



CITY OF COLORADO SPRINGS

November 20, 2009

Drew Balsick
Vice President
Pulpit Rock Investments, LLC
6385 Corporate Drive, Ste 200
Colorado Springs, CO 80919-5912

RE: Flying Horse "Additional Transportation Impact Fee" offset

Dear Drew,

The Flying Horse Ranch Annexation Agreement requires the payment of an "Additional Transportation Impact Fee" in the amount of three million dollars (\$3,000,000) upon the Owners obtaining a final plat for any property located south of Black Squirrel Creek. This fee maybe offset by a Permitted Regional Transportation Improvement Projects defined in the Flying Horse Ranch Annexation Agreement. The following are allowable to use to offset the fee:

1. Highway 83 Improvements.

Per the Annexation Agreement you were allowed up to \$1,000,000 credit for improvements to State Highway 83. Total cost of those improvements was \$3,364,201.00; therefore, the fee can be offset by \$1,000,000.

Fee Offset

\$1,000,000.00

2. Expenditures associated with the construction of Powers Boulevard.

Roadway Improvements in the amount of \$1,090,406.00.

Drainage Improvements in the amount of \$772,248.00.

Fee Offset (\$1,090,406.00 + \$772,248.00)

\$1,862,654.00

3. Any other transportation project which, in the City's reasonable discretion, directly benefits the Property and its occupants and residents.

North Gate Boulevard off-site work where a cost recovery cannot reasonably be expected to be fulfilled due to the site already being platted and developed in the City. Two subdivisions meet this criteria; Northgate Highlands \$110,937.28 and Northgate Estates Addition \$115,718.66.

Fee Offset (\$110,937.28 + \$115,718.66)

\$ 226,655.94

Total fee offset:

\$3,089,309.94

The total fee offset is greater than the "Additional Transportation Impact Fee"; therefore this fulfills your obligation regarding the "Additional Transportation Impact Fee", as outlined in the Flying Horse Ranch Annexation Agreement.

Please contact me if you have any questions.

Timothy R. Mitros, P.E.
Senior Civil Engineer

c: Flying Horse Ranch Annexation file (with request letter and backup documents)
Dave Lethbridge, Engineering Review Manager
Wynetta Massey, Deputy City Attorney
Mark Whorton, Classic Consulting