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June 28, 2019

VIA E-MAIL

El Paso County
Planning and Community Development
Gabe Sevigny, County Planner
2880 International Circle, Suite 110
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Re: Response to Planning and Community Development's comments to the Service Plan for Falcon Field Metropolitan District

Dear Mr. Sevigny:

We appreciate the time taken by Planning and Community Development (the "**Department**") to review and comment on the draft Service Plan for Falcon Field Metropolitan District (the "**Service Plan**"). This letter is being submitted on behalf of Falcon Field, LLC (the "**Applicant**").

In an effort to clearly and succinctly address the comments presented by the Department, I have set forth each comment below in **bold**, followed by our response below. I have also enclosed a redlined version and clean version of a revised Service Plan that incorporates the comments received by the Department. Any capitalized term that is not defined in this Letter, shall have the same meaning as the defined term set forth in the Service Plan.

(1) Specify the District's on-going operations and maintenance responsibilities of the public improvements.

It is anticipated that the District's on-going operations and maintenance responsibilities will consist of detention ponds, drainage channels, as well as parking and landscaping within the development of Falcon Field (the "**Project**"). Additional language has been added to the Service Plan to clarify the District's on-going operations and maintenance responsibilities.

The terms of the Inclusion Agreement, and the allocation of the operations and maintenance responsibilities as between WHMD and the District is derived from the history of the property and its trouble with drainage. Storm-water flows from the uphill developments of Meridian Ranch, Paint Brush Hills and Woodmen Hills are collected at and detained by four

detention ponds owned by the Woodmen Hills Metropolitan District on the north side of State Highway 24, directly across from the Falcon Field development. Unfortunately, these ponds have been the subject of several lawsuits, including one in recent years between El Paso County and Woodmen Hills Metropolitan District, based on faulty design, improper construction and lack of maintenance. Due to the velocities and quantities of the developed flows released under Highway 24, an extreme amount of damage has occurred and continues to occur to the Falcon Field property and subdivisions to the south. The County has even been forced to close a County road to the south of Falcon Field due to constant sedimentation problems after storms. Because the Woodmen Hills Metropolitan District has no mill levy and no other legal revenue stream to maintain drainage improvements, it was mutually agreed during the Inclusion process that the Falcon Field Metropolitan District would be responsible for the maintenance of all storm-water facilities located within its boundaries.

(2) Provide justification for the need of a Metropolitan District and analysis of alternatives.

A metropolitan district is necessary as there are currently no other governmental entities, including the City, 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.

As explained above, due to the unique issues associated with developing the Project on the property, it is imperative that the District be organized to assist with the financing of the Public Improvements.

In order to develop the Project, the Applicant has already incurred, and will continue to incur, substantial costs including the design and construction of channel improvements and oversized-detention ponds necessary due to developed flows from County approved developments uphill from the Falcon Field property. In addition, the Colorado Department of Transportation, based on approved Highway 24 Corridor Plans, is requiring the intersection of Rio Lane and Highway 24 to be closed with Rio Lane to be rerouted westerly through the Falcon Field property to the new four-way signalized intersection being reconstructed by the Falcon Field development. This re-routing of Rio Lane necessitates a bridge structure over the aforementioned drainage channel and increased Highway 24 improvements. Both the drainage and Highway 24 improvements will not only benefit the Falcon Field development but will provide substantial benefit El Paso County, Woodmen Hills Metropolitan District, the Colorado Department of Highways and the general public.

By utilizing the District to support the Public Improvements, the costs can be financed over an extended period of time on a tax-exempt basis and paid from a deductible property tax mill levy by those that directly benefit. This financing arrangement helps keep the Project competitive and keeps it financially viable.

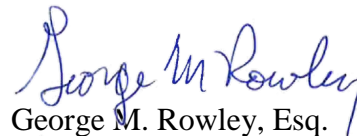
(3) Explain why the Maximum Mill Levies are different from the Proposed Mill Levies.

The Maximum Mill Levies for the District set forth in Section VI.C. of the Service Plan, fifty (50) mills for Debt and ten (10) mills for O&M, are set above the Proposed Debt Mill Levy of thirty (30) mills and Proposed O&M Mill Levy of (five) mills in Section I. of the Service Plan to allow the District sufficient flexibility shall it need to raise either mill levy to accommodate changes in development or costs. The Maximum Mill Levies set forth are within the prescribed limitations of the El Paso Special District Policies and are similar to those utilized by other metropolitan districts within the area. So while the District only intends to impose the Proposed Debt Mill Levy of thirty (30) mills to finance the public improvements necessary to develop the Project, as set forth in the Financial Plan, attached in the Service Plan as Exhibit D, a higher Maximum Mill Levy provides the flexibility of an increase in the mill levy should needs of development change.

I hope this Letter and the revised Service Plan adequately address the concerns raised by the Department. We eagerly await your confirmation that the Service Plan has been deemed complete so that we can move forward with confirming hearing dates for the Planning Commission and the Board of County Commissioners. If you have any questions or concerns, please do not hesitate to contact me at your earliest convenience.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



George M. Rowley, Esq.

Enclosures:

- A. Complete Service Plan in PDF (with Exhibits)
- B. Redlined Version of Service Plan in Word Format

cc: Lori Seago, Esq., County Attorney
Kristy Smart, Clerk to the Board of County Commissioners
P.J. Anderson, Falcon Field, LLC
Jim Berger, Falcon Field, LLC
Mike Berger, Falcon Field, LLC