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In reviewing the Service Plan, there is discussion about Intergovernmental agreements, a unified financing plan, and integrated operating plans being in place in the future, however, no information was submitted to support those facts. Additionally, there is inadequate information within the service plan and Letter of Intent regarding how 1 district will function or if they will over-see the other districts

VIA E-MAIL

Board of County Comm
El Paso County, Color
200 South Cascade Av
Suite 150
Colorado Springs, CO
Attention: Kristy Smart
Email: KristySmart@e

CS zoning was recently approved for District 1, the Service Plan and LOI indicate District 1 for Residential and the PUD shows Districts 2 and 8 to be residential but Service Plan and LOI indicate commercial. The underlining zoning is not in place, justification of why the zoning is not in place and further justification of the need of the district will be needed without appropriate zoning in place required, please clarify

Development
City Planner
com

Re: Proposed Second Consolidated Amended and Restated Service Plan for Mayberry, Colorado Springs Metropolitan District Nos. 1 and 2, and Service Plan for Mayberry, Colorado Springs Metropolitan District Nos. 3-8

Dear Commissioners and Mr. Seveigny:

Our firm serves as general counsel to Mayberry, Colorado Springs Metropolitan District Nos. 1 and 2 (each, “**District No. 1**” and “**District No. 2**”), which are existing Title 32 metropolitan districts located within El Paso County, Colorado (the “**County**”). Please accept this letter, along with an electronic copy of the proposed Second Consolidated Amended and Restated Service Plan for Mayberry, Colorado Springs Metropolitan District No. 1 and No. 3 and Service Plan for Mayberry, Colorado Springs Metropolitan District Nos. 3-8 (the “**Service Plan**”), as our formal submittal for consideration by the Board of County Commissioners of El Paso County (the “**BOCC**”). Simultaneously with the submittal of the Service Plan, one check in the amount of \$4,537.00 for the Planning and Community Development submittal fee was sent via mail, and a second check in the amount \$250.00 was sent via mail to the BOCC for its review fee. Also enclosed, is the DLG-60 required by Title 32.

I. BACKGROUND

District No. 1 was formed pursuant to the Service Plan for Ellicott Town Center Metropolitan District, as approved by the Board of County Commissioners on June 29, 2006 (the “**Original District No. 1 Service Plan**”) for the construction, installation, financing, operation

and maintenance of public infrastructure to support the needs of the 550-acre Ellicott Town Center residential development contained within its boundaries (the “**Prior Project**”).

The Original District No. 1 Service Plan was amended by the First Amendment to the Service Plan for Ellicott Town Center Metropolitan District and was approved by the Board of County Commissioners on June 14, 2014 (the “**First Amendment**,” together with the Original District No. 1 Service Plan the “**Original Service Plan**”).

The First Amendment set forth that, simultaneously, with the application of a Final Subdivision Plat or Final Planned Unit Development Plan approval, the District shall seek a material modification of the Original Service Plan to adopt an updated financing plan that would correspond with the anticipated development within the project.

With revitalized development activity within District No. 1, the Developer revised the land use plans and build out projections for the Project, and submitted the Consolidated Amended and Restated Service Plan for Mayberry, Colorado Springs Metropolitan District No. 1 and Service Plan for Mayberry, Colorado Springs Metropolitan District No. 2, which was approved by the Board of County Commissioners on July 23, 2019 (the “**Amended and Restated Service Plan**”). The Amended and Restated Service Plan incorporated an updated financial plan and estimated infrastructure costs for the anticipated development. In addition, the Amended and Restated Service Plan bifurcated the Project into two special districts; District No. 1 to encompass the residential use portion of the Project, and District No. 2 to encompass the commercial and industrial use portion of the Project.

In order to accommodate the different phasing required for the development, and to ensure the Public Improvements are constructed in the most efficient and cost-effective manner, the Boards of Districts of District Nos. 1 and 2 have determined it necessary to further divide the Project and accommodate the creation of six additional special districts; Mayberry, Colorado Springs Metropolitan District Nos. 3-8.

In addition, accommodating additional districts will facilitate residential development within the Project that provides future residential property owners an increased level of independence from debt and operation and maintenance obligations incurred for the primary benefit of property owners within the commercial portions of the project. District Nos. 1, 3, 4, 5, 6 & 7 will encompass the residential use portions of the Project (collectively, the “**Residential Districts**”), and District Nos. 2 & 8 will encompass the commercial and industrial use portions of the Project (collectively the “**Commercial Districts**”). As a result, this Service Plan will entirely replace and supersede the Amended and Restated Service Plan, in order to recognize the organization of District Nos. 3-8. The material provisions of the Amended and Restated Service Plan, are entirely restated herein, including the financial plan, the financial provisions, and estimated infrastructure costs, as approved by the Board of County Commissioners on July 23, 2019.

In anticipation of the submittal of this Service Plan and the creation of District Nos. 3-8, District No. 1 excluded property which is anticipated to be developed for residential use, and commercial and/or industrial use from the boundaries of District No. 1, so that such property could be included within the initial boundaries of District Nos. 3-8.

It is important to note, that the Service Plan, as submitted, and with the exception of adding District Nos. 3-8, is the exact same as previously approved by the BOCC on July 23, 2019. The only changes made in the Service Plan are for the addition of the additional districts. A simply analogy is we are requesting that the same pie be cut into 8 pieces of pie instead of 2—the overall pie and all ingredients remain the same. Further, the Service Plan materially adheres to the County’s model service plan, and authorizes the Districts to finance and construct the public improvements located within and/or serving the Project within the prescribed limitations of the model, and as previously approved by the BOCC on July 23, 2019. The financial provisions proposed in the Service Plan are the same as proposed in the Amended and Restated Service Plan, and within the parameters of the model service plan and are similar to those utilized by other metropolitan districts within the area. For the Residential Districts, the debt mill levy is capped at 50 mills and the operational mill levy is capped at 10 mills, as adjusted by the Gallagher adjustment, consistent with the mill levies previously approved in the Original Service Plan and as set forth in the County’s Code. For the Commercial Districts, the debt service mill levy is capped at 25 mills and the operational mill levy is capped at 10 mills. Consistent with the Amended and Restated Service Plan, the proposed combined debt limit of the Districts is \$161,250,000; provided, however, that if the property commonly referred to as the Gillespie Property (as defined in the Service Plan) is included into either or both of the Districts, then the proposed combined debt limit of the Districts is \$178,200,000. The Service Plan provides straight-forward terms which allow for the financing and construction of the public improvements necessary for the Project, sufficient flexibility to ensure the Project is completed in the most cost-effective and efficient manner, all while providing protections for future homeowners from unruly financing terms.

The District and the developer propose the approval of the Service Plan by the BOCC in sufficient time to submit the question of the organization of District Nos. 3-8 to voters at the November 3, 2020, election. In order to meet the statutory deadlines associated with the organization and election in November 2020, the Districts will need to have the Service Plan approved by the BOCC no later than the BOCC’s September 17, 2020, meeting. This date is the absolute last date that would allow the Districts to fulfill the organizational and election statutory requirements in time for the November 2020 election. To allow for additional flexibility within the organizational and election timeline, we respectfully request the County to consider approving the Service Plan at its July 21, 2019, meeting and for the County to schedule the public hearing for the Service Plan for the August, 2020, meeting date at its August 4, 2020, meeting so that the proper notices may be provided.

Amend dates, if resubmitted by June 30, then we may proceed with a Planning Commission hearing of August 4 and BoCC of August 25. If re-submittal is received by July 14, the we can proceed with a Planning Commission Hearing of August 18 and BoCC hearing of September 8

Board of County Commissioners

El Plaso County, Colorado

RE: Consolidated Amended and Restated Service Plan for Mayberry, Colorado Springs Metropolitan District Nos. 1&2 and Service Plan for Mayberry, Colorado Springs Metropolitan District Nos. 3-8

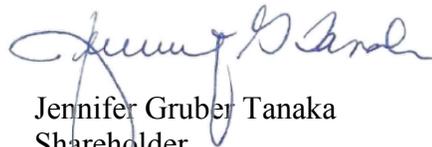
May 28, 2020

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We look forward to working with you and the BOCC on this project. Should you have any questions, please do not hesitate to contact me. In the meantime, we look forward to moving forward and receiving your thoughts on the proposed Service Plan.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



Jennifer Gruber Tanaka
Shareholder

cc: Lori Seago, Esq., County Attorney
Mayberry, Colorado Springs Metropolitan District Nos. 1 and 2, Boards of Directors
Randy Goodson, Accretive Investments, Inc.
Zach Bishop, D.A. Davidson & Co.
Bradley A. Simons, PE, District Engineer

Enclosures:

- A. Complete PDF Service Plan
- B. Redlined Copy Compared to Previous Service Plan Submittal in Word Format
- D. DLG-60

LOI_V1.pdf Markup Summary

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As required by the Service Plan, the Board shall review the Service Plan and shall the which authority is contained in the Service Plan for the November 2020 election. The Board shall review the Service Plan and shall the which authority is contained in the Service Plan for the November 2020 election. The Board shall review the Service Plan and shall the which authority is contained in the Service Plan for the November 2020 election.

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May 29, 2020
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