among the differing yet complementary land uses.

The proposed commercial, light industrial, residential, and multifamily land use mix and zones is consistent and compatible with the existing land use mixes in the Waterview Sketch Plan (and the subsequent approved zoning and subdivision applications) south of Bradley Road opposite and adjacent to this development area.

Residential Conformance with Employment Center Place type

Development of the commercial and industrial zones reflects the prioritization of supporting commercial land uses while the residential zoning is supportive of the local economic consumer base needed to sustain the future land uses in the commercial zone. The proposed residential land uses are a response to market demand for a residential mix to support and complement the existing commercial and industrial land uses depicted on the current Waterview Sketch Plan in the development area.

The proposed residential areas are planned to provide transition from commercial areas to residential areas through use of lot density and buffering. Residential areas are taking advantage of the Peak Innovation Park Opens Spaces. While avoiding the APZ areas as required for residential development, guidelines for building placement and buffering from the airport will be employed. This residential development will provide employees of the Peak Innovation Park nearby affordable housing opportunities.

Proposed commercial development is located within or near the APZ area and focused on the Bradley Road/Powers Boulevard intersection with direct access to Bradley Road at an existing intersection. This commercial development will provide both local and regional services and may provide support business opportunities near to Schriever AFB.

Proposed industrial development is located within the APZ area and focused on the Bradley Road Powers Boulevard intersection with direct access to Bradley Road at an existing intersection. This industrial development will provide regional services and may provide support business opportunities near to Schriever AFB.

County Water Master Plan

The proposed subdivision satisfies the following policies of the County Water Master Plan:

- *Policy 5.2.4: Encourage the locating of new development where it can take advantage of existing or proposed water supply projects that would allow shared infrastructure costs.*
- *Policy 5.5.1: Discourage individual wells for new subdivisions with 2.5 acre or smaller average lot sizes, especially in the near-surface aquifers, when there is a reasonable*

opportunity to connect to an existing central system, alternatively, or construct a new central water supply system when economies of scale to do so can be achieved.

- *Policy 6.0.1: Continue to require documentation of the adequacy or sufficiency of water, as appropriate for proposed development.*

The proposed subdivision is located within the service area of WWSD. Water and Sewer service will be provided by extending water and sewer lines from south of Bradley Road. A Will Serve Letter, attached hereto as **Exhibit A** and incorporated by reference, notes WWSD's ability to serve the proposed development in an efficient manor with the current infrastructure provided with extension as noted above and their current capacity to serve.

The project is located within Region 7, Fountain Area, and is projected to be the largest growth area in El Paso County. Specifically, the County Water Master Plan states:

Region 7 could experience the largest demand growth in the County by 2060. Areas projected to develop by 2040 are located south of Fountain on the north and south sides of Link Road. Areas northwest of Fountain along the east and west sides of Marksheffel Road are also expected to grow by then, as well as the area south of Fountain on the west side of I-25. Directly west of Fountain, areas north and south of Squirrel Creek Road are expected to grow by 2060. One large development is expected south of Fountain by 2060, along the west side of I-25. Another is expected in the northeast corner of Region 7, along both sides of Bradley Road.

Full Build out of WWSD is expected in the 2040 to 2060 time frame. The Water Resources Report indicates that the District has sufficient water supply to meet the expected need to full build out. Region 7 has a current water supply of 15,376 acre-feet per year and a current demand of 10,141 acre-feet per year. The 2040 water supply is project to be 25,241 acre-feet per year and the demand is projected to be 15,846 acre-feet. This development is projected to need 437 acre-feet of water per year.

The District currently incorporates a 15% reserve into future planning. Based on the needs, current supply and reserve the District has sufficient water to meet the needs expected now and into the future.

The Will Serve Letter notes the water system that serves Waterview North and all of WWSD is classified as a Public Water System and meets all CDPHE applicable requirements.

The water system uses a combination of groundwater and renewable sources. There are multiple pressure zones within the WWSD system served by both gravity and pumped systems. Waterview North is in the highest pumped pressure zone.

Existing and Proposed Facilities:

The site currently is vacant. Proposed services in the development include the following:

- Water/Sewer-Widefield Water and Sanitation District
- Electric Service-Mountain View Electric and City of Colorado Springs
- Natural Gas Service – City of Colorado Springs
- Telephone Service – Century Link
- Fire Protection – Security Fire Protection District

Public services are being provided by WWSD through extension of existing service lines. CSU Gas has recently increased service to this area (costs being shared by this development) and existing Mountain View electrical facilities are being extended underground through the development as construction commences. The area has been annexed into the Security Fire Protection District for taxing and service purposes. Screening and buffering will be considerations moving forward.

Offsite Improvements

Extension of Water and Sewer lines from the development is currently underway south of Bradley Road.

E. Service Plan Conformity

The Districts' Service Plan is in conformance with the statutory requirements as well as the County's Special District Policies. The Service Plan further contains evidence of each of the following necessary for the Board of County Commissions to approve the Service Plan:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed Districts;

The Districts' purposes are to finance and construct certain public improvements and to provide additional services as necessary to support the Project. The Project is not presently served with the facilities and/or services proposed to be provided by the Districts, nor does the County nor any other special district have any plans to provide such services within a reasonable time and on a comparable basis. To develop the Property, a significant investment in public infrastructure is required, including but not limited to water systems improvements, sanitary sewer and storm drainage improvements, street and roadway improvements, and parks and recreation improvements. Formation of the Districts is therefore necessary in order for the public improvements to be provided in the most economic manner possible.

2. The existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;

There are currently no private parties or other governmental entities, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment and financing of the public improvements needed for the Project.

3. The proposed Districts are capable of providing economical and sufficient service to the Project;

The Districts will provide public improvements and services necessary for the Project and will ensure the public improvements are constructed in a reasonable and timely manner. The public improvements will be constructed for the use and benefit of all anticipated inhabitants, property owners and taxpayers of the Districts. Further, public financing tools available to the Districts will help lower the costs of the public improvements.

4. The area to be included in the proposed Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

The estimated costs of the improvements and facilities to be constructed are set forth in the Service Plan. Based on these development assumptions and the financial assumptions contained in the Financial Plan for the Districts, the projected revenue is sufficient to allow the Districts to discharge the proposed indebtedness on a reasonable basis.

5. Adequate service is not, and will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

The Project is not presently served with the facilities and/or services proposed to be provided by the Districts, nor does the County nor any other special district have any plans to provide such services within a reasonable time and on a comparable basis. While there are existing special districts in the vicinity of the Project, these districts have already issued debt or have plans to issue debt in the near future. If the Project were included within the boundaries of these existing districts, it would be subject to their debt service mill levies but would not have an opportunity to benefit from the issuance of such debt in a way that is consistent with the Applicant's timing and plans for development.

6. The facility and service standards of the proposed Districts are compatible with the facility and service standards of the County;

The proposed facilities and services will be constructed in accordance with the County's standards and specifications as well as any other appropriate jurisdictions.

7. The proposal is in substantial compliance with the County master plan; and

The Districts will consist of residential, commercial and industrial uses. Residential uses are contiguous with residential uses to the south while the commercial and industrial uses are positioned adjacent to similar uses and as dictated by the relationship to the Colorado Springs Airport to the north. There will be buffering between uses as required by El Paso County. The uses are consistent with the tenants of the County Master Plan which encourages infill development that compliments and transitions to existing uses. The uses are also consistent with the approved Waterview Sketch Plan as amended in July of 2021. The property within the Districts' boundaries is subject to a service agreement with the Widefield Water and Sanitation District. The property is within the boundary of the Security Fire Protection District service and mill levy area. Meetings have been held with the Widefield School District 3 with no specific request with relation to this development. The Widefield School District 3 will benefit from the mill levy collection from the commercial, industrial and residential development.

8. The creation of the proposed Districts is in the best interests of the area proposed to be served.

The Project is not presently served with the facilities and/or services proposed to be provided by the Districts, nor does the County nor any other special district have any plans to provide such services within a reasonable time and on a comparable basis. Formation of the Districts is therefore necessary in order for the public improvements to be provided in the most economic manner possible.

Major Service Plan Points

- The Districts' boundaries are approximately 144.88 acres of property.
- Anticipated development of 114 single family homes, 388 townhomes, 300 apartments, 45.2 acres of commercial mixed use, and 25 acres of industrial uses.
- Completion of an estimated \$12,961,932 of public improvements, including water, sanitation, streets, transportation, safety protection, drainage, parks and recreation, mosquito control, fire protection, television relay and translation, security services, and solid waste disposal.
- Requested debt authorization of \$26,000,000 to allow for inflation, contingencies, and unanticipated changes from the date of approval of the District's Service Plan.
- 30-year maximum period of maturity for issuance of any Debt (except for Developer Funding Agreements).
- Maximum Aggregate Mill Levy of 65 mills, consisting of a Debt Mill Levy of 50 mills, an Operational Mill Levy of 10 mills and a Special Purpose Mill Levy of 5 mills.

- Public improvements will be constructed in accordance with County and other applicable standards and specifications.
- An Annual Report and Disclosure Form will be submitted to the County regarding the District's activities, and filed with the Division of Local Government and the State Auditor.

F. Conclusion

The organization of the Waterview North Metropolitan District Nos. 1 and 2 are in the best interests of the future residents of the area proposed to be served by the Districts. The Districts will ensure that construction of the public improvements occurs in a timely manner and in accordance with applicable standards. The Districts will further generate the tax revenue sufficient to pay for the costs of those public improvements, services, and ongoing maintenance and operations.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



Blair M. Dickhoner
Shareholder

Enclosures

EXHIBIT A
WILL SERVE LETTER



8495 Fontaine Boulevard, Colorado Springs, Colorado 80925

June 1, 2020

Charles K. Cothorn, P.E.
Dakota Springs Engineering, LLC
31 N. Tejon Street, Suite 518
Colorado Springs, CO 80903

Re: Will Serve Letter for Waterview Sketch Plan

Dear Mr. Cothorn:

The Widefield Water and Sanitation District commits to providing water and sewer service to the above-mentioned subdivision per this letter. This is a will serve letter for the sketch plan known as Waterview dated 12-3-2016.

The District will serve water and wastewater to the area which is within the District's boundaries. A formal commitment will be provided in the future when more details of the location are known.

Sincerely,

A handwritten signature in blue ink that reads "Rob Bannister".

Rob Bannister, District Engineer

C: Lucas Hale, District Manager
Brandon Bernard, Water Department Manager
Jason Dreessen, Wastewater Department Manager