



ICENOGLE SEAVER POGUE

June 24, 2019

VIA ELECTRONIC UPLOAD

El Paso County
Planning and Community Development
2880 International Circle
Colorado Springs, CO 80910

Attn: Nina Ruiz

Re: Revised Letter of Intent Concerning Formation of Winsome Metropolitan
Districts Nos. 1-4

Dear Sir/Madam:

ProTerra Properties, LLC (the “Applicant”) hereby submits this letter concerning its intention to organize four Title 32 metropolitan districts in El Paso County (the “County”) to be known as “Winsome Metropolitan District Nos. 1-4” (the “Districts”). Enclosed herewith is a draft of the consolidated Service Plan for the Districts utilizing the County’s model service plan template for multiple districts with a control district, the contents of which are briefly discussed below.

The Districts will be organized to provide, finance, construct, own, manage, and operate public improvements, infrastructure and services related to the development of a project located in the unincorporated County to be known as “Winsome”. The Winsome property is situated in the northern part of the County at the intersection of Hodgen Road and Meridian Road. The property consists of 767 acres of undeveloped land currently owned by McCune Ranch, LLC.

The proposed Winsome development is proposed to include 143 single family residential homes with a 5-acre minimum lot size in the northern portion of the development and a 2.5-acre lot size in the southern portion of the development. The residential portion of the development is proposed to include 148 acres of open space with an extensive gravel trail system for neighborhood enjoyment.

In addition to residential homes, the Winsome development proposal includes 7 acres of commercial property. Portions of the commercial site are planned to remain heavily treed with a required area serving stormwater detention pond and additional reservations for future water wells. A proposed maximum 30,000 square foot commercial building layout and related parking areas are planned to encompass the remainder of the parcel. The possible future uses of this commercial building include a convenience store, restaurants and other retail spaces to serve the neighborhood.

The Districts will be created utilizing a Control District/Financing District structure. Winsome Metropolitan District No. 1 will be the Control District, which will coordinate the financing, construction, operation, and maintenance of all Public Improvements for the Districts. Winsome Metropolitan District Nos. 2, 3 and 4 will be the Financing Districts and are expected to include residential and/or commercial development to produce the required revenue to fund the public improvements and any operations and maintenance costs.

It is anticipated that the provision of public facilities and services by the Districts will be primarily financed by the issuance of bonds, secured by the Districts' *ad valorem* taxing authority. Prior to the issuance of any debt, costs for public improvements may be paid by the Applicant and subsequently reimbursed to the Applicant by the Districts. Accordingly, the Districts are expected to have sufficient capacity to incur debt in the estimated total principal amount of up to Twenty Million Dollars (\$20,000,000) in order to pay for public improvements within the Districts.

The Districts seek authorization to provide certain public improvements and related operations and maintenance services including water, storm drainage, street and roadway improvements, transportation improvements, traffic and safety controls, park and recreation facilities, television relay and translation facilities, mosquito and pest control, security services and covenant enforcement. Formation of the Districts is necessary in that there are no other governmental entities that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation and financing of these public improvements.

The Districts seek a Proposed Debt Mill Levy of 55.277 Mills which includes the addition of 5.277 Mills as a Gallagher Adjustment to the 50.000 Mills limit for Debt Service included in the County's last amended Special District Policies. The County's last amended Special District Policies which set the Debt Mill Levy at 50.000 Mills predates the recent changes to the residential assessment rate, and as such, the retroactive Gallagher Adjustment is proposed to account for these recent changes.

The Districts have requested the maximum Debt Mill Levy of 50.000 Mills plus 5.277 Mills as a retroactive Gallagher Adjustment due to the nature of some of the improvements that will be constructed as part of the Winsome development. The proposed residential roadways within the development must cross West Kiowa Creek in two places. Conceptually, these bridge crossings have been sized as triple reinforced concrete box culverts at an estimated construction cost of \$1,125,000. As additional justification for seeking the maximum Debt Mill Levy with the retroactive Gallagher Adjustment, the development includes nearly four (4) miles of gravel hiking trails and drainage way maintenance roads at an estimated construction cost of \$411,750.

The Applicant wishes to seek approval of the formation of the Districts contemporaneously with the County's consideration of the underlying land use

Jennifer L. Ivey | *JIvey@isp-law.com* | *Direct 303.867.3003*

applications. The Applicant has applied to rezone three hundred-fifty (350) acres to RR-2.5 (Rural Residential) zoning and to rezone eight (8) acres to CC (Commercial Community) zoning. In addition, a Preliminary Plan Application concerning Winsome was submitted to the County in 2018. The Applicant anticipates that the Winsome Preliminary Plan Application will be presented to the County Planning Commission in June of this year.

The Applicant's consultants for the Winsome development and formation of the Districts are as follows:

Financial Advisor

D.A. Davidson & Co.
1600 Broadway, Suite 1100
Denver, Colorado 80202

District Counsel

Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 360
Denver, Colorado 80237

Planner

N.E.S. Inc.
619 North Cascade Ave., Suite 200
Colorado Springs, Colorado 80903

Engineer

The Vertex Companies, Inc.
2420 W 26th Avenue #100-D
Denver, Colorado 80211

Water Attorney

Monson, Cummins & Shohet, LLC
13511 Northgate Estates Dr., Ste. 250
Colorado Springs, Colorado 80921

My contact information is listed on the letterhead below and the Applicant can be reached by contacting Jerry Biggs, ProTerra Properties, LLC, 1864 Woodmoor Drive, Suite 100, Monument, Colorado 80132, Telephone Number (719) 476-0800, Email: jbiggs@proterraco.com. Thank you for the opportunity to submit this Letter of Intent regarding the formation of Winsome Metropolitan Districts Nos. 1-4. We look forward to your comments and feedback concerning the Districts.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation

Jennifer L. Ivey

cc: Jerry Biggs