

**SOME CONCERNS ABOUT APPROVAL OF THE RETREAT AT
TIMBERRIDGE METRO DISTRICTS 1 and 2
El Paso County Planning Commission Aug 20 2019
Judith von Ahlefeldt 719-337-5918**

- 1. Remember - Planning Commission denied recommending this project 7-0 for PUD rezone on March 6, 2018**
- BoCC unanimously approved it 3-27-1 (3 weeks)
 - Citizens sued the BoCC in April, 2018

- County continued to process this through Preliminary Plan contingent on Court Decision**
- Judge dismissed the case, ordered mediation
 - Taken out of court settlement, no change to plan

2. Metro District initial analysis was on:

- 480 - 520 homes on 269 acres
- Mill levy - 30 mills,
- Small extraterritorial area for Metro District ~50 ac
- \$15 K for public improvements not including pvt impr
- 10-year buildout - 30 year bonds

- Submittal was for 212 homes on 269 ac; reduced from 480-520.
- PUD was used to put urban spot zone in the urban rural transition per specifications in the Black Forest Pres Plan
- Prelim Plan - 153 lots <20,000 sf, 11 on ac = 163 urban
- 49 lots 2.5 or larger (rural res)

**PUD
March 2018**



Metro Dist



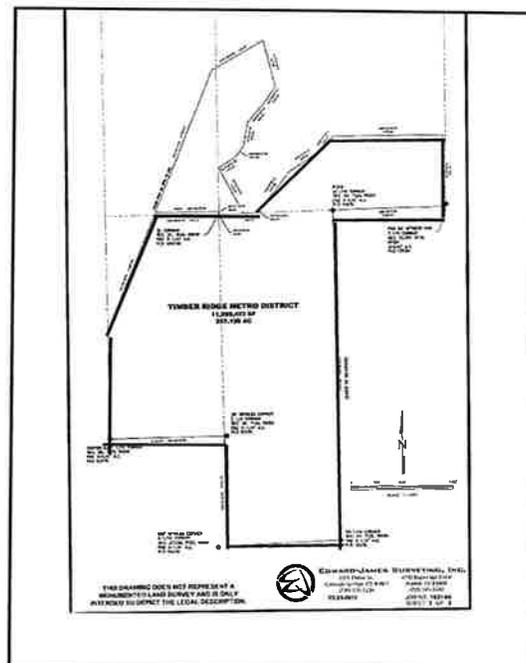
Metro Districts were “pass through” districts with regard to public services for Water and Wastewater with a planned IGA (vague and no details) regarding facilities, but Sterling Ranch was to provide water from its own District, and wastewater from another County-approved Metro District (Meridian Ranch).

4. In the past few months ownership has changed from Arroya investments and Timberridge Estates, to Timberridge Estates and Timberridge Development Company located at Classic Companies address on Corporate Drive. Classic was the Stated Contract Purchaser for the PUD.

5. The configuration for the Metro District boundaries has changed slightly from the initial configuration and what was approved for the PUD.

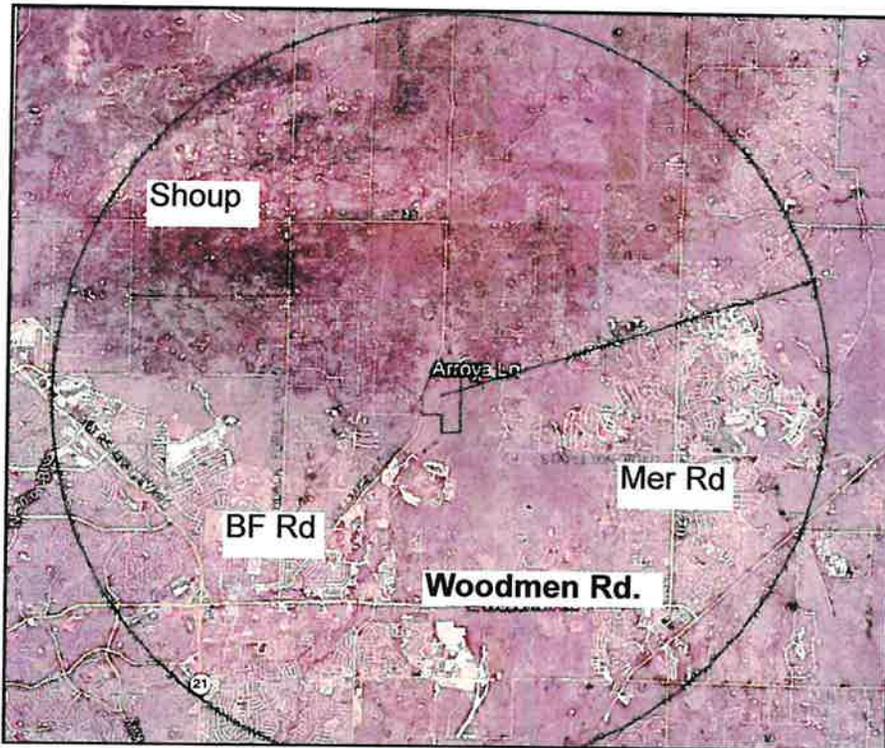
6. The phasing has changed significantly in the past 16 months from what was approved for the PUD.

7. The original draft Metro District boundary in 2017 included a modest extraterritorial piece of about 50 acre adjacent to Arroya Lane and Vollmer Rd. This also was in the adopted BoCc Resolution as an Exhibit.



8. The extraterritorial configuration requested bears no resemblance to what was approved for the PUD (about 50 acres in the PUD resolution). Developer is now requesting a circle ten miles in diameter, nearly half of which includes the timbered area of Black Forest as

What is the reason for such a huge area which overlaps other PUDs and other Metro Districts up Black Forest and Falcon when the Districts claim they do not plan to provide services to areas outside the initial boundaries (page 12 #3 Extraterritorial Service areas?)



Requested Extraterritorial Map on page 49 of staff report

9. On page 8 "It is not determined yet whether or not, or to what extent, the districts intend to join the El Paso County Water Authority following formation."

What is the stumble with this?.

10. On page 16 the illustrated Mill levy total does not also include an illustration with D-20 which has a mill levy of 60.216 mills compared to D-49 of 42.044 mills.

The illustration with D-49 concludes the tax mill total is 130.164 mill, but in D-20 it would be 148.336 mills - among the highest in El Paso County. This >2x the rate outside of the Districts.

MAJOR CONCERNS

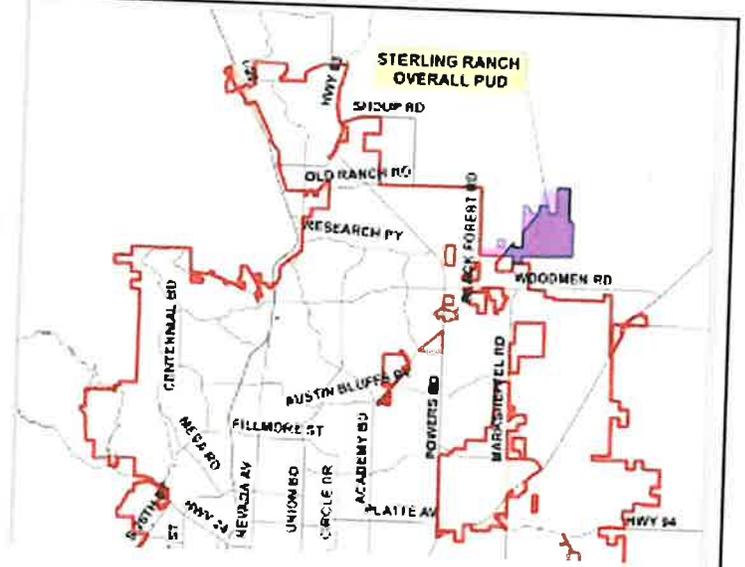
1. The July 23, 2019 City Council Resolution for an Interim one-year wastewater agreement with Sterling Ranch (initial 287 homes - 700 cap) with requirement to begin annexation submittal within 90 days of wastewater hookup.

Key Agreement Terms (copied from 7-23-2019 CSU power pt)

- Short term special contract for wastewater service with Sterling Ranch Metropolitan District for 287 lots for one year, with renewal options**
- District will be required to cause owners of property within the Sterling Ranch Master Plan area to submit petition for annexation in a form acceptable to the City within 90 days of connecting to Utilities' wastewater system**
- District to pay outside City development charge for 3" connection and pay outside City special contract rates for wastewater**
- Compliance with applicable City/Utilities' resolutions, codes, ordinances, regulations and policies related to annexation and utility service**
- Construction of all public improvements in accordance with City standards and requirements for public improvements built after execution of special contract**

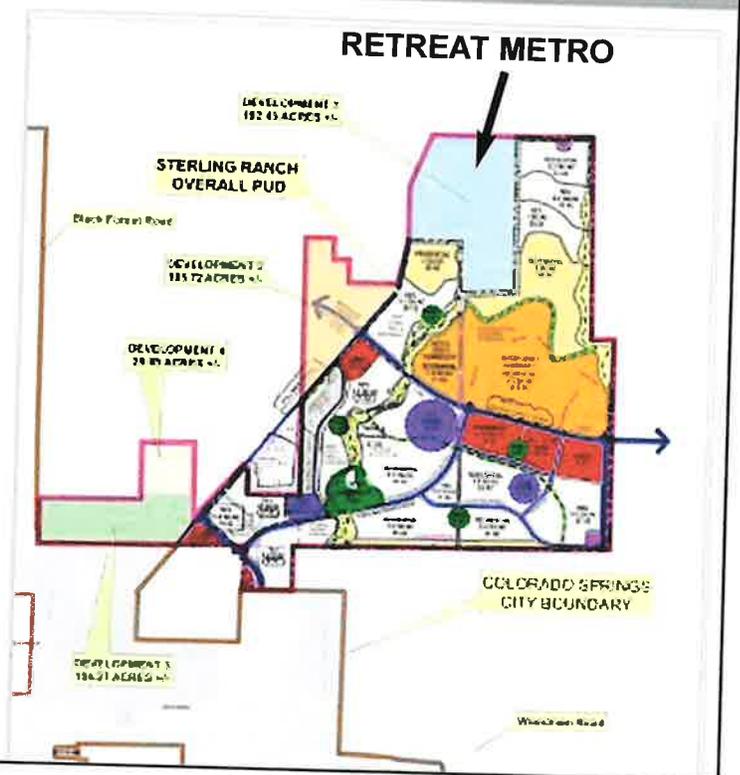
Figures are from CSU Power Point to City Council
07-23-2019

Sterling Ranch General Location Map



Sterling Ranch Map

RETREAT METRO
(DISTRICT)
label added
(Four added
parcels besides
Sterling) shown
one annexation
map.



See article in *The Independent* by Pam Zubeck on p8 of July 31- Aug 6 issue entitled "Borderlines" on this action by the City.

1. What effect will this recent City Decision and the unknowns of Sterling Metro's Actions have on County Master Planning Effort and planned Annexation discussions with the City.

The Retreat Metro District is entirely dependent on Sterling Ranch for water and wastewater. This is not recognized in the Aug 12, 2018 Staff Report and not Disclosed in the Aug 1 Letter of Intent

2. The 10 mile diameter (5 mile radius) Extraterritorial Boundary Map is totally unacceptable and not in conformity with the *Black Forest Preservation Plan* community vision which is for 5 acre tracts in the Timbered Area, 2.5 acre tracts in the non-timbered area, careful approval of Metro Districts and not using PUD to encourage urbanization.

"BFPP 9.11 Discourage the construction of large centralized water and sewer systems in rural residential areas to avoid direct or indirect growth-inducement."

This giant Extraterritorial area puts much of Black Forest at risk of growth inducement. Especially:

- Vollmer Road corridor with the Cherokee Water Tank and Line,**
- Section 16,**
- the Pineries Open Space**
- Also Black Forest Regional Park.**

Any extraterritorial area in the Service Plan should be small and immediately adjacent to the initial District Boundary, such as what has already been approved in the PUD resolution, They state they have no plans to expand, so why is this needed?

3. The applicant wants to form two Districts for a very small project. This is contrary to County policy on Proliferation of Districts and is argued for by vague generalities.

4. Why is the number of homes 193 instead of 205 per the Preliminary Plan?

5. The combination of:

- extremes of a four year buildout, (for 193 homes apparently 163 of which are on urban lots <20,000 sf),**
- a 65 mill levy which requires a waiver to exceed the maximum of 60 mills allowed by the County, (very expensive)**
- a 30 year bond payoff period is predicated on everything going exactly as planned,**
- no setbacks and not much wiggle room...**

These in light of:

*** admission in the Letter of Intent that costs are likely to be higher than estimated due to factors beyond the developers' control...**

is reason to table this for

- less haste,**
- further study,**
- perhaps wait until results/effects of the Interim Wastewater Deal of Sterling Ranch with CS are known.**
- allow time for EPC Master Plan to develop**

Staff report Critique

EXECUTIVE SUMMARY p-1-2

A request by TimberRidge Development Group, LLC, and TimberRidge Estates, LLC, for approval of a Colorado Revised Statutes Title 32 Special Multiple District service plan for Retreat Metropolitan Districts Nos. 1 and 2. The proposed Districts are located north of the proposed Briargate-Stapleton corridor, east of Vollmer Road and adjacent to Arroya Lane and within Sections 21, 22, 27, and 28, Township 12 South, Range 65 West of the 6th P.M. The applicants are proposing the following: a maximum debt authorization of \$14.5 million, a debt service mill levy of 50 mills, an operations and maintenance mill levy of 10 mills, and 5 mills for covenant enforcement. The proposed maximum combined mill levy is 65 mills. The Special District Policy III.F.2 states: The statutory purposes of the proposed Districts include: 1) water and sewage disposal services, 2) street improvements, transportation and safety protection; 3) design, construction, and maintenance of drainage facilities; 4) design, acquisition of land, construction, and maintenance of recreation facilities; 5) mosquito control; 6) covenant enforcement, 7) television relay and translation, and 8) security services. Properties within the boundaries of the proposed Districts are included within the Black Forest Preservation Plan (1987).

REQUEST/WAIVERS/AUTHORIZATION p. 3

Request: A request for approval of a Colorado Revised Statute Title 32 Multiple Special District service plan for Retreat Metropolitan Districts Nos. 1 and 2. The applicant is proposing the following: a maximum debt authorization of \$14.5 million, a debt service mill levy of 50 mills, an operations and maintenance mill levy of 10 mills and 5 mills for covenant enforcement, and a maximum combined mill levy of 65 mills,.

Cond 1 p 3

1. As stated in the proposed service plan, the maximum combined mill levy, including mills for debt service, operations and maintenance, and covenant enforcement shall not exceed 65 mills for any property within the Districts, with no more than 50 mills devoted to debt service, no more than 10 mills devoted to operations and maintenance, and no more than 5 mills for covenant enforcement until and unless the Districts receive Board of County Commissioner approval to increase the maximum mill levies.

Cond 4 - p 4

As stated in the attached Service Plan, any future annexation of territory by the Districts (any territory more than five (5) miles from any District boundary line) shall be considered a material modification of the amended Service Plan and shall require prior Board of County Commissioners' approval.

Why is the extraterritorial are so large?

Should not any future annexation of territory be required to be contiguous to the approved boundary?

Because of the presence of the Cherokee Water line within the Retreat and in close proximity to the Retreat Metro District Territory, the possibility of annexation to Colorado Springs,

and the impact of urbanization enabled by Metro District IGA's on the Black Forest, and the current ongoing Master Planning Process the 5 -mile extraterritorial boundart is totally inappropriate.

Addition to Notations

Suggested Addl disclosure - addl condition

Disticts shall provide a disclosure form to future purchasers of property regarding the status of the IGA with Sterling Metroplitan district(s) per 1.

1. The Intermin Watewater agreemen with Colorado Springs Utilitiies per the July 2 2019

Resolution by Colorado Springs City Council

2. Additional fees which may result from this IGA and its consequences

whether from Colorado Springs utilities or Meridian Ranch Metropolitan District

3. the status of possible annexation by the City of Colorado Springs and associated costs.

page 5

June 29, 2017, the applicant submitted an application for approval of a Colorado Revised Statutes Title 32 Special District service plan for multiple metropolitan districts. Multiple reviews of the service plan were completed by staff since the June 2017 submittal date. On July 29, 2019, the applicants submitted the service plan as requested, which includes all of the same statutory purposes as included within the service plan.

How is Major Issue defined and determined?

F. STATUS OF MAJOR ISSUES p 5

No major issues remain with the proposed service plan. The service plan is consistent with the Board of County Commissioners' June, 2007, Special District Policies and with the requirements for use of a Multiple District Model

Service Plan. The applicants have sufficiently addressed all of the issues identified by staff through the review and resubmittal process.

How were these evaluated and by whom?

page 6

III. District is capable of providing economical and sufficient service Pursuant to the analysis and conclusions of the Districts' financial plan, a summary of which is included as Exhibit D of the service plan, the Districts propose to provide services within the service area in an economic and sufficient manner.

IV. Financial ability to discharge proposed indebtedness

The Districts' financial plan indicates that the Districts would have the ability to discharge the proposed indebtedness. It is important to note

that the plan relies upon a development build-out schedule of 193 total lots with 37 being developed in 2020, 54 lots in 2021, 58 lots in 2022, and 44 lots in 2023.

Discretionary Findings page 6

I. Adequate service is not or will not be available through other sources

The proposed services can be provided without new Districts being created. The developer could construct the necessary infrastructure (roadways, sidewalks, drainage facilities, open space areas, etc.) and create a homeowners association that would be responsible for the ongoing maintenance of the open space areas and permanent water quality/detention ponds, as well as covenant enforcement. Staff does acknowledge, however, that the desire to secure upfront financing to construct the proposed infrastructure and the need to generate ongoing funds to support maintenance efforts and covenant enforcement are traditional reasons for forming special districts.

First Sentence possibly true if all were RR2.5

Urban density triggers need for water, sewer, and drainage costs.

II. Facility and service standards compatible

Any public facilities to be constructed and dedicated to El Paso County will need to meet the applicable El Paso County standards.

Potential Annexation per CSU map suggest that facilities and service standards should also meet CSU Standards - potential added costs.

III. Compliance with master plan p 7

A finding of general conformity with the El Paso County master plan, including the El Paso County Policy Plan (1998) and the Black Forest Preservation Plan (1987), was made by the Board of County Commissioners with approval of the Retreat at TimberRidge PUD Development Plan and Preliminary Plan. The trails addendum to the Black Forest Preservation Plan shows a regional trail corridor through the property. The Sand Creek Regional trail is depicted on the approved Retreat at TimberRidge PUD development plan and preliminary plan. IV. Compliance with water quality management plan Section 3.6, Wastewater Treatment Facilities, of the Pikes Peak Area Council of Government's Water Quality Management Plan 2010 Update, states "If it is economically feasible wastewater service will be provided in regional and sub regional publicly owned wastewater treatment facilities, and small privately owned facilities will be avoided." The applicant is proposing for wastewater treatment to be provided by individual onsite wastewater treatment systems for the rural lots at

EPC Master Plan currently being changed. The annexation implications create extra issues with planning all of the Sand Creek Valley areas.

sizes of 2.5 acres or larger. The Land Development Code allows for onsite wastewater treatment systems to be utilized when densities are less than one (1) dwelling unit per 2.5 acres. **A central water and wastewater provider is proposed to serve the urban lots less than 2.5 acres within the development. The applicant provided a commitment letter from the Sterling Ranch Metropolitan District for both central and wastewater services at the time of the preliminary plan approval.**

In the best interests of the area to be served

2. COMPLIANCE WITH 2007 SPECIAL DISTRICT POLICIES

IV. Applicants responsible for meeting time lines

The applicant submitted the service plan application in a timely manner, sufficient enough to allow staff adequate time to properly review the application.

The CSU agreement with Sterling Ranch was made public on July 23, 2019. there is no mention of this in the Staff report which is dated 8-12-2019. There was adequate time for Staff to include the CSU Interim Wastewater agreement with Sterling Metro, upon which the IGA with Retreat Metro Districts is

(EPC County Attorney's Office Applicant - Please upload the April 12th commitment letter from the District and the IGA between TimberRidge Metro District and Sterling Ranch Metro District (referred to in SEO's letter dated May 13, 2019). Thank you. EDARP 6-26-2019)

V. Limiting proliferation of districts

Approval of this service plan will allow for the creation of two (2) new Title 32 Special Districts. The creation of the proposed Districts will not result in service provision redundancy in the area. There are no other Districts within the project area boundary. The Sterling Ranch Metropolitan Districts service area lies to the east and south of this development. An Intergovernmental Agreement between the Sterling Ranch District and the proposed Retreat Special District for water and wastewater services is anticipated. The applicants are proposing to include covenant enforcement authority as a purpose of the districts, which would be geographically limited to only those properties located within the Districts' boundaries.

This proposal for two new Metro Districts does appear to proliferate districts. Sterling Ranch is adjacent, this is a small project 5% the size of Sterling Ranch, and 3% of the SR Sketch plans projected housing units.

VII. Address potential for annexation p. 8

The boundaries of the proposed districts are not within proximity to any municipality for annexation. The Sterling Ranch Metropolitan District's service area lies to the east and south of this development. An Intergovernmental Agreement between the Sterling Ranch District and the proposed Retreat Metropolitan District for water and wastewater services is anticipated.

Non-disclosure of the Sterling Ranch Interim Wastewater agreement with CSU and cost impacts and annexation potential..

IX. Mill Levy Caps p. 9

The applicant is requesting approval of a maximum combined mill levy cap of 65 mills, including 50 mills for debt service, 10 mills for operations and maintenance, and 5 mills for covenant enforcement. A maximum combined mill levy cap of 65 mills is consistent with the adopted Board of County Commissioners policies, which identify 65 mills as being the maximum combined mill levy cap with an additional Special Purpose Mill Levy of 5 mills being included for covenant enforcement.

This is an extreme mill levy for such a small project. Since it is at the maximum, there is no easy recourse if revenue falls short.

X. Master Districts page 10

The 2007 County Special District Policies discourage the use of master districts in favor of options for single or multiple districts without a control district. The proposed service plan, however, does propose to use the master district configuration. The applicant's intent and stated benefits for proposing the multiple districts with control district configuration are included immediately below in the "Multiple Districts" section of this report. It should be noted that the County Policies recommend the creation of a Board of County Commissioners appointed Citizen Advisory Council (CAC) when the proposed configuration includes a master district. The purpose of creating a CAC is to allow the residents within the District more of a "formal role in the affairs of the Controlling Board of Directors." The proposed service plan allows for the creation of a CAC and states that "If required at a subsequent date by the Board of County Commissioners, the Districts will cooperate with the County in the formation of a Citizens Advisory Council appointed by the Board of County Commissioners consisting of five (5) property owners within the boundaries of the Financing Districts."

Why isn't a single District used at the beginning. Says later that the two districts could be consolidated later.

The applicant states that the two-district configuration is the minimum necessary to facilitate phased development of the Retreat at TimberRidge development and to provide "(a) coordinated administration of construction and operation of public improvements and delivery of those improvements in a timely manner; and (b) assurance that improvements required by the County are constructed in a timely and cost-effective manner."

Black Forest Trails Association Thank you for the opportunity to review and comment on Retreat at TimberRidge Filing No. 1

5. PARKS AND RECREATION

The approved preliminary plan identifies 28.58 acres of open space. The

proposed Retreat Metropolitan District is anticipated to own and maintain the open space, drainage, non-regional trail corridors and utility tracts with exception to the regional trail corridor. The El Paso County Community Services Department, Parks Division, had requested the applicants provide a

25-foot trail corridor easement for the Sand Creek Regional Trail, which is depicted on the approved preliminary plan. The County is anticipated to maintain the regional trail. The regional trail is anticipated to connect to the Sterling Ranch open space to the

The Letter of Intent states "... an El Paso County regional multi-use trail (10' wide gravel) will be provided along the west side of Sand Creek and the south side of Arroya Lane within a 25' trail easement". However, the trail easements are not drawn on the Final Plat. EDARP 05-09-2019

south via the Sand Creek Channel Greenway. A trail easement has also been depicted along the south side of Arroya Lane. As depicted on the preliminary plan, internal trails are anticipated to provide connections from areas planned for urban lots to the regional trail corridor.

The trails “depicted” are not on the Preliminry Plan in this Staff document for the Metro Districts, Note the the Black Forest Trails Association also noted they were not in the filing 1 plan either.

I. RELATIONSHIPS TO OTHER DISTRICTS OR MUNICIPALITIES p. 11

The districts anticipate entering into an intergovernmental agreement with the Sterling Ranch Metropolitan District for water and wastewater services to serve the urban lots within the development that are proposed to be less than 2.5 acres.

Not up to date per the potential for Annexation and Sterling Ranch interim Wastewater Agreement with CSU.

J. SCHOOL DISTRICT IMPACTS OR CONCERNS

The development is within both Falcon School District No. 49 and Academy School District No. 20. Both districts were sent a request for referral for the proposed service plan. No comments have been received to date.

How can this be approved without input from School Districts?

**Letter of Intenet Revised Aug 1 2019
(original LOI was from Developer in May - Redlined)**

The initial District boundary includes approximately 227 acres of land. Ultimately the District is anticipated to consist of approximately 193 single-family residential units with no commercial development currently planned. The number of anticipated homes remains an estimate and may be altered **depending on the final outcome of the development approval process.** The Retreat Property lies entirely within the boundaries of El Paso County, Colorado (the “County”).

pp 13-14

We respectfully request consideration of the District on the next possible public hearing of the Board of County Commissioners (the “Board”) of the County in order to meet the requirements of a formation election in November of 2019.....

Cost estimates for the proposed public improvements were generated by

Developer representatives, with the assistance of consultants Classic Engineering, who have experience in the completion of similar improvements; it should be noted, ***though, that such costs estimates are preliminary in nature August 1, 2019 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.***

This appears to be very rushed in the context of all the changes that are currently happening with Sterling Ranch mtrd with unknown consequences, the vagueness of possible increased costs, and the very short time projection of 4 years to buildout.

. 15

Consistent with the proposed Service Plan, the Developer and the District intend to work with applicable service providers to obtain the necessary consents and/or approvals (as necessary) for the provision of necessary public services to the District including, but not limited to, water, wastewater/sewer and fire protection services.

Additionally, the Developer and the District 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 District.

How do these projections and estimates resolve with the PUD, the Preliminary Plan per acres, dwelling units, phasing, timeframe and number of homes built in each phase? This contracted 4-year buildout and the phasing is quite different from the approved PUD of 3-27-2018.

Service Plan Letter of Intent.....

c. 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;

d. The area to be 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 rules and regulations.

e. The proposed service plan shall be consistent with applicable elements of the

The Retreat Metro District is dependent upon Sterling Ranch Mtrd District(s). It does not have its own water and wastewater facilities/infrastructure (i.e. well and wastewater treatment). the projected mill levy is very high (65 mills)

El Paso County Master Plan and Special District Policies.

p.16

- The initial estimated cost of the public improvements needed for the project is \$11,500,000. The foregoing 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 (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall costs.
- Public Improvements need additional financing from the District to complete.

Prior approvals for this project were very specific and there are letters of Commitment for Sterling Ranch for all water/wastewater services.

Are these vested with prior approvals?

Have the projections contained in this proposal been analyzed by any third-party experts? Who in El Paso County Departments has scrutinized these?