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May 31, 2019

VIA E-MAIL

Planning and Community Development
El Paso County, Colorado
Attention: Gabe Sevigny
2880 International Circle, Suite 110
Colorado Springs, CO 80910
gabesevigny@elpasoco.com

Board of County Commissioners
El Paso County, Colorado
Attention: Kristy Smart, Clerk to Board
200 South Cascade Ave., Suite 150
Colorado Springs, CO 80903
kristysmart@elpasoco.com

Re: Letter of Intent for Proposed Falcon Field Metropolitan District

Dear Mr. Sevigny and Board of County Commissioners:

This Letter of Intent is being submitted on behalf of Falcon Field, LLC (the “**Applicant**”), for the organization of the Falcon Field Metropolitan District (the “**District**”) located wholly within the County of El Paso, Colorado (the “**County**”).

Please accept this Letter of Intent as our formal submittal of the Service Plan for the District (the “**Service Plan**”) to be considered by the Planning and Community Development Department and by the Board of County Commissioners of El Paso County (the “**BOCC**”). Simultaneously with the submittal of this Service Plan, a check in the amount of \$6,787.00 for the Planning and Community Development’s submittal fee and a check in the amount of \$500.00 for the BOCC’s submittal fee have been sent separately via U.S. overnight mail. Enclosed with this Letter of Intent, are electronic copies of the proposed Service Plan, a proposed County Resolution approving the Service Plan and the DLG-60 Form required by Title 32.

I. General Overview of Proposed Metropolitan District

The District 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 District’s boundaries consists of fifty-eight (58) acres, encompassing the Falcon Field development (the “**Project**”) located wholly within the County’s boundaries. The Project will consist of 274,000 square feet of commercial use, including one large box user, anticipated to be a home improvement store, and twelve pad sites anticipated to be a mix of retail shopping and restaurants. The estimated absorption is planned to begin in 2020 and end in 2025.

The proposed Service Plan, as submitted, materially adheres to the County’s model service plan. The District is authorized to finance and construct the public improvements located within and/or serving the Project, as prescribed limitations of the model service plan and within the authorized provisions of Title 32. The District anticipates financing and constructing certain public improvements related to water, sanitation, drainage, street, safety protection, parks and recreation, mosquito control, television relay and translation. In addition, the District anticipates providing ongoing operation and maintenance of certain public improvements, subject to the Inclusion Agreement, as described in more detail below, within the Project not otherwise dedicated to the County, Woodmen Hills Metropolitan District (“**WHMD**”), or to third party entities for ongoing operation and maintenance. The estimated costs associated with the construction of the public improvements necessary for the development of the Project is \$13,110,000.

The financial provisions proposed in the Service Plan are within the parameters of the multi-district model service plan and are similar to those utilized by other metropolitan districts within the area. For District’s proposed debt mill levy cap shall be 30 mills and the proposed operations and maintenance mill levy cap shall be 5 mills, as adjusted by the Gallagher adjustment, which are consistent with the mill levies prescribed in the El Paso County Special District Policies. In addition, pursuant to the Inclusion Agreement, the District shall impose a Special Purpose Mill Levy at a rate not to exceed one (1) mill, as adjusted by the Gallagher adjustment, and remit the revenues received to WHMD, to allocate towards its Park and Recreation Fund. The Special Purpose Mill Levy shall not count against the Maximum Debt Service Mill Levy or the Maximum Operational Mill Levy. The proposed combined debt capacity limit is \$20,000,000.

II. Overlap Consent of Woodmen Hills Metropolitan District

In anticipation of the submittal of this Service Plan, the District’s boundaries were included into the Woodmen Hills Metropolitan District (“**WHMD**”) boundaries, pursuant to an Order for Inclusion processed in accordance with Sections 32-1-401 *et seq.*, C.R.S., and is subject to the terms and conditions set forth in the Inclusion and Service Agreement, entered into by WHMD and the Applicant, on March 29, 2019 (the “**Inclusion Agreement**”).

Upon formation of the District, the District will be within WHMD’s boundaries and therefore is deemed an “Overlapping District” pursuant to Section 32-1-107, C.R.S. As evidenced in the Inclusion Agreement and in accordance with Section 32-1-107(3)(b)(IV), C.R.S., the District received WHMD’s consent as an overlapping special district authorized to provide the same services as the District, pursuant to the terms set forth in the Inclusion Agreement.

As contemplated in this Service Plan and set forth in the Inclusion Agreement, it is anticipated that the District will finance and construct, certain off-site and on-site, sanitary and water facilities to serve both the District and WHMD, in exchange for WHMD providing the sanitary and water services to the District Boundaries. In addition, the District is authorized to finance and construct parks and recreation facilities, but shall not provide parks and recreation services, such services will be provided by WHMD. Pursuant to the terms of the Inclusion Agreement, it is further anticipated, that the water and sewer facilities financed and constructed by the District will be conveyed to WHMD for operations and maintenance.

Are these the right dates and Boards?
Also the BoCC is on Summer session,
they only meet on Tuesdays for the
month of August.

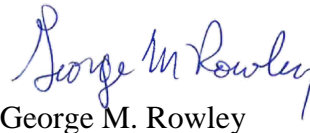
III. November 2019 Election Deadlines

In addition to the approval of the Service Plan, it is essential to meet the November 2019 election deadlines to accomplish the organization of the District. In order to meet the statutory deadlines associated with the organization and election in November 2019, the District will need to have the Service Plan approved by the BOCC by the end of August. To allow additional flexibility, we respectfully request that the BOCC consider approving the Service Plan at the August 1, 2019 meeting and for the BOCC to schedule the public hearing at its July 30, 2019 meeting so proper notices may be provided.

We appreciate the County's attention to this matter and are available to be of assistance in any way required. Should you or the BOCC have any questions, please do not hesitate to contact me. In the meantime, we look forward to working with you on the formation of the District.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



George M. Rowley

Enclosures

cc: Lori Seago Esq., County Attorney
P.J. Anderson, Falcon Field, LLC
James Berger, Falcon Field, LLC
Mike Berger, Falcon Field, LLC