
THE VILLAGES AT STERLING RANCH PUD DEVELOPMENT PLAN/PRELIMINARY PLAN MINOR AMENDMENT

LETTER OF INTENT

MARCH 2026

OWNER:

ELITE PROPERTIES OF AMERICA
2138 FLYING HORSE CLUB DR.
COLORADO SPRINGS, CO 80921

APPLICANT:

CLASSIC SRJ LAND, LLC
2138 FLYING HORSE CLUB DR.
COLORADO SPRINGS, CO 80921

CONSULTANT:

N.E.S. INC.
ANDREA BARLOW
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COLORADO SPRINGS, CO 80903
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SITE DETAILS

TSN: 5234203059, 5234203060, 5234203061, 5234203062, 5234203063, 5234203064, 5234203065, 5234203072, 5234203071, 5234203070, 5234203069, 5234203068, 5234203067, 5234203066, 5234203073, 5234203074, 5234203074, 5234203075, 5234203075, 5234203076, 5234203077, 5234203078, 5234203079, 5234203086, 5234203085, 5234203084, 5234203082, 5234203081, 5234203080, 5234203087, 5234203088, 5234203089, 5234203090, 5234203091, 5234203092, 5234203093, 5234203094, 5234203095, 5234203096, 5234203097, 5234203098, 5234203099, 5234203100, 5234203101, 5234201052, 5234201051, 5234201050, 5234201049, 5234201048, 5234201047, 5234201046, 5234201045, 5234201044, 5234201043, 5234201042, 5234201041, 5234201000, 5234201031, 5234201032, 5234201033, 5234201034, 5234201035, 5234201036, 5234201037, 5234201038, 5234201039, 5234201040, 5234301031, 5234301032, 5234301033, 5234301034, 5234301035, 5234201030, 5234201029, 5234201028, 5234201027, 5234201026, 5234201025, 5234201024, 5234201023, 5234201022, 5234301030, 5234301029, 5234301028, 5234301027, 5234301026, 5234301025, 5234201014, 5234201015, 5234201016, 5234201017, 5234201018, 5234201019, 5234201020, 5234201021, 5234301018, 5234301019, 5234301020, 5234301021, 5234301022, 5234301023, 5234301024, 5234201013, 5234201012, 5234201011, 5234201010, 5234201009, 5234201008, 5234201007, 5234301017, 5234301016, 5234301015, 5234301014, 5234301013, 5234301012, 5234301011, 5234301010, 5234201001, 5234201002, 5234201003, 5234201004, 5234201005, 5234201006, 5234301001, 5234301002, 5234301003, 5234301004, 5234301005, 5234301006, 5234301007, 5234301008, 5234301009

Location: SE corner of the intersection of Sterling Ranch Road & Briargate Parkway

ACREAGE: 39.058 AC

CURRENT ZONING: PUD

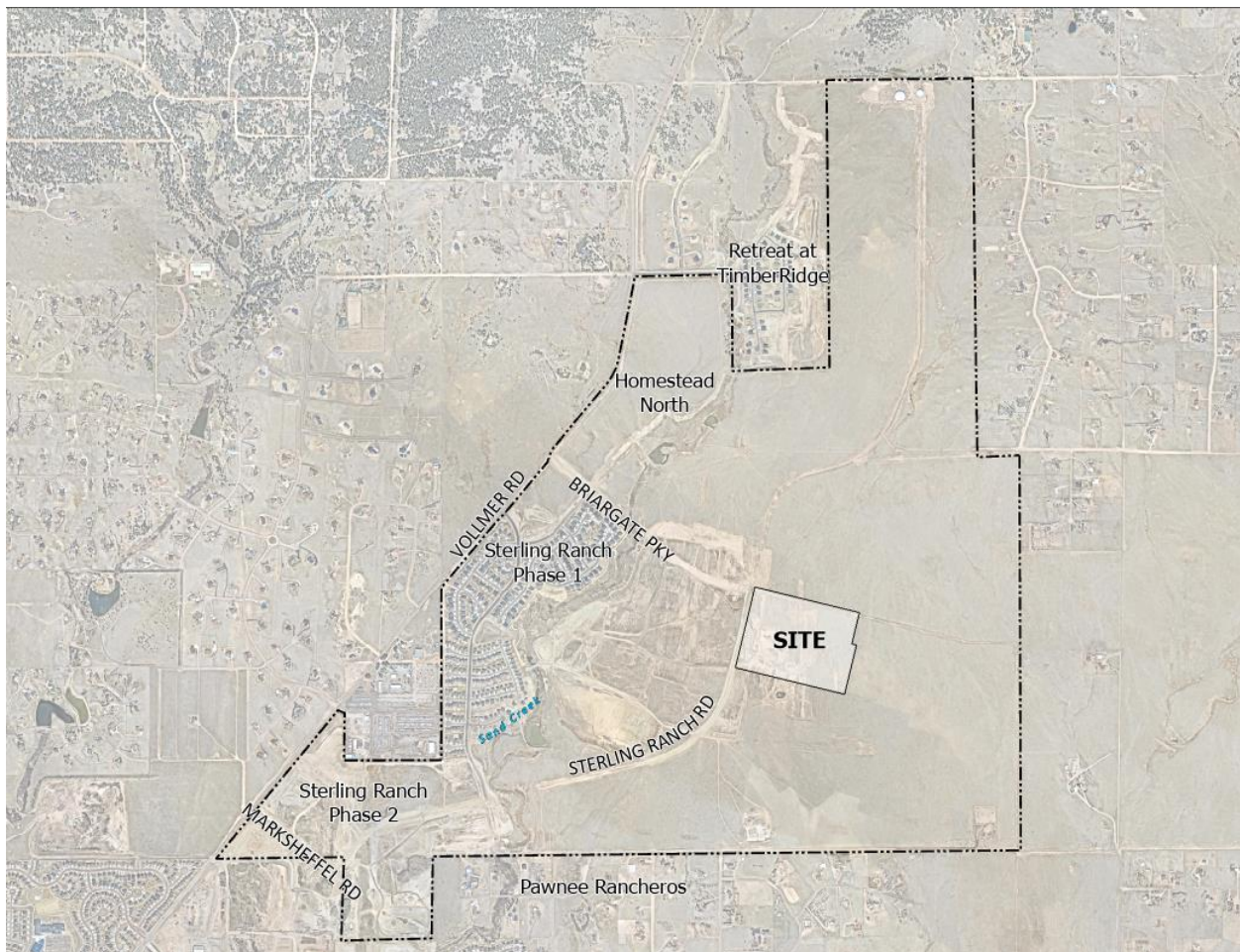
CURRENT USE: SINGLE-FAMILY RESIDENTIAL

REQUEST

N.E.S. Inc. on behalf of Classic SRJ Land LLC requests approval of Minor Amendment to the approved Villages at Sterling Ranch PUDSP to allow the option for detached accessory dwelling units above the optional detached garages on lots 93-227

LOCATION

The Villages at Sterling Ranch PUD Preliminary Plan includes 39.058 acres and is part of the overall Sterling Ranch master planned community, located east of Vollmer Road and east of the Sand Creek channel. The property lies just south of the proposed extension of Briargate Parkway and east of the proposed extension of Sterling Ranch Road. Between Vollmer Road and Sand Creek to the west is the existing and recently approved residential development within Sterling Ranch Phases 1 and 2. The Sterling Ranch East Preliminary Plan area surrounds this site to the north, west, and south. The Retreat at TimberRidge development lies immediately to the north of the Preliminary Plan area. The remainder of the Sterling Ranch property is situated to the east. The Pawnee Rancheros 5-acre rural residential subdivision is also located to the south of Sterling Ranch.

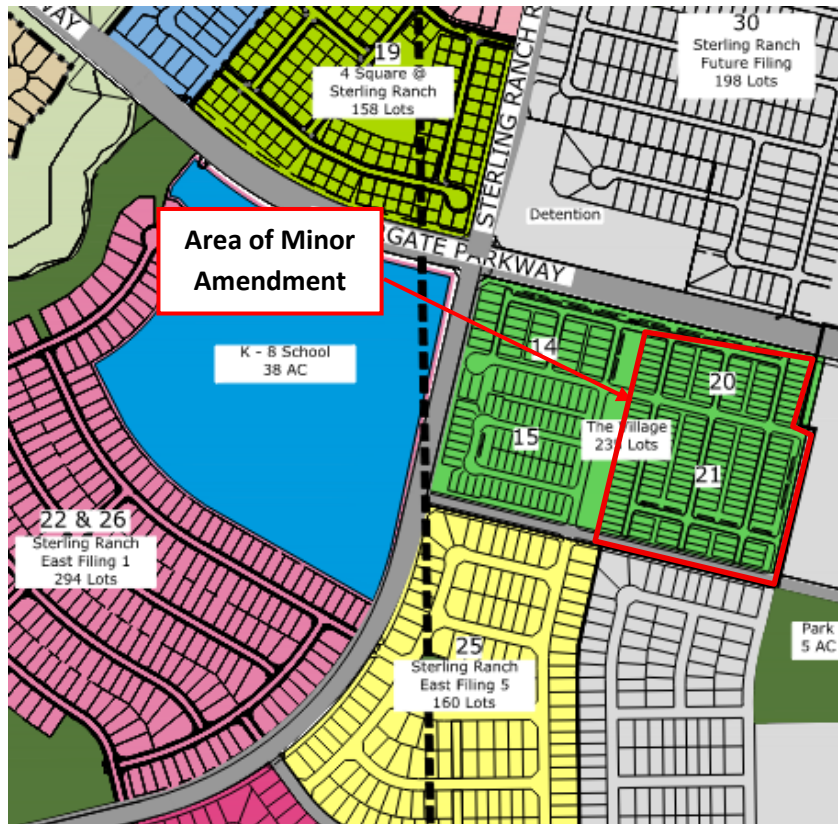


PROJECT DESCRIPTION AND CONTEXT

The Villages PUD Development/Preliminary Plan was approved to allow 227 small-lot detached and attached single-family lots on 39.058 acres, with a gross density of 5.81 dwelling units per acre. The original approval included three product types: duplexes (54 lots), which include two attached single-family units; Preamble units (135 lots), which are less than 800 square-foot single-family detached units; and single-family lots with the option for Accessory Dwelling Units (ADUs) (38 lots). The proposed Minor Amendment is requested to allow the option for an ADU above an optional detached garage on the 135 lots designated for the Preamble units. The proposed detached ADU will not exceed 500 square feet in size.

The proposed detached ADUs are optional at the time of home construction and may be rented out by the owner, or provide independent accommodation for a family member. The new detached ADUs will not be allowed to be sold as fee simple lots. The continued accessory use of the ADUs will be controlled by The Villages at Sterling Ranch CC&Rs. As ADUs are accessory to the principal single-family detached dwelling use, they do not affect the overall unit count and density will remain the same even if the additional 135 lots include the optional ADU.

The Preamble lots include 30' wide interior lots and 35' wide corner lots. The 30' wide lots can accommodate up to two parking spaces, either within the detached garage or on a driveway. The 35' wide lots are wide enough to add a 3rd parking space where the optional ADU is selected. The Villages at Sterling Ranch PUD Development/Preliminary Plan includes 157 excess guest parking stalls dispersed throughout the subdivision that can provide additional parking needed for the optional detached ADUs.



WATER: The previously submitted water resources report dated August 30th, 2024, and correlating commitment letter dated November 5th, 2024 for the Villages at Sterling Ranch PUD and Final Plat allocated 67.34 annual acre feet of water to serve this subdivision. Within this report and commitment letter it was noted that 38 of the 227 lots (lots 55-92) have the potential to add an auxiliary dwelling unit (ADU) of approximately 670 SF. The water report also included 4.835 AF for active irrigation, with no allotment for passive irrigation. The March 2026 amendment to the Villages at Sterling Ranch PUD and Final Plat is to allow for the potential for 135 additional lots (lots 93-227) to build an ADU to not exceed 500 SF. Each lot with an ADU will be served by a single water service and will not require upsizing for this purpose. The established water demand ratios within FAWWA are based on lot size. Because of this, the allowance for an optional ADU on 135 lots does not increase the total residential water demand. If the DWR Guideline 2016-1 were applied to these units, the Villages units would still fall into the single-family use category

Further, upon completion of the Villages at Sterling Ranch PUD and Final Plat Amendment, the final landscaping plan was subsequently updated. This update added 6.01 acres of common area passive irrigation and resulted in an additional 6.01 acre-feet per year of water demand on the central water system. This addition of passive irrigation brings the net total of water demand to 73.21 acre-feet per year. This represents an increase of 5.57-acre feet (8.23%) from the previously approved plan to the amended plan. The 5.57 acre-feet increase for Villages at Sterling Ranch Final PUD totals less than a 10% increase in total water commitment for the subdivision from the previous analysis.

The resulting water demand on the central water system is 73.21 acre-feet. The total 300-year water supply for FAWWA is shown in Table 3 and totals 1960.33 annual acre-feet 300 year, Appendix F is an accounting of active water commitments, which total 1,157.08 acre-feet including all subdivisions committed through March 20th, 2026. This leaves a net excess of currently available water of 803.25 AF300 year and therefore there is more than sufficient water supply to meet the needs of Villages at Sterling Ranch on the 300-year basis.

RELATIONSHIP TO THE ADOPTED COUNTY MASTER PLANS

YOUR EL PASO MASTER PLAN

The new County Master Plan denotes the site as a suburban residential placetype, which consists of predominantly single-family homes up to a density of 5 du/ac, with supporting uses including attached single-family, multi-family, neighborhood commercial, and parks. The Villages at Sterling Ranch proposes a mix of higher density single-family detached and attached residential units, which are similar in size and function to attached-single family residential and is therefore consistent with the intent of this placetype.

This area is located within a priority development area and is denoted as a “new development area” on the Areas of Change map. New development areas take place on largely undeveloped land adjacent to built-out areas. These higher density Villages product is designed to integrate with and compliment adjacent development.

The PUD Preliminary Plan is consistent with Core Principle 1, Land Use and Development, which seeks to “manage growth to ensure a variety of compatible land uses that preserve all character areas of the

county,” in addition to goal 1.1, “ensure compatibility with established character and infrastructure capacity.”

It is also consistent with Core Principle 2, Housing & Communities, which seeks to “preserve and develop neighborhoods with a mix of housing types”, as well as Goal 2.1 to “Promote development of a mix of housing types in identified areas.”

WATER MASTER PLAN

Goal 1.1 – Ensure an adequate water supply in terms of quantity, dependability and quality for existing and future development.

Goal 6.0 – Require adequate water availability for proposed development.

Policy 6.0.8 – Encourage development patterns and higher density, mixed use developments in appropriate locations that propose to incorporate meaningful water conservation measures.

Policy 6.0.11– Continue to limit urban level development to those areas served by centralized utilities.

Water, wastewater, storm water will be provided by Falcon Area Water and Wastewater Authority (FAWWA). All Sterling Ranch Metro District assets will be allocated to FAWWA. Villages at Sterling Ranch PUD and Preliminary Plan includes 227 lots which fall into high density development ratios for small lots, and roughly 4.835 annual acre-feet of water set aside for irrigated landscaping. The resulting demand is 67.64 acre-feet. FAWWA has sufficient supply and infrastructure in the area to serve this development. The total Sterling commitments stand at 1,034.34 acre-feet including all subdivisions committed through August 30, 2024. The current available water supply for FAWWA is 1963.54 acre feet for 300 years. This leaves a net excess of currently available water of 929.2 AF for 300 years and therefore is more than sufficient water supply to meet the needs of Villages at Sterling Ranch PUD and Preliminary Plan on the 300-year basis.

The project is located within Region 3, Falcon Area, containing 4 growth areas projected to be completed by 2040, three areas to be completed by 2060, and two other growth areas located on the north and south sides of Falcon Highway directly east of Falcon. Specifically, the Water Master Plan states:

“Region 3 contains four growth areas west of Falcon projected to be completed by 2040. Other areas of 2040 growth are projected for the north-central part of the region west of Highway 24 extending from Falcon to 4-Way Ranch. North of Falcon along Highway 24, growth is projected by 2060 on both sides of the highway. Just west of Falcon, another small development is projected by 2060 on the north and south sides of Woodmen Road. On the east side of Highway 24, three separate areas of growth are projected for development by 2060, with the largest of the three spanning from south of Judge Orr Road to east of Peyton Highway into Region 4c. This development will likely consist of 35-acre lots that will require individual wells to use Denver Basin groundwater. The other two growth areas will be located on the north and south sides of Falcon Highway directly east of Falcon.”

Region 3 has a current water supply of 7,164-acre feet per year and a current demand of 4,494-acre feet per year. The 2040 water supply is projected to be 7,921-acre feet per year and the project demand is 6,403-acre feet. The 2060 water supply is projected to be 8,284-acre feet per year and the projected demand is 8,307-acre feet.

The FAWWA water system has only been in operation for three years, so little-to-no usable historic information would be reliable for unique, long-term planning. However, substantial nearby data from the Falcon area is available for use. As of the end of 2022, the system had approximately only 350 active users. Therefore, initial projections have been based on area-wide water user characteristics and a linear buildout rate. This rate is considered to be an average annual rate that might be reasonably maintainable over a 10-year period. The average growth rate is projected as 180 units added per year.

- 2040 Scenario: Based on the above factors, the FAWWA system might conservatively anticipate serving 3,710 SFEs in the year 2040. This number is a service area projection and includes the Retreat and The Ranch, as well as the main Sterling Ranch residents. This would require no additional water.
- 2060 Scenario: Based on the same factors, the Sterling system might be expected to serve 7,310 SFEs within its expanded service area, which includes the Retreat and The Ranch. This would be substantially greater than the actual Sterling Ranch. The annual acre-foot requirement might be 679 annual AF, but supply would include water from The Ranch which has not yet been added to inventory.

FAWWA currently has no system interconnections. However, in the Water Resources Report completed by RESPEC in April 2024 and updated in August 2024, FAWWA's main supply source is centralized at a point that both Cherokee Metropolitan District and Woodmen Hills Metropolitan District have adjacent major storage and delivery facilities. It is possible that future agreements could be made.

2040 MAJOR TRANSPORTATION CORRIDOR PLAN

The 2040 Functional Classification map shows the extension of Briargate Parkway/Stapleton Drive as a new 4-lane principal arterial roadway connection through Sterling Ranch. Plans for the construction of Briargate Parkway are being reviewed separately by the County (CDR-22-001). Briargate Parkway, up to the intersection of Sterling ranch Road, was approved with the Homestead North at Sterling Ranch filing No 1 and will be constructed prior to development of Villages at Sterling Ranch East.

An independent traffic study for the Villages Minor Amendment is underway and expected to be complete soon. Significant traffic impacts are not anticipated with the introduction of ADUs.

EL PASO COUNTY PARKS MASTER PLAN

The Parks Master Plan does not identify any proposed parks or candidate open space on this site or in the vicinity. A 29.3-acre community park is included as part of Sterling Ranch East Phase 1. The Trails Master Plan map identifies a proposed Regional Trail adjacent to Sand Creek through Sterling Ranch. This has been accommodated in the Sterling Ranch filings already approved or in progress on the west side of the creek. There are no proposed regional trails in this portion of Sterling Ranch.

The Villages at Sterling Ranch provides 8.49 acres of usable open space, including a 3.4 acres of usable open space located within Tract A that is connected by pedestrian sidewalks that weave throughout the development. A series of smaller tracts are located between blocks of units to provide small open spaces between the residential roadways and the proposed lots. All pedestrian walks provide connectivity to the Sterling Ranch Parks and Trails including the proposed regional trails and community park adjacent to Sand Creek.

PROJECT JUSTIFICATION

Chapter 4.2.6.E of the LDC allows the combination of a preliminary plan with a PUD development plan, provided all review and approval standards for both the PUD development plan and preliminary plan are met.

Actions Amending a PUD Zoning District – Chapter 4.2.6

- The Planning and Community Development Director may approve a minor amendment to an approved PUD which is determined will have no foreseeable effect beyond the property boundary, such as minor changes in the siting of buildings, changes to landscape features in the interest of public safety, or the alignment of utilities and the alignment of interior roadways and parking areas. No such changes shall significantly increase the size or height of structures, significantly reduce the efficiency or number of public facilities serving the PUD, significantly reduce or increase parking areas, or significantly encroach on natural features proposed by the plan to be protected.

The off-site impacts anticipated from this amendment are consistent with impacts approved with the original application. The proposed amendment will allow the option for an ADU above a detached garage on lots 93-227 (135 lots). Access points, traffic impacts, allowed density, and maximum building height all remain the same.

Substantial Change in Water Supply – 8.4.7(E)(2)

Administrative Determination of Whether Change is Substantial. The administrative determination whether the change in water supply is considered substantial shall be made by the PCD Director, in consultation with CAO and County staff. Factors to consider in this determination include, but are not limited to:

- The percent increase or decrease in water demand or water availability; or

The proposed project will increase water demand from 67.34 annual ac-ft to 73.21 annual ac-ft which is an 8.23% increase. While the option to allow ADUs on 135 lots does not increase the water demand, passive irrigation was not accounted for in the original water report so 6.01 acres of passive irrigation was added with this revision.

- The absolute quantity increase or decrease in the water demand or water availability

The proposed project will increase water demand from 67.34 annual ac-ft to 73.21 annual ac-ft which is an 8.23% increase. While the option to allow ADUs on 135 lots does not increase the water demand, passive irrigation was not accounted for in the original water report so 6.01 acres of passive irrigation was added with this revision.

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