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October 19, 2021

VIA ELECTRONIC UPLOAD

Planning and Community Development
El Paso County, Colorado
Attention: Kari Parsons
2880 International Circle, Suite 110
Colorado Springs, CO 80910

Re: Supplemental Letter of Intent and Revised Amended and Restated Service Plan for Waterview II Metropolitan District

Dear Ms. Parsons:

This Supplemental Letter of Intent is being submitted on behalf the Waterview II Metropolitan District (the “**District**”) located wholly within the County of El Paso, Colorado (the “**County**”). The District initially filed a Letter of Intent along with a proposed Amended and Restated Service Plan on March 24, 2021, and paid the required County fees for the amendment. Based on the County’s subsequent review and comments, the Amended and Restated Service Plan, dated September 8, 2021, was revised and submitted for review. Subsequently, the County provided a few additional comments on October 12, 2021. The October comments have been addressed and incorporated in the District’s **Amended and Restated Service Plan** (also referred to as the “**Amendment**”, dated October 15, 2021, and submitted to the County in order to proceed to Planning Commission and Board of County Commissioner Hearings for approval.

The former land owner, Cygnet Land LLC, formed the District pursuant to a 2006 original Service Plan, as approved by the County on August 31, 2006 (the “**Original Service Plan**”). The District was formed to assist with the construction, installation, financing, operation and maintenance of public infrastructure and services. The current developer, COLA, LLC, and the District have updated and revised public infrastructure costs and build-out projections for the development inclusive of the Trails at Aspen Ridge (the “**Project**”). The Amended and Restated Service Plan incorporates an updated financial plan, estimated infrastructure costs, and Project administrative, operational, maintenance and special services costs.

The Amendment redefines the District’s boundaries. On June 28, 2021 an Order of Exclusion was recorded which removed approximately 143 acres, inclusive of the commercial area, from the District which is the land north & south of Bradley Road as depicted in Exhibit A-

3 (Exclusion Area Map) to the Amended and Restated Service Plan. The 143 acres was excluded by the land owner thereof, who we understand has submitted a service plan to the County for the formation of a new metropolitan district thereon. As a result of the June 2021 exclusion, the District currently consists of approximately 298.2 acres, and is ultimately expected to contain only the approximately 168.8 acre Trails at Aspen Ridge Project upon the expected future exclusion of an additional approximately 129.4 acres as described in the Amendment and Exhibit A-3. The Project is planned for 861 single family homes, no multifamily and no commercial development. The projected housing development type, number of units for each type, assumed actual value and absorption is described in Exhibit D “Financial Plan Summary” of the Amendment. The developer’s entitlement approvals and pending land use applications for the Project are further described in Exhibit B “Development Summary” of the Amendment. Within the Project, public infrastructure construction and home construction has been ongoing. The first home closings are and will occur in the third and fourth quarters of 2021, and buildout is estimated to be reached in 2027.

The Original Service Plan predates the County’s use of a model service plan, and the Amended and Restated Service Plan materially adheres to the County’s current model service plan. The financial provisions proposed are within the parameters of the model service plan. The debt mill levy is capped at 50 mills, the operational mill levy is capped at 10 mills, and the special purpose mill levy for covenant control and design review services is capped at 5 mills. Each cap is subject to the Legislative Adjustment, as defined in the Amendment, to offset the effect of legislative adjustments to the ratio between market value and assessed value of taxable property within the District that would cause a reduction in the revenue otherwise produced from such mill levy caps based on the ratio between market value and assessed value. The justification and need for the special purpose mill levy to pay for the costs associated with the provision of covenant enforcement and design review services is described in the Amendment and in Exhibit D.1 thereof.

The Amended and Restated Service Plan, being based on the County’s current model service plan, provides straight-forward terms which allow for the financing of the public improvements and services necessary for today’s needs of the Project, is sufficient and flexible to ensure the Project is completed in the most cost-effective and efficient manner, all while providing protections for future homeowners from overly burdensome financing terms. The Amended and Restated Service Plan demonstrates that there is sufficient existing and projected need for continued District services to the Project, existing services by the County or other governmental entities in the area is not sufficient nor being offered, the District, with approval of the Amendment, is capable of providing economical and sufficient service to the Project, and the Project will have the financial ability to discharge the proposed debt on a reasonable basis.

Master Plan Consistency Evaluation:

The Trails at Aspen Ridge development is in general conformance with the recently adopted *Your El Paso County Master Plan*. The Trails at Aspen Ridge conforms with the approved Waterview Sketch Plan which indicates a residential use at a density of 4 -6 dwelling units per acre for this

area. The proposed property is suitable for the intended residential land use and is compatible with both the existing and allowed land uses on the neighboring properties which consist of existing and proposed urban density single family residential land uses. The Trails at Aspen Ridge will be in harmony with the existing surrounding character of the area and natural environment using varying residential densities, perimeter buffering and provisions for both natural and built open space. There are no areas of significant historical, cultural, or recreational features found on site. Trails at Aspen Ridge Filing No. 1 is currently zoned RS-5000 and Filings No. 2 – 6 are included in a PUD that was originally approved on December 10, 2019 and the Major Amendment to the PUD was approved on June 1, 2021.

Baseline Considerations:

1. *Is there a desirability or demand within the community for this use?*

The Trails at Aspen Ridge development is helping to fulfill desirability and demand for additional housing and housing types within El Paso County. As illustrated in the recently approved Master Plan, the county should increase density to help reduce land cost per unit for development with a primary focus on Suburban Residential placetypes. In addition, the Trails at Aspen Ridge development is located near a large economic driver in Peak Innovation meeting Goal HC3: Locate attainable housing that provides convenient access to good, services and employment.

2. *Does the market support the need for the use? Would the use be viable if built right now?*

There is a very high demand for the proposed land use and density as El Paso County and the City of Colorado Springs is experiencing a housing shortage. This project continues development of the overall community meeting Goal LU1: Ensure compatibility with established character and infrastructure capacity meeting Goal LU4: Continue to encourage policies that ensure “development pays for itself”.

3. *Would the use be providing necessary housing or essential goods and / or services?*

The Trails at Aspen Ridge development is creating adequate density and single-family homes to help provide necessary and needed housing in this area. The proposed density and variety of lot size types supports Goal HC1: Promote development of a mix of housing types in identified areas and Goal HC3: Locate attainable housing that provides convenient access to good, services and employment. The Trails at Aspen Ridge development is near existing highways; will utilize existing infrastructure to help keep lot cost down; and would be located near an existing commercial activity center which provides numerous job opportunities near housing.

Your El Paso County Master Plan

Baseline Considerations:

- 4. Is there a desirability or demand within the community for this use?*

The Trails at Aspen Ridge is helping to fulfill desirability and demand for additional housing and housing types within El Paso County. As illustrated in the recently approved Master Plan, the county should increase density to help reduce land cost per unit for development with a primary focus on Suburban Residential placetypes. The Trails at Aspen Ridge helps fulfill this goal.

- 5. Does the market support the need for the use? Would the use be viable if built right now?*

There is a very high demand for the proposed land use and density as El Paso County and the City of Colorado Springs is experiencing a housing shortage of all types.

- 6. Would the use be providing necessary housing or essential goods and/ or services?*

The Trails at Aspen Ridge development is creating adequate density and single family homes to help provide necessary and needed housing in this area. The proposed density and variety of lot size types supports Goal HC1: Promote development of a mix of housing types in identified areas and Goal HC3: Locate attainable housing that provides convenient access to good, services and employment. The Trails at Aspen Ridge development is near existing highways; will utilize existing infrastructure to help keep lot cost down; and would be located near an existing commercial activity center which provides numerous job opportunities near housing.

County Systems Considerations:

- 1. Is there existing infrastructure to which the development can connect? If so, what infrastructure exists? If not, are there existing or proposed plans to extend infrastructure to this area?*

The Trails at Aspen Ridge is currently served by existing infrastructure to include water and wastewater services, electricity and roadways. The Trails at Aspen Ridge will construct utility infrastructure as required such as a pump station, water/ wastewater main extensions from the south, and utility main connections to adjacent parcels for future development. The Trails at Aspen Ridge will also construct a collector roadway that will serve future development to the east. In addition, the project also provides multiple points of access in to and out of the subdivision meeting *Goal LU4: Continue to encourage policies that ensure "development pays for itself"*.

2. *Does the development trigger the need for such infrastructure?*

The proposed development does not trigger the need for new infrastructure as previous approvals contemplated the necessary infrastructure improvements. However, the proposed development will require expansion of existing facilities to accommodate the increased development meeting *Goal LU4: Continue to encourage policies that ensure “development pays for itself”*.

3. *Does the proposal trigger the need for pedestrian or multimodal connections and are those connections being provided?*

The Trails at Aspen Ridge will include public street roadways to be designed and built to El Paso County Standards. The development is providing several public parks as well as internal trail connections creating a pedestrian trail/ sidewalk system within the development. This supports *Goal TM2 Promote walkability and bike-ability* by continuing the construction of trail corridors connecting this development with adjacent neighborhoods.

Water Master Plan Consistency:

Waterview II Metropolitan District which includes The Trails at Aspen Ridge community is part of Region 7 of the El Paso County Water Master Plan and is located within the Widefield Water and Sanitation District’s (WWSD) boundaries. Per the Water Master Plan, Region 7 could experience the largest demand growth in the County by 2060. The development will rely upon municipal services for water supply. The developer has extended water service to The Trails at Aspen Ridge and will be providing additional required water system improvements as the community builds out. WWSD has provided commitment letters to serve the entire development, dated September 25, 2019 and February 5, 2021, which are attached hereto as Exhibit W-1. The Colorado State Engineer has provided a sufficiency of water finding on the overall project for both quantity and quality as part of the PUDSP process and has been verified by the El Paso County attorney.

In addition, the Trails at Aspen Ridge meets the stated Goals and Policies:

- Goal 1.2 – Integrate water and land use planning
- Goal 4.2 – Support the efficient use of water supplies
- Goal 6.1.2 – Promote water conservation

These goals are met through integrated master planning of the site, landscape, and water resource best management practices. Water conservation is achieved through higher densities consisting of

smaller lot sizes resulting in smaller individual yards and more common open space. The common open space emphasizes water conservation using native turf seeds and limited high water sod. There are no proposed water wells within this community. Graded drainage swales and three detention ponds allow for the potential of groundwater recharge.

Water Supply:

The Widefield Water and Sanitation District gets their water supply from numerous groundwater and surface water rights, the system does not rely on non-renewable water sources. The water supply sources are summarized in the Widefield Water and Sanitation District - Water and Wastewater Report - Annual Update dated June 30, 2021 and are listed below.

Listing of Water Supplies:

Renewable Groundwater – All sources previously documented at County Attorney's Office.

- **Widefield Aquifer** – The District is allocated the use of 2,650 annual acre-feet through the Widefield Aquifer Stipulation. The District is allowed to draw up to 3,350 gpm with aquifer recharge.
- **Jimmy Camp Aquifer** – The District is allocated 650 annual acre-feet through the Widefield Aquifer Stipulation.
- **Vennetucci Lease** – The District is perpetually leased an allocation of 596 annual acre-feet through a Public Trust Partnership which provides for funding of the Vennetucci Trust farm through water revenues on a perpetual basis. The Vennetucci Lease has become contaminated and the District has suspended the lease until treatment has been established. This is expected in 2021.

Surface Water Supplies – Sources documented at County Attorney's Office.

- The District owns 1,500 annual acre-feet of the Fountain Valley Authority Project which safely yields 1,425 annual acre-feet of fully consumable water.
- The District has 912 shares of Fountain Mutual Irrigation Water and is the owner/operator of the Crews Gulch Augmentation Station as this supply is used in augmentation or leased out on an annual basis, as it has never been fully needed.
- The District owns roughly 1,931 annual acre-feet of return flows from CSU's portion of the FVA project. This is used in augmentation.
- The District owns a mix of senior surface water supplies and out-of-priority water supplies that total 1,274 annual acre-feet. This is the fully consumable water right for future growth that is currently leased to a third party.

WWSD Existing Usage:

As of the June 30, 2021 Annual Update, WWSD system was serving approximately 9,811 single-family equivalent households. The current Legal Water Supply Holding of the District are estimated at 7,900 annual acre-feet. The current Developed Physical Supply is 5,271 annual acre-feet. The three-year running average actual use from 2018 to 2020 is 2,755 acre-feet which is roughly 55% of the existing available physical supply. Based on the water demand calculated for The Trails at Aspen Ridge, the District has capacity to service this development.

WWSD Water Quality:

The Widefield Water and Sanitation District has been providing potable water in accordance with El Paso County Health Department and CDPHE standards and reporting requirements for several decades. The water quality provided meets or exceeds all State and Federal Drinking Water Standards. For a detailed water quality report, a copy of Widefield Consumer Confidence Report is available on WWSD's website.

WWSD Physical Water Distribution System:

The current District's system consists of the following:

- Service area of roughly 16.2 square miles
- Over 665,000 linear feet of water mains varying in size from 4 to 30-inches in diameter
- Six water tanks totaling approximately 9.8 million gallons of storage.
- Six pressure zones
- Three booster stations
- 24-inch transmission main from Fountain Valley Authority.
- Participation in Pueblo Reservoir and Frying Pan Arkansas Water project.
- Three Ion Exchange Water Treatment Plants, one includes an Air Stripper Water Treatment Plant.
- Eleven active wells (not including inactive wells or Venetucci wells).

WWSD Expected Upcoming Improvements:

- Additional construction of the West to East Transmission line.
- Upgrade of the Booster # 2 Pump Station.
- Construction of new Zone 6 tank (Developer Funded)
- Construction of new Zone 7a Booster Station (Developer Funded within this community)
- Construction of an upgrade to the Rolling Hills Booster Pump Station (Developer Funded)
- Rehabilitation or reconstruction of Booster 2 Tank.
- Construction of additional backup generators at various sites.

Site Specific Water System Improvements:

The Trails at Aspen Ridge development is located within two WWSD pressure zones. This necessitates a proposed Booster Station to be constructed with Filing No. 3 of the development. The pumphouse construction is triggered by the construction of houses above a certain elevation to provide adequate water pressure for homeowner and fire flows to hydrants. A new 16” pipe will connect to existing Trails at Aspen Ridge - Filing No. 1 infrastructure and extend north and east until reaching the proposed pumphouse. A 16” outflow pipe will connect from the pumphouse to the proposed infrastructure planned for Filing No. 3. The developer is funding the pumphouse and Widefield Water and Sanitation District will construct, own, and maintain this facility. In addition, a second 12-inch offsite water main extending approximately 1-mile to the south will be installed in conjunction with Filing No. 3. Once this is complete the community will have two 12-inch mainlines providing a looped system to maintain reliable water supply and pressure.

All infrastructure for the development will connect to existing infrastructure constructed as part of Trails at Aspen Ridge Filing No. 1, and will be stubbed out to neighboring properties within the WWSD service area for future development. All water system infrastructure has been designed to accommodate the future phases of development.

Service Plan Conformity

The District intends that the Amended and Restated Service shall be in conformity with the applicable standards contained in Section 32-1-203, C.R.S. and shall be compliant with all applicable County rules and regulations. 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:

A. There is sufficient existing and projected need for organized service in the area to be serviced by the District;

The purpose of the District is to provide part or all of various Public Improvements necessary and appropriate for the development of a 861 single family unit residential project within the unincorporated County inclusive of the “Trails at Aspen Ridge” (the “Project”). The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants, property owners and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements. Additional major purposes will include covenant enforcement and design review services and operation and maintenance of those Public Improvements that are not conveyed to the County or other governmental jurisdictions.

B. The existing service in the area to be served by the District is inadequate for present and projected needs;

The Public Improvements and services are have not been, and will not be available to the Project through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

C. The District is capable of providing economical and sufficient service to the Project;

The Amended and Restated Service Plan contains a Financial Plan that demonstrates the District's ability to provide financing for Public Improvement construction and other services to the Project.

D. The area included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

The District is limited to issuing debt and limited in the amount of mill levy it may impose by the confines of the Amended and Restated Service Plan. The estimated costs of the Public Improvements to be constructed, installed and/or acquired by the District and financed by the District are set forth in the Amended and Restated Service Plan.

E. 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 Public Improvements that have been constructed and are and will be constructed and the services the District is and will provide are not available from nor being offered by the County or other districts existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

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

All Public Improvements and services will be and have been constructed in accordance with the standards and specifications of the County, and any other appropriate jurisdictions.

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

The Project's developer asserts that the Project is compatible with the County's master plan as noted and described above.

H. The creation of the District was and remains in the best interests of the Project being served by the District.

The Public Improvements that have been and are being constructed and the services necessary to serve the Project have not been and will not be provided 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 continued use of the District will ensure that the Public Improvements and services are sufficient and constructed within a reasonable period of time as dictated by the Project's needs and for the benefit of the property owners and residents of the District.

The District intends to issue its initial public financing to pay for public infrastructure costs upon approval of the Amended and Restated Service Plan. Therefore, the District respectfully requests consideration of the Amended and Restated Service Plan by the Planning Commission in December 2021, and then by the Board of County Commissioners at the earliest possible date thereafter for which the required notice may be given (*i.e.*, January 2022).

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



Sean Allen
Of Counsel

Enclosure

Exhibit W-1:

Exhibit W-1:



February 5, 2021

Tim Buschar
COLA, LLC
555 Middle Creek Pkwy, Suite 500
Colorado Springs, Colorado 80921

Cole Emmons
County Attorney's Office
27 East Vermijo Avenue
Colorado Springs, Colorado 80903

Re: Commitment Letter for Preliminary Plan of Trails at Aspen Ridge, Revised from Commitment Letter for Trails at Aspen Ridge dated November 19, 2019, Revised from Commitment Letter for Waterview East, Dated October 19, 2017, and Revised June 13, 2019.

Dear Tim and Cole:

The Widefield Water and Sanitation District commits to providing water and sewer service to the above-mentioned subdivision per this letter. This letter is a revision of the original Commitment Letter dated October 19, 2017 and was previously named Waterview East. This revision reflects the change in density to the subdivision previously committed to on November 19, 2019. This revised commitment letter is a recommitment for the Trails at Aspen Ridge, less Filing 1.

The water commitment is for Trails at Aspen Ridge is for 680 Residential Lots with an annual water requirement of 238.00 acre-feet. The District has existing legal and physical water supply to meet the expected demand. **The estimated wastewater load is 139,400 gallons per day.** The District has more than enough capacity at the wastewater treatment facility to handle this loading.

Sincerely,

A handwritten signature in blue ink that reads "Robert Bannister".

Robert Bannister, PE, District Engineer

C: Brandon Bernard, Water Department Manager
Travis Jones, Wastewater Department Manager



8495 Fontaine Boulevard, Colorado Springs, Colorado 80925

September 25, 2019

Dan Romano
COLA, LLC.
555 Middle Creek Pkwy, Suite 500
Colorado Springs, Colorado 80921

Cole Emmons
County Attorney's Office
27 East Vermijo Avenue
Colorado Springs, Colorado 80903

Re: Commitment Letter for Trails at Aspen Ridge Filing No. 1—Final Plat, Recommitment from Original Dated December 12, 2018 and Recommitment dated June 13, 2019.

Dear Dan and Cole:

The Widefield Water and Sanitation District commits to providing water and sewer service to the above-mentioned subdivision per this letter. This is a final plat commitment known as Trails at Aspen Ridge Filing No. 1 and is a revised commitment from the original commitment dated December 12, 2018 and recommitment dated June 13, 2019.

Widefield Water and Sanitation District commits to and will serve water and sewer to the above-named PUD subdivision which includes approximately **181 single family lots and partial active landscaping on two parks. The water commitment is based on the recently revised Widefield standard of 0.35 AF/SFE and is 63.35 AF-year and 6.44 AF-year for landscaping for a total of 69.79 AF-year.** The expected wastewater loads are **37,105 gallons/day** on an average daily-maximum monthly basis.

Sincerely,

Robert Bannister, District Engineer

C: Lucas Hale, District Manager
Brandon Bernard, Water Divisional Manager
Jason Dreessen, Wastewater Divisional Manager