



Heather L. Hartung
Of Counsel

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September 15, 2023

VIA E-MAIL

El Paso County
Planning and Community Development Department
Attn: Kari Parsons, Senior Planner
2880 International Circle
Colorado Springs, CO 80910
kariparsons@elpasoco.com

Re: Letter of Intent for Proposed Peaceful Ridge Metropolitan District Amended and Restated Service Plan

Dear Ms. Parsons,

We are writing on behalf of our client, Peaceful Ridge Metropolitan District (the “District”), that is proposing an amended and restated service plan for the District (the “Proposed A&R Service Plan”). The District’s boundaries consist of 60.144 acres of land generally located west of Marksheffel Road and North of Fontaine Boulevard, encompassing the Peaceful Ridge at Fountain Valley Subdivision, as replated, which was approved by the Board of County Commissioners for El Paso County, Colorado (the “County”), in 2007. The development within the District’s boundaries is anticipated to consist of 250 single family homes with approximate values ranging between \$525,000 to \$575,000 in year 2023 dollars.

The Proposed A&R Service Plan will be in compliance with the provisions in Title 32 of the Colorado Revised Statutes and with Chapter 9 of the El Paso County Land Development Code (the “Land Development Code”) and with all other applicable policies and regulations of the County. Pursuant to Section 9.2.2(A) of the Land Development Code, we are submitting this Letter of Intent with the Planning and Community Development Department along with the Proposed A&R Service Plan.

A. Purposes of the District

The District's Original Service Plan was approved by the County via Resolution No. 16-113, on April 7, 2016 (the "Original Service Plan"). An election was held on November 8, 2016, and a majority of the votes cast were in favor of organizing the District. The El Paso County Court issued the Order and Decree organizing the District on January 27, 2017. At the time of approval of the Original Service Plan, the estimated infrastructure capital costs were approximately \$7.3 million. The Original Service Plan allowed for a debt capacity of \$7.5 million. Due to inflation and the current economic environment, the estimated infrastructure costs are approximately \$19.3 million in the year 2023, necessitating an increase in the debt capacity of the Original Service Plan.

Please see service plan redline comments and make adjustments

The primary purpose of the District is to provide services and operate in accordance with the terms set forth in the Original Service Plan, as may be amended by the Proposed A&R Service Plan. The District anticipates financing Public Improvements (as the term is defined in the Original Service Plan, as may be amended) related to water, sanitation, drainage, street, safety protection, parks and recreation, mosquito control, television relay and translation. The District anticipates providing services related to the construction and ongoing operation and maintenance of certain Public Improvements within the District not otherwise dedicated to the County or to third party entities for ownership and/or ongoing operation and maintenance.

Furthermore, the overall continued need for this District is that there are currently no governmental entities, located in the immediate vicinity of the District 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 development of a project within County (the "Project"). The Proposed A&R Service Plan is therefore necessary in order for the District to construct the Public Improvements required for the Project in the most economic manner possible.

attach evidence; and discuss why not annexation...

B. Development and Financial Plans

The current Developer of the property, Peaceful Ridge Development Company, LLC, generated revised cost estimates for the proposed Public Improvements detailed in the Proposed A&R Service Plan. As seen in the cost difference between the Original Service Plan and the Proposed A&R Service Plan, costs may increase or decrease in the future depending on numerous factors, many of which are out of the Developer's control. To demonstrate the District's ability to finance the Public Improvement portion of costs of the Project, a financial plan is attached to the Proposed A&R Service Plan as Exhibit D. This financial plan and the cost estimates provided are meant to show the capacity of the District to issue debt. Any debt the District issues will be within the limitations of the text of the Proposed A&R Service Plan.

discuss when how District Board goes to residents

40 year total debt seems to be a concern by some BOCC

i recommend you review the revised letter of intent for Flying Horse North and provide details to address the issues discussed at both public hearings.

C. Service Plan Conformity

The Proposed A&R Service Plan is in conformity with the applicable standards contained in § 32-1-203, C.R.S., and shall be compliant with all applicable County rules and regulations including, but not limited to, County requirements for notice, publication, hearings and policies and procedures of the County for approval of a metropolitan district service plan.

In accordance with § 32-1-203(2), C.R.S., evidence satisfactory to the Board of County Commissioners of each of the following shall be submitted, responses to which are also set forth below:

1. There is sufficient existing and projected need for continued organized service in the area to be served by the District.

The purpose of the District is to provide services and operate in accordance with the terms set forth in the Proposed A&R Service Plan to support the Project. The proposed Public Improvements and services are not available to the community through the County or other existing quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis. Further, to develop the area, significant investment is needed in public infrastructure, including but not limited to financing Public Improvements related to water, sanitation, drainage, street improvements, safety protection, parks and recreation, mosquito control, television relay and translation. Financing and constructing these Public Improvements through the District will lower costs and ensure the costs are spread among those in the community that will benefit from such development.

2. The existing services in the area served by the District are not adequate for present and projected needs without the services provided by the District;

The proposed Public Improvements and services are not and will not be available to the community through the County or other existing municipality or quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis, as no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed to serve the Project.

3. The District is capable of providing economical and sufficient services to the area it intends upon serving and/or financing the Public Improvements which shall be dedicated to and accepted by the County, or other provider jurisdiction;

I recommend you review the revised letter of intent for Flying Horse North and provide details need here to prove case

Provide evidence that will not Lonsen provide. And water and wastewater can be provided by an existing District, as can Fire

Please see service plan redline comments and make adjustments

The District will ensure that the Public Improvements and other services are sufficient to support the community. The proposed Public Improvements and services the District will provide include but not limited to financing Public Improvements related to water, sanitation, drainage, street improvements, safety protection, parks and recreation, mosquito control, television relay and translation. In addition, the public financing tools available to the District, including tax-exempt financing tools will help lower the costs of the Public Improvements.

4. The area included within the District has, or will have, the financial ability to discharge the proposed indebtedness of the District on a reasonable basis within the mill levy caps and restrictions provided by the County's rules and regulations.

SEE FAE CDR2215

The estimated costs of the Public Improvements and facilities to be constructed, installed, and/or acquired by the District is approximately \$19.3 million. The District will be limited to issuing debt within the confines of the Proposed A&R Service Plan and limited to the amount the District can reasonably pay from the revenue derived from the debt service mill levy (50 mills), as adjusted by the Assessment Rate Adjustment and defined in the Proposed A&R Service Plan, and other legally available revenue. Further, the maximum period for maturity for issuance of debt is limited to thirty (30) years. In other words, the anticipated issuance of debt and repayment will be based upon the projected development within the District's boundaries, which will allow the District to finance the facilities identified in the Proposed A&R Service Plan and allow the District to discharge the proposed indebtedness on a reasonable basis. The financial plan attached to the Proposed A&R Service Plan demonstrates one example of how the District may finance the Public Improvements.

In accordance with § 32-1-203(2.5), C.R.S., the Board of County Commissioners may also consider in its discretion the following criteria, responses to which are also set forth below:

1. 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 proposed Public Improvements and services are not and will not be available to the community through the County or other existing municipality or quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis, as no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed to serve the Project.

Did City deny annexation?

NOT ADDRESSED

2. The facility and service standards of the proposed District are compatible with the facility and service standards of the County;

All proposed facilities and services will be constructed in accordance with the standards and specifications of the County, and any other appropriate jurisdictions.

3. The proposal is in substantial compliance with the County Master Plan.

4. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.

It is anticipated that water improvements will be dedicated to the Widefield Water and Sanitation District pursuant to any applicable intergovernmental agreements entered into between the District and Widefield Water and Sanitation District.

5. The Proposed A&R Service Plan is in the best interests of the area proposed to be served.

The proposed Public Improvements and services are not and will not be available to the community through the County or other existing municipality or quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis, as no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed to serve the Project. The District will ensure that the Public Improvements and services are sufficient and constructed within a reasonable period of time for the benefit of the property owners located in the community.

Not addressed why is the increase debt beneficial to the residents? They could just have the cost in lot prices...

Did City deny annexation?

D. Major Service Plan Points

- The District's Original Service Plan was approved by the County via Resolution No. 16-113, on April 7, 2016. An election was held on November 8, 2016, and a majority of the votes were in favor of organizing the District. The El Paso County Court issued the Order and Decree organizing the District on January 27, 2017.
- There are no current residents within the District and no debt or bonds have been issued.
- The District's boundaries in the Proposed A&R Service Plan are the same as in the Original Service Plan and currently contain 60.144 acres of undeveloped, vacant land.

- Anticipated development of 250 residential units. This is a small decrease from the 255 residential units anticipated in the Original Service Plan.
- The Original Service Plan assumed approximately \$7.3 million in costs. Due to passage of time, increasing construction costs and inflation, the approximate estimated costs are approximately \$19.3 million. Public Improvements include, but are not limited to water, sanitation, drainage, street, safety protection, parks and recreation, mosquito control, television relay and translation. These public improvements are necessary to enable the project to be developed and are of direct benefit to the future residents and property owners.
- Requested Debt Authorization of \$25 million allows for contingencies and financing variations based upon changes to construction costs, development build out the Project.
- The District will have a Maximum Mill Levy of 60 mills inclusive of debt (50 mills) and operations (10 mills), as adjusted by the Assessment Rate Adjustment.
- Metropolitan district powers allowed by the Special District Act and consistent with other County metropolitan districts.

E. Conclusion

The Proposed A&R Service Plan for the Peaceful Ridge Metropolitan District will serve the best interests of the taxpayers, property owners and development of the Project will maximize both development within the District and County.

We appreciate the County's attention to this matter and are available to be of assistance in any way required. Please do not hesitate to let us know should you have any questions on the Proposed A&R Service Plan, or the contents within the Proposed A&R Service Plan enclosed. We look forward to working with you on the approval of the Proposed A&R Service Plan.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



Heather Hartung Of Counsel

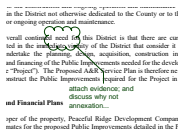
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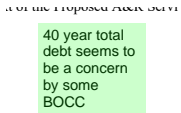
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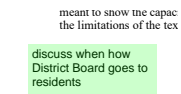
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i recommend you review the revised letter of intent for Flying Horse North and provide details to address the issues discussed at both public hearings.



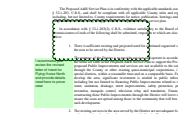
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discuss when how District Board goes to residents



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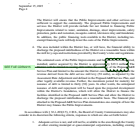
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Please see service plan redline comments and make adjustments



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Did City deny annexation?



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