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June 16, 2025

VIA ELECTRONIC UPLOAD

El Paso County
Planning and Community Development
Attn: Kari Parsons
2880 International Circle
Colorado Springs, Colorado 80910

RE: Updated Letter of Intent in support of the formation of Triple H Ranch Metropolitan District
Nos. 1 through 3.

Dear Ms. Parsons:

The proposed formation of Triple H Ranch Metropolitan District Nos. 1 through 3 (collectively, the “Districts”) encompasses two parcels containing approximately 760 acres of land generally located on the northside of Jones Road between Murr Road and Peyton Highway with Schedule Nos. 3300000168 and 3300000388 (“Triple H Property”). Ultimately, the Districts are anticipated to consist of approximately 244 single family residential units. The number of anticipated residential units remains an estimate and may be altered depending on the final outcome of the development approval process. We respectfully request consideration of the Districts at the next possible public hearing of the Board of County Commissioners (the “Board”) of the County of El Paso (the “County”) in an attempt to have a November 4 formation election.

A. Purpose of the Districts

The primary purposes of the Districts is to provide for the construction, installation, completion, financing, partial ownership, operation, and maintenance of public improvements including, but not limited to, on and off-site streets, roadway, water, hydrants, stormwater and drainage, landscaping, and park and recreation improvements, and to provide services and exercise powers provided for metropolitan districts authorized by the Special District Act, pursuant to Title

13511 NORTHGATE ESTATES DRIVE
SUITE 250
COLORADO SPRINGS, COLORADO 80921



211 EAST MAIN STREET
SUITE 1
OAK CREEK, COLORADO 80467

32, C.R.S. The creation of the Districts will ensure the costs of the public improvements are shared by the property owners and taxpayers directly benefitting from such public improvements. Furthermore, the creation of the Districts is necessary to serve the Triple H Property because there are currently no other governmental entities, including the County, located in the immediate vicinity of the Districts 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 Triple H Property.

To the extent any of the facilities and improvements developed by the Districts are dedicated to and accepted by the County or other entities having jurisdiction, the County or other entities shall own, operate and maintain such accepted facilities and related improvements. The Districts shall be authorized to own, operate, and maintain any facilities and improvements not otherwise dedicated to and accepted by any applicable public entity acting as a Provider Jurisdiction (as defined in the proposed Service Plan), subject to any County rules and regulations.

B. Justification and Information Regarding Multiple District Structure

A multi-district structure is being utilized to allow and aid the development to occur in phases. The multi-district structure will accommodate delays in development and will provide a coordinated approach to infrastructure financing by segregating the bonds to completed portions of the development instead of being forced to issue bonds too early in the project. District No. 1 is anticipated to function as the operating district to coordinate the operation and maintenance of the Public Improvements for all Districts, and District Nos. 2 and 3, in coordination with District No. 1, will finance the operation and maintenance of the Public Improvements. District Nos. 1-3 will enter into an intergovernmental agreement to govern the roles and responsibilities of each district. To accommodate the phasing of the development and to accommodate the equitable distribution of costs and bond issuances, the creation of two financing districts is appropriate with the third district operating as the operations district. This allows the project to be reasonably broken into two phases, which allows for more effective time-oriented issuance of bonds compared to utilizing only one district. Moreover, the third district simply being an operational district allows for unified operations after near completion of the entire Project. As such, three districts offers the best foundation for the development of the Project without being too many or too few.

The Districts will be Conventional Representative Districts in order to maximize opportunities for full representative participation on the part of future eligible electors. However, because many of the critical financing decisions will be made prior to the existence of resident electors, there is the further intent to allow for reasonable and constructive ongoing notice to future property owners of the probable financial impacts associated with owning property within the Districts. The primary purpose of District Nos. 2 and 3 will be to finance the construction of these Public Improvements. Additional major purposes will include operations and maintenance of the Public Improvements not otherwise dedicated to the County, District No. 1, or third-party entities for ownership and/or ongoing operation and maintenance. It is anticipated that the primary purpose of District No. 1 will be to take over operations and maintenance services for the property within District Nos. 2 and 3 once each phase in those districts is nearing completion. The intent of District No. 1 as an overlay district is to allow residents from District Nos. 2 and 3 to be elected to District No. 1's board of directors and control the entire property area that encompasses District Nos. 2 and 3, which would create uniformity across the entire property area.

District No. 1's boundaries shown in this Service Plan represent the expected final boundaries at build out.

There are currently no other private or governmental entities located in the immediate vicinity of the Districts 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. High Plains Metropolitan District is a metropolitan district that is located adjacent to the Project and, in theory, has the potential to provide the needed services and financing to the Project. However, investigation into this option was conducted and a meeting was had with principals. It was determined that High Plains Metropolitan District is not in a position to provide any services to the Project. As it currently stands, the district does not own the water rights to supply High Plains Metropolitan District, as those are owned by Mid-Colorado Investments ("MCI"). It was learned that Mid-Colorado Investment Company has filed for Chapter 11 bankruptcy on March 31, 2025, because the state has required MCI to complete system improvements, but they are currently unable to obtain the necessary easements to do so. Finally, there is no public infrastructure owned by High Plains Metropolitan District; all assets are privately held, and High Plains Metropolitan District is significantly behind as concerns planning and infrastructure preparation compared to the Applicant in this matter. As such, High Plains Metropolitan District does not offer a viable means forward to serve the Project.

provide any documentation supporting these statements- attach to this LOL:

Furthermore, the financial requirement to develop infrastructure is at a level that a private entity, like the Applicant, would have a difficult time shouldering such costs, especially the initial costs, in a manner that would cause the Project to be economically feasible and to provide residential living at a cost-effective price. Utilizing the financing and operation/maintenance ability of a metropolitan district will allow for the Project to be economically feasible for the Applicant to undertake while decreasing the financial burden and cost for perspective residential purchasers. Additionally, the utilization of the Metropolitan District will provide the residents more local control over the Project in the future, whether involving infrastructure or covenant enforcement.

C. Development and Financial Plans

The owner and developer of the Triple H Property is P760 Land, LLC. Preparation of the Districts' supporting documentation was provided by the Districts' organizers. Cost estimates for the proposed public improvements were compiled and generated by Developer representative Classic Consulting Engineers & Surveyors, LLC, who have experience in estimating development costs and completing similar improvements. It should be noted, though, that such costs estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs may be significantly higher. To demonstrate the Districts' ability to finance the public improvement portion of costs of the project, a financial plan is attached to the Service Plan as Exhibit D. This financial plan and the cost estimates provided in Exhibit D to the Service Plan are meant to show the capacity of the Districts to issue debt. Any debt the Districts issue will be within the limitations of the text of the Service Plan.

Additionally, with the prior written consent of the County, the District may establish one or more special improvement districts within the District's boundaries and may impose a Special

Assessment with the special improvement district in order to finance all or part of the costs of any Public Improvements to be constructed or installed that the District is authorized to finance; provided, however, that any lien on a property resulting from the imposition of a Special Assessment shall be satisfied and cleared prior to the issuance of a certificate of occupancy for any unit, structure or other appurtenance, excluding Public Improvements, on any property assessed, but in no event later than the transfer of such property to any residential property owner, or residential tenant of any residential property owner, within the District, but excluding a person or entity that constructs residential structures for sale to others. Any Special Assessments imposed by the District may be pledged to the payment of bonds or other obligations of the District and shall not be considered debt or a facility fee under this Service Plan.

The Developer and the Districts intend to work with applicable service providers to obtain the necessary consents and/or approvals (as necessary) for the provision of public services to the Districts including, but not limited to, fire protection services. It is anticipated that the Districts will cooperate with the applicable fire districts in regard to placement and construction of any requested or needed firefighting infrastructure, including hydrants. Additionally, the Developer and the Districts intend to coordinate the completion of the necessary public improvements in compliance with any approved development plans obtained by, or for the benefit of, the Districts.

D. Compliance with County Master Plan

Master Plan

The Districts are being formed to provide for funding, infrastructure, and services for the development of the project in compliance with the El Paso County Master Plan (“Master Plan”). The initial sketch plans and project plans are to maintain the Large-Lot Residential framework set forth in the El Paso County Master Plan with single family residences on lots of 2.5 acres in size and larger. This maintains the El Paso County’s desired rural nature of the location and keeps the project consistent with neighboring properties and the area where it is located. The project will also benefit El Paso County by providing needed additional housing for residents of El Paso County. Additionally, this development is occurring in an area designated as a priority development area within a designated new develop area of change pursuant to the El Paso County Master Plan.

Water Master Plan

The Developer asserts that the land plan for the property within the Districts’ boundaries will reference the El Paso County’s Water Master Plan goals and implementation strategies to incorporate efficiency and conservation, especially because the area that the Districts will be located is within the Denver Basin aquifers system, Region 3 of the El Paso County Master Plan.

The project will be served by water derived from the underlying Denver Basin aquifers by means of a central water system. The water system will employ redundant equipment and power generation for critical facilities in order to ensure dependability. There project will see the construction of a Laramie-Fox Hills well and an Arapahoe well, along with additional wells as may be necessary, to effective and reliably supply water to the central system. The amount of water underlying the Triple H Property should be sufficient to meet the needs of the development for the

planned 300 years. It is possible that future connections with neighboring water supply systems may occur in order to best maximize the water resources in the area.

The Districts will likely utilize tiered water rates to help encourage and reduce water usage. Additionally, water restrictions can be implemented during drought years and when infrastructure repairs and maintenance are required that will reduce available water supplies.

Wastewater will be handled and treated through individual onsite non-evaporative septic systems located on each lot.

More detailed information and studies regarding quality, source water monitoring, strategies regarding regional planning goals and dependability/redundancy will be provided in the Preliminary Plan phase.

In addition to the regional water resource perspective, local efforts by the end-users will be analyzed pertaining to the following elements to help promote sustainable use of the aquifer shares for the project:

- Plumbing systems requiring low flow fixtures meeting or exceeding standards
- Local water re-use systems
- Low impact irrigation/low flow irrigation or xeriscape
- Smart watering and usage meters
- Home-owner water conservation landscape incentives
- Climate and elevation restricted plantings
- Community-wide rain gardens and bio-retention

E. Service Plan Conformity

The Applicant intends that this Service Plan shall be in conformity with the applicable standards contained in C.R.S. § 32-1-203 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. All pertinent facts, matters and issues shall be submitted to the County and evidence satisfactory to the County that each of the following was presented:

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

The purpose of the Districts is to finance and construct certain public improvements and to provide other additional services necessary to support the Triple H Property. The proposed 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 water system improvements, stormwater and drainage improvements, street and roadway improvements, and park and recreation improvements. Financing and constructing these improvements through the Districts will lower costs and ensure the

costs are spread among those in the community that will benefit from such development.

2. The existing service in the area to be served by the Districts is not adequate for present and projected needs without the organization of the Districts;

The proposed 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.

3. The Districts are 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;

The formation of the Districts will ensure that the public improvements and other services are sufficient to support the community. The Districts will also ensure the public improvements are constructed within a reasonable period of time for the benefit of the property owners, taxpayers, and residents located in the community. In addition, the public financing tools available to the Districts will help lower the costs of the public improvements.

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

The estimated costs of the improvements and facilities to be constructed, installed, and/or acquired by the Districts are set forth in the Service Plan. The Districts will be limited to issuing debt within the confines of the Service Plan and limited to the amount the Districts can reasonably pay from the revenue derived from the debt service mill levy and other legally available revenue. In other words, the anticipated issuance of debt and repayment will be based upon the projected development within the Districts' boundaries, which will allow the Districts to finance the facilities identified in the Service Plan and allow the Districts to discharge the proposed indebtedness on a reasonable basis.

5. 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 the Districts will provide are not available to the area through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the proposed Districts 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 El Paso County, the State of Colorado, and any other appropriate jurisdictions.

7. The proposal is in substantial compliance with the County master plan.

The Developer has reviewed the County's Water Master Plan and the County's Water Plan and is aware of the County's desire to, *inter alia*, encourage cooperation and planning among water service providers, to protect and preserve water supplies, to promote water conscious developments, and to keep development consistent within and with designated development locations. The Developer contends that the project is compatible with the County's vision for the future and complies with the policies necessary to achieve sustainable growth within the County as expressed in El Paso County's Water Master Plan and Master Plan.

8. The creation of the proposed Districts is in the best interests of the area proposed to be served.

The proposed public improvements and services necessary to serve the Triple H Property are not and will not be available to the area through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis. The formation of the Districts will ensure that the public improvements and services are sufficient and constructed within a reasonable period

F. Major Service Plan Points

- There are approximately 760 acres within the boundaries of the Districts.
- The anticipated development is for 244 single family residential units with one location containing water facilities, another location as park/open space, along with a trail system throughout.
- Completion of an estimated \$32,033,849.00 (in 2025 dollars) in public improvements including, but not limited to, on and off-site streets, roadway, water provision infrastructure, hydrants, stormwater and drainage, landscaping, and park and recreation improvements, of which it is estimated that \$28,844,348.00 (in 2025 dollars) are district-eligible public improvement costs.
- The initial estimated cost of \$32,033,849.00 for public improvements is a preliminary estimate. Such costs may increase or decrease in the future depending on numerous factors not within control of the Developer. In particular, these cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities) will be significantly higher and will materially increase the overall costs.

- The requested debt authorization of \$37,000,000.00 is reasonably more than the projected costs for public improvements in order to allow for inflation, contingencies, unanticipated changes, and changes in development buildout and absorption from the date of approval of the Service Plan.
- The maximum period of maturity for any issuance of debt shall be 30 years (excluding Developer funding agreements).
- Maximum aggregate mill levy of 65 mills, consisting of a debt mill levy of 50 mills, an operation mill levy of 10 mills, and 5 mills for covenant enforcement.
- Debt is proposed to be issued in one or more series of bond issuances to allow for financing of constructed infrastructure and expedient completion of the overall project.
- There are no current residents within the boundaries of the Districts and no debt or bonds have yet been issued.
- The Districts shall have the powers allowed by the Special District Act and those that are consistent with other El Paso County metropolitan districts.
- Public improvements will be constructed in accordance with El Paso County standards and specifications.

G. Conclusion

The organization of the Districts is in the best interests of the future residents of the area. The Districts will ensure that public improvements are properly constructed, that development and absorption will occur with as little delay as possible, and that tax revenue is sufficient to pay for the costs of the public improvements as well as ongoing maintenance, repairs, and operations.


Sincerely,
MONSON, CUMMINS, SHOHET & FARR, LLC

/s/ Ryan W. Farr
Ryan W. Farr, Attorney

V2_loi comment.pdf Markup Summary

dsdparsons (1)

documented that High Plains Metropolitan District is not the a provider to Project. As it currently stands, the District does not own the water rights pertaining District, as these are owned by M&C Colorado Investments (M&C Colorado Investment Company has filed for Chapter 11 bankruptcy) who also has acquired M&C's complete system infrastructure. In this way, the majority statements to do so. Finally, there is no public information that High Plains Metropolitan District, all assets are privately held, and High Plains Metropolitan District is not a provider to Project. As such, High Plains Metropolitan District does not own the water rights, therefore any placement of water rights is not a provider to Project.

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